

PRINCIPAL FINANCIAL GROUP INC

Form DEF 14A

April 01, 2004

**Table of Contents**

OMB APPROVAL

OMB Number:	3235-0059
Expires:	February 28, 2006
Estimated average burden	
hours per response	12.75

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

PRINCIPAL FINANCIAL GROUP, INC.

---

(Name of Registrant as Specified In Its Charter)

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

---

2) Aggregate number of securities to which transaction applies:

---

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

---

4) Proposed maximum aggregate value of transaction:

---

5) Total fee paid:

---

o Fee paid previously with preliminary materials.

---

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

---

2) Form, Schedule or Registration Statement No.:

---

3) Filing Party:

---

4) Date Filed:

---

SEC 1913 (02-02)

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

---

**Table of Contents**

April 1, 2004

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders of Principal Financial Group, Inc., to be held on Tuesday, May 18, 2004, at 9:00 a.m., local time, at 711 High Street, Des Moines, Iowa.

The notice of annual meeting and proxy statement accompany this letter and provide an outline of the business to be conducted at the meeting. Also, I will report on the progress of the Company during the past year and answer shareholder questions.

We encourage you to read this proxy statement and vote your shares. You do not need to attend the annual meeting to vote. You may complete, date and sign the enclosed proxy card and return it in the envelope provided, or vote by proxy using the telephone or via the Internet. Thank you for acting promptly.

Sincerely,

J. BARRY GRISWELL  
*Chairman, President and Chief Executive Officer*

---

**Table of Contents**

**PRINCIPAL FINANCIAL GROUP, INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**May 18, 2004**

---

The annual meeting of shareholders of Principal Financial Group, Inc. (the Company) will be held at 711 High Street, Des Moines, Iowa, on Tuesday, May 18, 2004, at 9:00 a.m., local time. The purposes of the meeting are to:

1. Elect four directors, each for a term of three years ending at the annual meeting to be held in 2007 or until their respective successors are elected and qualified;
2. Ratify the appointment of Ernst & Young LLP as the Company's independent auditors for the year ending December 31, 2004;
3. Approve the Company's annual incentive plan; and
4. Act on any other business as may properly come before the meeting.

Shareholders of record at the close of business on March 19, 2004, are entitled to vote at the meeting. It is important that your shares be represented and voted at the meeting. Whether or not you plan to attend the meeting, please vote in one of the following ways:

By telephone, by calling the toll-free telephone number shown on the proxy card;

Through the Internet, by visiting the website noted on the proxy card; or

By completing, signing and promptly returning the enclosed proxy card in the enclosed postage-paid envelope.

By Order of the Board of Directors  
-s- Joyce N. Hoffman  
JOYCE N. HOFFMAN  
*Senior Vice President and Corporate Secretary*

April 1, 2004

---

**TABLE OF CONTENTS**

<u>Voting Procedures And Security Ownership</u>	1
<u>Proposal One Election Of Directors</u>	3
<u>Governance Of The Company</u>	6
<u>Compensation Of Directors</u>	11
<u>Audit Committee Charter And Report</u>	13
<u>Proposal Two Ratification Of Appointment Of Independent Auditors</u>	14
<u>Proposal Three Approval of Annual Incentive Plan</u>	16
<u>Security Ownership Of Certain Beneficial Owners And Management</u>	19
<u>Executive Compensation</u>	21
<u>Annual Report On Form 10-K</u>	38
<u>Other Matters</u>	38
<u>Delivery Of Documents</u>	38
<u>Shareholder Proposals For 2005 Meeting</u>	39
<u>Appendix A Audit Committee Charter</u>	A-1
<u>Appendix B Annual Incentive Plan</u>	B-1



**Table of Contents**

**PROXY STATEMENT**

**PRINCIPAL FINANCIAL GROUP, INC.**

**711 HIGH STREET  
DES MOINES, IOWA 50392-0100**

**VOTING PROCEDURES AND SECURITY OWNERSHIP**

**General Information**

The accompanying proxy is solicited by the Board of Directors of Principal Financial Group, Inc. (the Company) in connection with the annual meeting of shareholders of the Company to be held on Tuesday, May 18, 2004, at 9:00 a.m., local time, at 711 High Street, Des Moines, Iowa, and at any adjournment or postponement thereof (the Annual Meeting). This proxy statement, the enclosed proxy card and the enclosed Annual Report for 2003 were first sent to shareholders on or about April 1, 2004.

The Company became a publicly-held company effective October 26, 2001, upon the completion of the conversion of Principal Mutual Holding Company from a mutual insurance holding company to a stock company and the initial public offering of shares of the Company's common stock (Common Stock) under the terms of the Plan of Conversion (the Plan of Conversion). This process is sometimes referred to in this proxy statement as the Demutualization. The Company is the ultimate parent of Principal Life Insurance Company (Principal Life).

**Voting Rights**

Only shareholders of record at the close of business on March 19, 2004 (the Record Date), are entitled to notice of, and to vote at, the Annual Meeting. As of the Record Date, there were approximately 320,810,848 shares of Common Stock outstanding. Each share outstanding on the Record Date is entitled to one vote on each matter to be voted on at the meeting.

A plurality of the shares voting is required for the election of directors. Approval of the other matters before the meeting will require the affirmative vote of the holders of a majority of the shares represented at the meeting and voting on the matter. No votes may be taken at the meeting, other than a vote to adjourn, unless a quorum has been constituted consisting of the representation of one-third of the outstanding shares as of the Record Date. Proxies marked as abstaining and proxies containing broker non-votes on any matter to be acted upon by shareholders will be treated as present at the meeting for the purpose of determining a quorum but will not be counted as shares voting on such matters. Votes will be tabulated under the supervision of Mellon Investor Services, LLC, which has been designated by the Board of Directors to act as inspector of the election.

**Voting of Proxies**

Your proxy is solicited by the Board of Directors of the Company for use at the Annual Meeting and all valid proxies will be voted. Except to the extent that contrary instructions are given by shareholders in the places provided in the proxy, it is the intention of the persons named in the proxy to vote for each of the nominees for the Board of Directors, for the ratification of the appointment of Ernst & Young LLP as the Company's independent auditors, and for the approval of the annual incentive plan. A proxy may be revoked at any time prior to its use. Such revocation may be made in person at the Annual Meeting, by a notice in writing delivered to the Corporate Secretary of the Company or by a proxy bearing a later date.

Subject to the limitations described below, shareholders may vote by proxy as follows: (i) by using a proxy card, (ii) by telephone, or (iii) through the Internet. When voting using any of these methods, as to the election of directors, you may (a) vote for all of the director nominees as a group, (b) vote for all of the director nominees as a group, except those nominees whose names you specify, or (c) withhold your vote from all nominees as a group. As to the other proposals, you may vote for or against the item or abstain from voting. If you properly vote by proxy by any of the methods described herein but do not specify any choices,

**Table of Contents**

you will thereby confer authority upon the persons named as proxies to vote your shares in their discretion. A proxy also confers discretionary authority on these individuals to vote your shares on any matter that was not known on the date of this proxy statement but is properly presented at the Annual Meeting, including voting on the election of any substitute nominees selected by the Board of Directors in the event any nominees are unable or decline to serve.

The expense of proxy solicitation will be borne by the Company. Depending upon the response to the initial solicitation, proxies may be solicited in person or by mail, telephone, electronic mail or facsimile by officers or regular employees of the Company. The Company has also retained Georgeson Shareholder as an agent to assist the solicitation. The Company estimates that the cost of such assistance will be approximately \$8,000, plus reimbursement of certain out-of-pocket expenses. The Company will reimburse brokers and others for expenses they incur in forwarding proxy materials to you.

**Voting by Proxy Card**

Shareholders of record as of the Record Date may vote by proxy by using a proxy card. When you return a proxy card that is properly signed and completed, the shares of Common Stock represented by the proxy will be voted as you specify on the proxy card.

**Voting by Telephone or Through the Internet**

If you are a registered shareholder as of the Record Date (that is, you own shares of Common Stock in your own name and not through a broker, nominee or in some other street name capacity), you may, as an alternative to voting by mail, vote via the telephone or Internet (please see the accompanying instructions on how to access the telephone and Internet voting systems). If you hold shares of Common Stock in street name as of the Record Date, your broker or other nominee will advise you whether you may vote by telephone or through the Internet as an alternative to voting by mail.

**Voting Shares Held in Company Plans**

Shares of Common Stock held in The Principal Select Savings Plans are held of record and are voted by the trustees of the respective plans. Participants in these plans may direct the trustees as to how to vote shares allocated to their accounts. A participant may give voting instructions by completing the voting instruction card, or by following the directions concerning voting instructions by telephone or through the Internet. The trustees of these plans will vote shares as to which they have not received voting instructions as the trustees determine in their sole discretion.

**Voting Shares Held in Demutualization Separate Account**

In connection with the Demutualization, the Company issued shares of Common Stock to a separate account which Principal Life established to fund policy credits received as Demutualization compensation by certain qualified employee benefit plans that own group annuity contracts issued by Principal Life. Although these shares are held of record and will be voted by Principal Life, the plans may direct Principal Life how to vote shares allocated to plan accounts. A plan may give voting instructions by completing the voting instruction card that accompanies this proxy statement, or by following the directions concerning voting instructions by telephone or through the Internet. Principal Life will mirror vote separate account shares as to which it has not received direction. This means that Principal Life will vote the shares as to which it has not received direction in the same proportion for, withhold, against or abstain as the shares in the Demutualization separate account for which it has received instructions.

**Stock Held by Brokers, Banks and Nominees**

If you plan to attend the Annual Meeting, please bring evidence of your ownership of Common Stock as of the Record Date, March 19, 2004. A letter from your broker or bank or a photocopy of a current account statement will be accepted as evidence of ownership.



**Table of Contents**

**Conduct of the Meeting**

In order to ensure that the Annual Meeting is conducted in an orderly fashion and that shareholders wishing to speak at the meeting have a fair opportunity to speak, we will have certain guidelines and rules for the conduct of the meeting.

**The Board of Directors urges you to exercise your right to vote by returning the enclosed proxy card, by using the telephone or through the Internet.**

**PROPOSAL ONE ELECTION OF DIRECTORS**

The Board of Directors of the Company (the Board) is divided into three classes. One class is elected each year to hold office for a term of three years. At the Annual Meeting, four directors are to be elected to hold office until the annual meeting of shareholders to be held in the year 2007, Class III Directors. All of the nominees are currently directors of the Company. There is no cumulative voting, and the four nominees receiving the most votes will be elected by a plurality. The remaining directors of the Company, whose terms expire in the year 2005 (Class I Directors) or the year 2006 (Class II Directors), will continue to serve in accordance with their previous election. Victor H. Loewenstein, who has served as a director of the Company since it was formed in 2001 and of Principal Life since 1991, will retire from the Board at the time of the Annual Meeting.

Unless authority is withheld by the shareholder, it is the intention of the persons named in the enclosed proxy card to vote for the nominees listed and, in the event any nominees are unable or decline to serve, to vote for the balance of the nominees and for any substitutes selected by the Board. The name, age, principal occupation and other information concerning each current director standing for re-election and each nominee are set forth below.

**The Board of Directors recommends that shareholders vote for all the nominees.**

***Nominees for Class III Directors for Terms to Expire in 2007.***

***David J. Drury, 59***

David J. Drury has been a director of the Company since 2001, and of Principal Life since 1993. Prior to January 2002, he was Chairman of the Company since April 2001, and Chairman of Principal Life since January 2000. Prior to 2000, Mr. Drury was Chairman and Chief Executive Officer of Principal Life from 1995 to 1999. He is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. He is a member of the Executive Committee of the Board. Mr. Drury was named to the Board as a member of management.

***C. Daniel Gelatt, 56***

C. Daniel Gelatt has been a director of the Company since 2001, and of Principal Life since 1988. Mr. Gelatt has been President of NMT Corporation, a computer software and microfilm service business, since 1986. He serves as Presiding Director of the Board and as a member of the Executive and Human Resources Committees of the Board. During 2003, Mr. Gelatt was the Chair of the Board Affairs and Governance Committee, which is no longer in existence as of January 1, 2004. The duties of the Board Affairs and Governance Committee were transitioned to the Nominating and Governance Committee and the Human Resources Committee on January 1, 2004. Mr. Gelatt was referred to the Nominating Committee of Principal Life as a director candidate through one of the Company's insurance agents.

***Sandra L. Helton, 54***

Sandra L. Helton has been a director of the Company and Principal Life since 2001. Ms. Helton has been Executive Vice President and Chief Financial Officer of Telephone & Data Systems, Inc., a diversified telecommunications corporation, since 1998. She is a director of Telephone & Data Systems, Covance, Inc., a contract vendor to pharmaceutical companies, and U.S. Cellular Corporation, a wireless telecommunications company. She is a member of the Audit Committee of the Board. Ms. Helton joined the Board as a result of a search by a third party search firm.



**Table of Contents**

***Federico F. Peña, 57***

Federico F. Peña has been a director of the Company since 2001, and of Principal Life since 1999. Mr. Peña has been Managing Director of Vestar Capital Partners, an investment firm specializing in management buyouts, recapitalizations and growth capital investments, since 2000. He served as Vestar's Senior Advisor from 1998-2000. Prior to joining Vestar, Mr. Peña was Secretary of the U.S. Department of Energy from 1996-1998. He is a director of four mutual funds in the Marsico Funds family of mutual funds, Valor Communications, a telecommunications company, and Sonic, Inc., a franchiser of drive-in restaurants. He is a member of the Nominating and Governance Committee of the Board. Mr. Peña joined the Board through a search conducted by Principal Life's Nominating Committee.

***Continuing Class I Directors Whose Terms Expire in 2005***

***Betsy J. Bernard, 48***

Betsy J. Bernard has been a director of the Company since 2001, and of Principal Life since 1999. Ms. Bernard was President of AT&T from October 2002 until December 2003. Prior to October 2002, she was Chief Executive Officer of AT&T Consumer since April 2001 and Executive Vice President National Mass Markets of Qwest Communications, formerly US WEST, from July 2000-January 2001. Prior to July 2000, she was Executive Vice President Retail Markets of US WEST from August 1998-July 2000. Ms. Bernard is a director of United Technologies Corporation, a provider of products and services to the building and aerospace industries. She is the Chair of the Nominating and Governance Committee of the Board. During 2003, Ms. Bernard was a member of the Board Affairs and Governance Committee, which is no longer in existence as of January 1, 2004.

***Jocelyn Carter-Miller, 46***

Jocelyn Carter-Miller has been a director of the Company since 2001, and of Principal Life since 1999. Ms. Carter-Miller is currently President of TechEdventures, a firm that develops and manages charter schools and community-based programs. Ms. Carter-Miller was Executive Vice President and Chief Marketing Officer of Office Depot, Inc. from February 2002 until March 2004. Prior to that time, Ms. Carter-Miller was Corporate Vice President and Chief Marketing Officer of Motorola, Inc. from February 1999 until February 2002. She is a member of the Audit Committee of the Board.

***Gary E. Costley, 60***

Gary E. Costley has been a director of the Company and Principal Life since 2002. Mr. Costley has been Chairman and Chief Executive Officer of International Multifoods Corporation, a manufacturer and marketer of branded consumer food and foodservice products in North America, since November 2001. He was Chairman, President and Chief Executive Officer of International Multifoods from 1997-2001. He is a director of International Multifoods and Pharmacoopia, Inc., a firm specializing in technology-based products and services that improve and accelerate drug discovery and chemical development. Mr. Costley is a member of the Human Resources Committee of the Board.

***William T. Kerr, 62***

William T. Kerr has been a director of the Company since 2001, and of Principal Life since 1995. Mr. Kerr has been Chairman and Chief Executive Officer of Meredith Corporation, a media and marketing company, since January 1998. He is a director of Meredith, Maytag Corporation, a manufacturer of household appliances, and Storage Technology Corporation, a manufacturer of information storage and retrieval devices. Mr. Kerr is Chair of the Human Resources Committee and a member of the Executive Committee of the Board. During 2003, Mr. Kerr was a member of the Board Affairs and Governance Committee, which is no longer in existence as of January 1, 2004.

**Table of Contents**

***Continuing Class II Directors Whose Terms Expire in 2006***

***J. Barry Griswell, 55***

J. Barry Griswell has been Chairman, President and Chief Executive Officer of the Company and Principal Life since 2002, a director of the Company since 2001, and a Principal Life director since 1998. Prior thereto, he had been President and Chief Executive Officer of the Company since April 2001, and President and Chief Executive Officer of Principal Life since January 2000. Prior to January 2000, Mr. Griswell was President of Principal Life from 1998-2000. He is a Chartered Life Underwriter, a Chartered Financial Consultant and a LIMRA Leadership Institute Fellow. He is Chairman of the Board and Chair of the Executive Committee of the Board.

***Charles S. Johnson, 66***

Charles S. Johnson has been a director of the Company since 2001, and of Principal Life since 1995. Mr. Johnson is the retired Executive Vice President of E. I. du Pont de Nemours and Company, a chemical company, a position he held in 1999. Prior to his position with DuPont, he was Chairman, President and Chief Executive Officer of Pioneer Hi-Bred International, Inc., an agricultural seed company, from December 1996-1999. Mr. Johnson is a member of the Human Resources Committee of the Board.

***Richard L. Keyser, 61***

Richard L. Keyser has been a director of the Company and Principal Life since 2002. Mr. Keyser has served as Chairman and Chief Executive Officer of W.W. Grainger, Inc., an industrial distributor of products used by businesses to maintain, repair and operate their facilities, since 1997. Mr. Keyser is also a director of Rohm and Haas Company, a chemical company. Mr. Keyser is a member of the Nominating and Governance Committee of the Board.

***Arjun K. Mathrani, 59***

Arjun K. Mathrani has been a director of the Company and Principal Life since 2003. Mr. Mathrani teaches courses in Finance and Banking at New York University's Stern School of Business, at St. John's University, New York, and at Cambridge University's Judge Institute of Management. In 1998, Mr. Mathrani was the Chief Executive Officer of ING Barings in London. He retired from Chase Manhattan Bank in 1997 where he served as Chief Financial Officer between 1994 and 1997. Between 1991 and 1994, Mr. Mathrani was Chase's Corporate Treasurer. Mr. Mathrani served in a number of senior international positions with Chase, including Head of Latin American Corporate Banking (1988-1991), Country Manager for Korea (1984-1988), Senior Credit Executive for Latin America (1979-1984), Credit Officer for Brazil and Argentina (1978-1979), and as founder of Chase's Country Risk Management Program in 1976. He is a member of the Audit Committee of the Board.

***Elizabeth E. Tallett, 55***

Elizabeth E. Tallett has been a director of the Company since 2001, and of Principal Life since 1992. Ms. Tallett has been a Principal of Hunter Partners, LLC, which provides management services to developing life sciences companies, since July 2002. She served as Chief Executive Officer of Marshall Pharmaceuticals, Inc., a specialty pharmaceutical company, from November 2000 until January 2003, and as President and Chief Executive Officer of Dioscor Inc., a biopharmaceutical firm, from 1996 until July 2003. Ms. Tallett was President and Chief Executive Officer of Ellard Pharmaceuticals, Inc. and Galenor, Inc., both biopharmaceutical companies, from 1997-2002 and 1999-2000, respectively. She is a director of Coventry Health Care, Inc., a managed health care company, IntegraMed America, Inc., a health services company, Varian, Inc., a supplier of scientific instruments, and Varian Semiconductor Equipment Associates, Inc., a semiconductor equipment company. Ms. Tallett serves as Alternate Presiding Director of the Board and is Chair of the Audit Committee and a member of the Executive Committee. During 2003, Ms. Tallett was a member of the Board Affairs and Governance Committee, which is no longer in existence as of January 1, 2004.

**Table of Contents**

**GOVERNANCE OF THE COMPANY**

The business and affairs of the Company are managed under the direction of the Board. The Board implemented a number of new governance procedures and policies, and documented several existing governance practices, in late 2002 and in early 2003 prior to last year's annual meeting of shareholders. Those changes were prompted in part by requirements in the proposed New York Stock Exchange listing standards and in the Sarbanes-Oxley Act of 2002 and the Securities and Exchange Commission (SEC) rules adopted to implement provisions of that Act. Changes were also implemented as a result of decisions made by the Board following a comprehensive corporate governance review in 2002 by the Board Affairs and Governance Committee, the Board's governance committee that started meeting in 1986. The changes included amendments to the existing written charters of the Audit, Human Resources and Nominating Committees and adoption of a written charter for the Board Affairs and Governance Committee; development of Director Independence Guidelines and review of each director's situation under those guidelines for a determination of independence or non-independence; a change in the membership of the Board Affairs and Governance Committee so that it would be comprised solely of independent directors, as were the Audit, Human Resources and Nominating Committees; changes to the Policy on Auditor Independence; a review of and changes to the Company's Statement of Business Practices (the Company's code of business conduct and ethics); and development of the Company's Corporate Governance Guidelines. In March 2003 we first posted information relating to the governance of the Company on the Company's website, at [www.principal.com](http://www.principal.com), as part of the Investor Relations pages. The non-management directors held regular executive sessions at each Board meeting in 2003, led by the Presiding Director. We have historically scheduled and continue to schedule the annual meeting of shareholders on the same day as the regular meeting of the Board in the second quarter to enable the directors to attend. In 2003, twelve of the directors attended the annual meeting.

A number of further refinements and improvements were implemented in 2003 following last year's annual meeting of shareholders, in addition to continuing some long-standing governance practices that have served the organization well. The Audit, Board Affairs and Governance, Human Resources and Nominating Committees each conducted an annual self-evaluation and made a report to the Board Affairs and Governance Committee on their findings. As it has done since 1987, the Board Affairs and Governance Committee conducted an evaluation of overall Board performance and effectiveness, after soliciting input from each director. The Board Affairs and Governance Committee, which historically has been comprised of the Chairs of each of the Audit, Human Resources and Nominating Committees and the Presiding Director, then met to assimilate and report to the Board on the results of the Committee self-evaluations and the Board's overall performance evaluation. The Board of Directors discussed these results as part of its annual two-day strategy meeting in August, 2003. One of the major outcomes of this process was the decision to discontinue the Board Affairs and Governance Committee as a separate committee, beginning in 2004. The Board determined that the governance functions performed by the Board Affairs and Governance Committee would be transitioned to the Nominating Committee, which would be renamed the Nominating and Governance Committee. The Board also decided that the other primary function of the Board Affairs and Governance Committee since 1989, oversight of the process for annual Chief Executive Officer performance evaluation, should be transitioned to the Human Resources Committee beginning in 2004. Since the 2003 annual meeting of shareholders, the Board committees have periodically reviewed their responsibilities and recommended to the Board that appropriate changes be made to their charters. Each director and officer of the Company earlier this year certified compliance with the Statement of Business Practices, the organization's code of business conduct and ethics and code of ethics for its principal executive officer, principal financial officer and principal accounting officer under the Sarbanes-Oxley Act.

Following approval by the SEC of New York Stock Exchange listing standards in November 2003, the Board amended the Director Independence Guidelines it had adopted earlier in the year. The current Director Independence Guidelines are set forth below.

**Director Independence**

The Corporate Governance Guidelines adopted by the Board require it to make an annual determination regarding the independence of each of the Company's directors. The Board has adopted categorical standards

**Table of Contents**

consistent with the listing standards of the New York Stock Exchange to assist the Board in making these determinations. In order to be considered independent a director must not:

1. Be an employee of the Company or have been an employee of the Company within the past three years, or have an immediate family member who is an executive officer of the Company or has been an executive officer of the Company within the past three years;
2. Receive, or have an immediate family member who receives, more than \$100,000 per year in direct compensation from the Company in the current year or any of the past three years, other than director or committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
3. Be, or in the past three years have been, affiliated with or employed by, or have an immediate family member who is or in the past three years has been affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company;
4. Be, or in the past three years have been, or have an immediate family member who is, or in the past three years has been, an executive officer of another company where any of the Company's present executives serve on that company's compensation committee;
5. Be an executive officer or an employee, or have an immediate family member who is an executive officer of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in the current year or any of the past three years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; or
6. Be an executive officer of a charitable organization that, within the preceding three years, received contributions from the Company in any fiscal year exceeding the greater of \$1 million or 2% of the organization's consolidated gross revenues.

Further, in order to be considered independent, members of the Audit Committee must not receive any compensation from the Company, either directly or indirectly, except for compensation received for service as a member of the Board and Board committees.

For purposes of these guidelines, a director's immediate family includes his or her spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the director's home.

The Board made these determinations for each member of the Board in February 2004, in its business judgment, based on an annual evaluation performed by and recommendations made by the Nominating and Governance Committee. To assist in the Board's determinations, each director completed materials designed to identify any relationships that could affect the director's independence. On the basis of these materials and the standards described above, the Board has determined that each of Betsy J. Bernard, Jocelyn Carter-Miller, Gary E. Costley, C. Daniel Gelatt, Sandra L. Helton, Charles S. Johnson, William T. Kerr, Richard L. Keyser, Victor H. Loewenstein, Arjun K. Mathrani, Federico F. Peña, and Elizabeth E. Tallett is independent.

The Board concluded that six of the twelve independent directors had no relationship with the Company other than their relationship as members of the Board. In the case of the other six, the responses to the materials they completed indicated a relationship with one or more companies that provided goods or services to, purchased goods and services from, or had an investment transaction with, the Company. In each case, the Board affirmatively determined that, based on the amount paid for the goods and services as well as the nature of the goods and services provided, or a review of the terms of the investment transactions, as applicable, the relationships were not material either to the Company or to the other companies. Based on the foregoing, the Board has determined that, at the present time, 86% of the Company's directors are independent.

The Board held five meetings in 2003, three of which were two-day meetings, and each of the directors then in office attended at least 75% of the aggregate of the meetings of the Board and the committees of the Board of which the director was a member.

## **Table of Contents**

The Committees established by the Board include the following:

### **Audit Committee**

The Board appoints the members of the Audit Committee after considering the recommendations of the Nominating and Governance Committee. A director may be appointed to or continue to serve on the Audit Committee only if the Board determines, in its business judgment, that the director is independent and financially literate as provided in applicable New York Stock Exchange listing standards, Section 10A of the Securities Exchange Act of 1934, as amended ( Exchange Act ), and the rules promulgated thereunder. In addition, under New York Stock Exchange listing standards, at least one member of the Audit Committee must have accounting or related financial management expertise. The current members of the Audit Committee are Ms. Tallett, Chair, Ms. Carter-Miller, Ms. Helton and Mr. Mathrani. The Board has determined, in its business judgment, that Sandra L. Helton and Arjun K. Mathrani are Audit Committee financial experts as defined by the Sarbanes-Oxley Act and rules promulgated thereunder, and that both, therefore, meet the requirement under the New York Stock Exchange listing standard that at least one member have accounting or related financial management expertise.

Ms. Tallett currently serves on audit committees for more than three publicly traded companies. The Board has determined that such service does not impair her ability to serve effectively on the Audit Committee.

The Audit Committee is directly responsible for the appointment, termination, compensation and oversight of the firm of independent certified public accountants it retains to audit the Company's books and records, and reviews and reports to the Board on the audit and non-audit activities of the independent auditors. The Committee approves all audit engagement fees and must give pre-approval for any non-audit engagement and compensation of the independent auditors consistent with the Company's Policy on Auditor Independence.

The Committee meets at least quarterly with financial management, the internal auditor, and the independent auditor of the Company to provide oversight of the financial reporting process and system of internal controls. The Committee reviews audit plans and results and also reviews and reports to the Board on accounting policies and legal and regulatory compliance. The Committee regularly meets alone with each of the internal auditor, primary independent auditor, the Company's Chief Financial Officer and the Company's General Counsel. The Committee reviews its charter and evaluates its performance annually. The Committee held ten meetings in 2003, two of which were two-day meetings.

### **Nominating and Governance Committee**

Effective January 1, 2004, the Board of Directors expanded the role of the Nominating Committee and redesignated it the Nominating and Governance Committee. The Board appoints the members of the Nominating and Governance Committee. A director may be appointed to or continue to serve on the Nominating and Governance Committee only if the Board determines, in its business judgment, that the director is independent as provided in applicable New York Stock Exchange listing standards. The Nominating and Governance Committee develops and recommends to the Board criteria for selecting director candidates and Board committee members, and consistent with criteria approved by the Board, recommends a slate of candidates for election by shareholders at each annual meeting and proposes candidates to fill vacancies on the Board. The Committee also reviews and reports to the Board with respect to the independence of directors, the performance of individual directors, recommendations for Board committee assignments and directors to act as Presiding Director and Alternate Presiding Director, and the content of the Company's Statement of Business Practices, the Company's code of business conduct and ethics. The Nominating and Governance Committee also reviews and makes recommendations to the Board regarding compensation of non-employee directors and reimbursement of their expenses and administers the Directors Stock Plan and the Non-Employee Directors Deferred Compensation Plan. The Committee has the sole authority to retain and terminate search firms used to identify director candidates, including approval of search firm fees and other retention terms. Although the Committee has frequently employed an executive search

**Table of Contents**

firm to identify qualified candidates for director positions, all of the director candidates for 2004 are currently members of the Board. The Committee reviews and reassesses at least annually the adequacy of the Company's Corporate Governance Guidelines and recommends proposed changes to the Board for approval, evaluates annually and reports to the Board on the Board's overall performance and effectiveness and makes recommendations to the Board and Board committees on governance matters. The Committee also oversees the process for the annual self-evaluations of the Audit, Human Resources and Nominating and Governance Committees of the Board. The Committee reviews its charter and evaluates its performance annually. The charter of the Nominating and Governance Committee is posted on the Company's website at [www.principal.com](http://www.principal.com). The current members of the Nominating and Governance Committee are Ms. Bernard, Chair, Mr. Keyser, Mr. Loewenstein and Mr. Peña. Mr. Loewenstein is retiring from the Board at the time of the Annual Meeting of shareholders on May 18, 2004. The Committee held five meetings in 2003.

***Communication with the Board of Directors***

Interested parties wishing to contact the Presiding Director of the Company may do so at the Investor Relations section of the Company's website at [www.principal.com](http://www.principal.com), or by writing to the following address: Presiding Director, c/o Joyce N. Hoffman, Senior Vice President and Corporate Secretary, Principal Financial Group, Des Moines, Iowa 50392-0300. All e-mails and letters received by either of these two methods will be categorized and processed by the Corporate Secretary and then forwarded to the Company's Presiding Director.

***Consideration of Shareholder's Nominees***

The Committee will consider shareholder recommendations for directors sent to the Nominating and Governance Committee, c/o Joyce N. Hoffman, Senior Vice President and Corporate Secretary, Principal Financial Group, 711 High Street, Des Moines, Iowa 50392-0300.

***Procedures Regarding Director Candidates Recommended by Shareholders***

The Nominating and Governance Committee will consider candidates recommended for the Board by shareholders of the Company if the recommending shareholder or shareholders follows the procedures set forth in Article I, Section 1.10 of the Company's By-Laws. A copy of the Company's By-Laws may be obtained by request addressed to Joyce N. Hoffman, Senior Vice President and Corporate Secretary, Principal Financial Group, 711 High Street, Des Moines, Iowa 50392-0300.

Pursuant to the Company's Corporate Governance Guidelines adopted by the Board, the Nominating and Governance Committee is directed to develop the appropriate characteristics, skills and experience for each director position and for the Board as a whole. The Nominating and Governance Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members in the context of the current make-up of the Board and the needs of the Company at any given point in time. The Committee assesses issues of personal and professional ethics, integrity and values along with expertise that is useful to the Company and complementary to the background and experience of other Board members. It is important that many directors be chief executive officers or retired chief executive officers and have financial management or accounting experience. Diversity of the Board as a whole is a valued objective. The Committee seeks out competencies such as strategic-orientation, results-orientation and comprehensive decision-making. Directors must be willing to devote the required amount of time to prepare for, attend and actively participate in Board and Board Committee meetings and to represent the interests of all shareholders. The Chairman of the Board, the Chair of the Nominating and Governance Committee and at least one other Board member personally interview prospective candidates before the Nominating and Governance Committee recommends them to the Board for action. The Board has a mandatory retirement policy providing that a director's term shall not extend beyond the annual meeting following the director's 70th birthday.

To date, the Nominating and Governance Committee has not adopted a specific formal policy with respect to the consideration of director candidates recommended by shareholders and to date no director candidates have been recommended by shareholders. If a director candidate were to be recommended by a



**Table of Contents**

shareholder, the Nominating and Governance Committee expects that it would evaluate such candidate in the same manner it evaluates director candidates identified by the Committee.

**Human Resources Committee**

The members of the Human Resources Committee (the Board's compensation committee) are appointed by the Board after considering the recommendations of the Nominating and Governance Committee. A director may be appointed to or continue to serve on the Human Resources Committee only if the Board determines, in its business judgment, that the director is independent as provided in applicable New York Stock Exchange listing standards, Rule 16b-3 promulgated under the Exchange Act, and Section 162(m) of the Internal Revenue Code. The Human Resources Committee determines and reports to the Board on the compensation for senior officers, including base salaries, incentive compensation and other benefits, acts upon management's recommendations for salary and supplemental employee compensation policies for all other employees, administers the Company's Incentive Pay Plan, Long-Term Performance Plan and Stock Incentive Plan, oversees, generally, and acts on management's recommendations that require director action with respect to all employee pension and welfare benefit plans, and oversees executive management succession planning. The Committee also reviews significant compensation, benefits and general human resources topics that may apply on a broader scale across the Company. The Committee has the sole authority to retain and terminate executive compensation consulting firms to advise the Committee, including approval of consulting fees and other retention terms. The Committee has retained an independent compensation consulting firm to advise it in executive compensation matters. The Committee reviews its charter and evaluates its performance annually. The current members of the Human Resources Committee are Mr. Kerr, Chair, Mr. Gelatt, Mr. Costley and Mr. Johnson. The Committee held five meetings in 2003, two of which were two-day meetings. Beginning in 2004, the Human Resources Committee now has responsibility for conducting the annual and ongoing performance evaluation of the Chief Executive Officer. The annual performance evaluation of the Chief Executive Officer had previously been undertaken by the full Board since 1999, with the Board Affairs and Governance Committee responsible for oversight of the evaluation process and the annual and mid-year discussions of performance with the Chief Executive Officer. The Board Affairs and Governance Committee is no longer in existence as of January 1, 2004.

**Compensation Committee Interlocks and Insider Participation.** SEC rules require the Company to disclose its and its affiliates purchases of debt securities issued by affiliates of the Company's directors. Principal Life holds a large investment portfolio, and trades in debt securities on a daily basis. Principal Life's investment portfolio was valued at over \$55 billion as of December 31, 2003, approximately 65% of which consisted of debt securities.

One of the members of the Human Resources Committee, Mr. Kerr, is the Chairman and Chief Executive Officer of Meredith Corporation (Meredith). In March 1999, Principal Life, for itself, and an affiliate of Principal Life, for accounts the affiliate manages, purchased in the ordinary course of business approximately \$24 million of an aggregate of \$200 million of notes issued by Meredith, in transactions in which an insurance company unaffiliated with the Company was the lead lender. Principal Life and its affiliate purchased the notes on the same terms and conditions as all other investors. These notes pay interest between 6.51% and 6.65%, and mature on March 1, 2005, and March 1, 2006.

In April 2001, Principal Life, for itself, and an affiliate of Principal Life for accounts it manages, purchased in the ordinary course of business an additional \$25 million of an aggregate \$100 million of notes issued by Meredith in a transaction in which an insurance company unaffiliated with the Company was the lead lender. These notes were issued in two series: Series A, in which Principal Life purchased \$20 million of an aggregate \$50 million of notes paying interest at 6.39% and maturing April 9, 2007; and Series B, in which Principal Life and its affiliate purchased \$5 million of an aggregate \$50 million of notes paying interest at 6.62% and maturing April 9, 2008. Principal Life and its affiliate purchased the notes on the same terms and conditions as all other investors.

**Table of Contents**

No officer of the Company and no immediate family member of an officer of the Company is a member of the board of directors of Meredith.

**Executive Committee**

The members of the Executive Committee are appointed by the Board after considering the recommendations of the Nominating and Governance Committee. The Executive Committee has, during times between Board meetings, all the authority of the Board in the management of the Company's business, except that the Executive Committee has no authority for any matters as to which the Board has specifically directed otherwise and for certain matters set forth under law and in the By-Laws, including the authority to declare shareholder dividends or other distributions, fill vacancies on the Board or any Committee thereof, and adopt, amend or repeal the By-Laws. In practice, the Executive Committee usually acts only on matters specifically delegated to it by the Board and on matters of a more routine nature, and matters to be acted upon must be approved by the independent members of the Committee. The current members of the Executive Committee are Mr. Griswell, Chair, Mr. Drury, Mr. Gelatt, Mr. Kerr, and Ms. Tallett. The Committee held one meeting in 2003.

**Board Affairs and Governance Committee**

The Board took action in 2003 to transition the duties of the Board Affairs and Governance Committee, the Board's governance committee that began meeting in 1986, to the Nominating and Governance and Human Resources Committees, and to terminate the Board Affairs and Governance Committee effective January 1, 2004. The primary reason for this change was to conform to the more common approach of a combined Nominating and Governance Committee, as described in New York Stock Exchange listing standards that became effective on November 6, 2003.

The membership of the Board Affairs and Governance Committee, which was in existence in 2003, was established in its charter: the current Presiding Director, Alternate Presiding Director and chairs of each of the Audit, Human Resources and Nominating Committees, if different. A director could be appointed to or continue to serve on the Board Affairs and Governance Committee only if the Board determined that the director was independent as provided in applicable New York Stock Exchange listing standards. Prior to 2004, the Board Affairs and Governance Committee reviewed and reassessed at least annually the adequacy of the Company's Corporate Governance Guidelines and recommended proposed changes to the Board for approval, evaluated annually and reported to the Board on the Board's overall performance and effectiveness and made recommendations to the Board and Board committees on governance matters, and had oversight responsibility for evaluation of the Chief Executive Officer by the full Board. The Committee also had oversight responsibility for the annual self-evaluations of the Audit, Human Resources and Nominating Committees of the Board. The Committee reviewed its charter and evaluated its performance in 2003. The members of the Committee during 2003 were Mr. Gelatt, Chair, Ms. Bernard, Mr. Kerr, and Ms. Tallett. The Committee held three meetings in 2003. See Human Resources Committee and Nominating and Governance Committee for a description of the former duties and responsibilities of the Board Affairs and Governance Committee that have been transitioned to those committees as of January 1, 2004.

**COMPENSATION OF DIRECTORS**

**Directors' Retainers and Attendance Fees**

The directors' remuneration was increased by action of the Board during 2003 to reflect increased responsibilities and time commitments on the part of Board members and committee chairs, as well as to maintain the overall competitiveness of the directors' compensation and to align the interests of directors with those of shareholders.

Prior to May 19, 2003, directors who were not officers or employees of the Company or its subsidiaries received an annual retainer of \$24,000. Non-employee directors who served as chair of a Board committee received an additional \$5,000 annual retainer per chair. Non-employee directors were paid an attendance fee

**Table of Contents**

of \$2,500 for each day of a Board meeting they attended and \$1,300 for a Board committee meeting they attended on the day of or day before a Board meeting. The fee for participation in a Board or Board committee meeting held by telephone conference call was \$1,000.

On and after May 19, 2003, directors who are not officers or employees of the Company or its subsidiaries receive an annual retainer of \$35,000. Non-employee directors receive an additional \$10,000 annual retainer for serving as Chair of the Audit Committee, an additional annual retainer of \$7,500 for serving as chair of the Human Resources Committee and an additional annual retainer of \$5,000 for serving as chair of any other Board committee. Board meeting and committee meeting attendance fees did not change.

Non-employee directors may defer the receipt of the payment of all or a portion of their retainer and attendance fees under the Company's Deferred Compensation Plan for Non-Employee Directors.

**Directors Stock Plan**

The purpose of the Directors Stock Plan is to enable the Company to attract, retain and motivate the best qualified non-employee directors and to foster a long-term alignment of interests between such directors and shareholders. As explained below, the Nominating and Governance Committee may from time to time grant options, restricted stock or restricted stock units to non-employee directors. No member of the Nominating and Governance Committee may participate in any decisions with respect to his or her benefits under the plan unless the decision applies generally to all non-employee directors. The Directors Stock Plan provides for certain awards, described below, at each annual meeting. Any director first elected subsequent to an annual meeting will receive the value of stock options and restricted stock units, as described below, prorated based on the amount of time remaining until the next annual meeting (with respect to stock options) and the amount of time remaining in the director's term (with respect to restricted stock units).

The Directors Stock Plan was also amended by action of the Board during 2003, to better align with market practice and to provide for awards as a fixed dollar value each year, versus a fixed number of restricted stock units and options. At the close of each annual meeting, each non-employee director then in office receives options to purchase shares of Common Stock, equal to \$24,000 in Black-Scholes value at grant. Prior to May 19, 2003, at the close of each annual meeting, non-employee directors then in office received options to purchase 2,000 shares of Common Stock. Option provisions were not amended. The exercise price will not be less than the fair market value of the shares on the date the option is granted. Except as otherwise determined by the Nominating and Governance Committee, options will become exercisable in four approximately equal installments on the third, sixth, ninth, and twelfth month anniversaries of the grant date, unless a director decides not to run for re-election at the end of his or her full term, in which case the options granted become exercisable in four approximately equal installments on the third, sixth, and ninth month anniversaries of the grant date, and on the date that the director's full term of office expires.

In addition, each non-employee director receives \$75,000 in restricted stock units upon election/re-election to office. Prior to May 19, 2003, upon election/re-election to the Board, directors received 1,500 restricted stock units. Vesting for the restricted stock units did not change. Unless otherwise determined by the Nominating and Governance Committee, the forfeiture restrictions with respect to the restricted stock units will lapse in substantially equal installments from the date of grant to the date of the end of the term of such director's class, so that portions of each award vest four times per year.

Subject to the terms and conditions of the plan, the Nominating and Governance Committee may also grant options, restricted stock or restricted stock units to any non-employee director at any time. The maximum number of shares that may be awarded under this plan is 500,000 shares of Common Stock.

**Directors Matching Gift Program**

Under the Directors Charitable Matching Gift Program, Principal Life matches the charitable gifts of non-employee directors to eligible section 501(c)(3) organizations up to an annual aggregate limit for each such director of \$6,000 per calendar year during a director's term and for each of the three years following the director's retirement from the Board. The directors who make personal charitable gifts that Principal Life

**Table of Contents**

matches derive no financial benefit since all charitable contribution tax deductions for the Principal Life matching gifts accrue solely to Principal Life.

**Directors Stock Ownership**

The Board has established Common Stock ownership guidelines which require that non-employee directors must attain, by the end of the five-year period commencing with the director's initial receipt of stock options, an ownership position with respect to Common Stock equal to four times the amount of the annual retainer. Common Stock, deferred phantom-stock units under the Company's Deferred Compensation Plan for Non-Employee Directors and restricted stock units all qualify towards the ownership requirement as it applies to non-employee directors. The non-employee directors' stock ownership guideline amount increased substantially with the increase in the annual cash retainer during 2003 from \$24,000 to \$35,000.

**Certain Relationships and Related Transactions**

During 2003, Principal Residential Mortgage, Inc., the Company's mortgage banking subsidiary, extended mortgage loans in the ordinary course of its business to John E. Aschenbrenner and Larry D. Zimpleman, both executive officers of the Company, on terms available to the public generally and in compliance with the Company's conflict of interest policy. The original amount of Mr. Aschenbrenner's mortgage was \$177,000 with an interest rate of 4.75%; the outstanding balance as of March 10, 2004 was \$163,108.94. The original amount of Mr. Zimpleman's mortgage was \$284,600 with an interest rate of 4.5%; the outstanding balance as of March 10, 2004 was \$271,172.47.

During 2002, Principal Residential Mortgage, Inc. extended a mortgage loan in the ordinary course of its business to James P. McCaughan, an executive officer of the Company, on terms available to the public generally and in compliance with the Company's conflict of interest policy. The original amount of Mr. McCaughan's mortgage was \$120,000, with an interest rate of 5.625%. As of March 10, 2004, the outstanding balance of the loan was \$116,450.44.

**AUDIT COMMITTEE CHARTER AND REPORT**

**Audit Committee Charter**

The Audit Committee operates pursuant to a charter approved by the Board which was last amended by the Board on February 24, 2004. A copy of the charter is attached to this proxy statement as Appendix A. The charter sets out the responsibilities, authority and specific duties of the Audit Committee. The charter specifies, among other things, the structure and membership requirements of the Committee, as well as the relationship of the Audit Committee to the independent auditors, the internal auditor and management of the Company.

**Report of the Audit Committee**

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Committee reviewed with management the audited financial statements for the fiscal year ended December 31, 2003, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Committee has discussed with Ernst & Young LLP, the Company's independent auditors, the matters required to be discussed by Statement on Auditing Standards (SAS) 61 (Communication with Audit Committees). SAS 61, as amended, requires the independent auditors to provide the Committee with additional information regarding the scope and results of their audit of the Company's financial statements, including with respect to (i) the independent auditors' responsibility under generally accepted auditing standards, (ii) significant accounting policies, including a discussion of their quality, not just their acceptabil-

**Table of Contents**

ity, (iii) management judgments and estimates, (iv) any significant audit adjustments, (v) any disagreements with management, and (vi) any difficulties encountered in performing the audit.

The Committee has received from Ernst & Young LLP a letter providing the disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) with respect to any relationships between Ernst & Young LLP and the Company that in their professional judgment may reasonably be thought to bear on independence. The Committee has discussed with Ernst & Young LLP its independence and Ernst & Young LLP has confirmed in such letter that, in its professional judgment, it is independent of the Company within the meaning of the federal securities laws.

The Committee discussed with the Company's internal and independent auditors the overall scope and plans for their respective audits. The Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board (and the Board has approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003, for filing with the SEC. The Committee has also approved, subject to shareholder ratification, the reappointment of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2004.

As specified in the Audit Committee charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles. That is the responsibility of the Company's independent auditors and management. In giving our recommendation to the Board, the Committee has relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with generally accepted accounting principles, and (ii) the report of the Company's independent auditors with respect to such financial statements.

Elizabeth E. Tallett, Chair

Jocelyn Carter-Miller

Sandra L. Helton

Arjun K. Mathrani

**PROPOSAL TWO RATIFICATION OF  
APPOINTMENT OF INDEPENDENT AUDITORS**

Subject to shareholder ratification, the Audit Committee has reappointed the firm of Ernst & Young LLP to audit the consolidated financial statements of the Company for the fiscal year ending December 31, 2004. The Company or Principal Life have employed this firm and its predecessors in that capacity for many years. Ratification of the appointment of auditors requires the affirmative vote of a majority of the shares represented at the meeting and voting on the matter. If the shareholders do not ratify this appointment, the matter of the appointment of independent auditors will be considered by the Audit Committee.

**The Board of Directors recommends that shareholders vote for such ratification.**

Representatives of Ernst & Young LLP will be present at the Annual Meeting, will be given an opportunity to make a statement if they so desire and will be available to respond to appropriate questions relating to the audit of the Company's 2003 consolidated financial statements.

**Audit Fees**

The Company estimates that the aggregate fees billed by its independent auditor in 2003 and 2002 for professional services rendered in connection with (i) the audit of the Company's annual financial statements set forth in the Company's Annual Reports on Form 10-K for the years ended December 31, 2003 and 2002,

**Table of Contents**

(ii) the review of the Company's quarterly financial statements set forth in the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30, and September 30, 2003 and 2002, (iii) accounting consultations on matters addressed during the audit, and (iv) services that the independent auditor normally provides to the Company or its subsidiaries in connection with statutory, registration and regulatory filings, were approximately \$3,681,000 and \$3,415,000, respectively.

**Audit-Related Fees**

The Company estimates that the aggregate fees billed by its independent auditor in 2003 and 2002 for professional services rendered in connection with audit-related services such as financial statement audits of employee benefit plans, accounting consultations or audits in connection with acquisitions or divestitures of businesses, consultations concerning financial accounting standards on matters not addressed during the audit, advisory assistance related to Section 404 of the Sarbanes-Oxley Act, and other attest services not required by statute or regulation, were approximately \$1,207,000 and \$718,000, respectively.

**Tax Fees**

The Company estimates that the fees billed by its independent auditor in 2003 and 2002 for professional services rendered in connection with tax services consisting of tax planning and compliance totaled approximately \$125,000 and \$1,273,000, respectively. Fees for 2002 consist primarily of non-recurring fees related to foreign tax implications of the Company's sale of substantially all of the assets of BT Financial Group in 2002 and other special tax planning and compliance projects related to foreign or domestic taxes of non-BT Financial Group entities.

**All Other Fees**

The Company estimates that the fees billed by its independent auditor in 2003 and 2002 for all other services not described in the three categories listed immediately above totaled approximately \$23,000 and \$340,000, respectively. These fees include miscellaneous services such as legal deposition services and assistance with internal audit activities contracted before the enactment of the Sarbanes-Oxley Act of 2002. Effective January 1, 2003, the Audit Committee engaged a service provider other than the independent auditor to assist the Company with its internal audit activities.

The Audit Committee has adopted a policy on auditor independence that calls for the Committee to preapprove any service the Company's primary independent auditor proposes to provide to the Company, its majority-owned subsidiaries, employee benefit plans and affiliates. The policy also calls for the Committee to preapprove any audit service any independent auditor proposes to provide to these entities. The purpose of the policy is to assure that the provision of such services does not impair any auditor's independence. Pursuant to the policy, each quarter Company management presents to the Committee for preapproval a detailed description of each service for which preapproval is sought and a range of fees for each service. The policy accords the Audit Committee Chairperson authority to preapprove changes to any range of fees applicable to services previously approved by the Audit Committee. The Audit Committee Chairperson may also preapprove services and a range of fees for those services that arise between regularly scheduled meetings of the Audit Committee. In considering whether to preapprove the provision of non-audit services by the primary independent auditor, the Audit Committee will consider whether the services are compatible with the maintenance of the primary independent auditor's independence. The Audit Committee does not delegate its responsibilities to preapprove services performed by an independent auditor to management.

The Audit Committee did not approve the services described above under the captions "Audit-Related Fees," "Tax Fees" and "All Other Fees" by utilizing the de minimis exception of SEC Rule 2-01(c)(7)(i)(C).

**Table of Contents**

**PROPOSAL THREE APPROVAL OF ANNUAL INCENTIVE PLAN**

At the 2004 Annual Meeting, shareholders will be asked to vote to adopt the Company's proposed new annual incentive plan for executives as defined in the plan. The key features of our current annual incentive plan, the PrinPay Plan, which has been in existence since 1995 and under which such executives participated in 2003, are described below in **Executive Compensation Incentive Pay Plan**. The key features of the new annual incentive plan proposed to be in effect for such executives in 2005 and following years are set out directly below:

**The Board of Directors recommends that shareholders vote for approval and adoption of the annual incentive plan.**

**Summary of the Annual Incentive Plan**

On February 24, 2004, the Board of Directors adopted the Principal Financial Group, Inc. Annual Incentive Plan (the Annual Incentive Plan) and recommended that the Annual Incentive Plan be submitted to shareholders for approval at the Annual Meeting. The following summary of the Annual Incentive Plan is qualified in its entirety by reference to the complete text of the Annual Incentive Plan, which is attached to this proxy statement as Appendix B.

**Background**

Section 162(m) of the Internal Revenue Code of 1986, as amended, (the Code) limits the deductibility of certain compensation in excess of \$1 million per year paid to covered employees, defined as the Company's Chief Executive Officer and its other four most highly-compensated executive officers. The Annual Incentive Plan is intended to address the limitation on deductibility by providing for compensation that qualifies as performance-based compensation, which is not subject to the limitation.

Compensation paid under the Annual Incentive Plan will qualify as performance-based compensation within the meaning of Section 162(m) if:

it is payable on account of the attainment of the pre-established, objective performance goal and subject to the limitations on award amounts set forth within the Annual Incentive Plan;

the Human Resources Committee (the Committee), which is comprised solely of outside directors, approves the maximum individual awards at or near the beginning of each performance period;

the Annual Incentive Plan, which sets forth the material terms of the compensation and the performance goal, is disclosed to and approved by shareholders before payment; and

the Committee certifies that the performance goal has been satisfied before payment.

**The Annual Incentive Plan**

The Annual Incentive Plan will be administered by the Committee. The Annual Incentive Plan establishes objective performance criteria based upon overall Company performance for determining the amount of bonus compensation payable to the executives, each of whom has wide ranging responsibilities implicating the Company's overall performance.

The Annual Incentive Plan includes the following features:

**Incentive Pool:** The creation of an incentive pool for any Performance Period in which the executives will be awarded compensation under the Annual Incentive Plan equal to 2% of the Company's Operating Income.

**Operating Income** for each Performance Period will be the income from continuing operations of the Company before income taxes, minus net realized/unrealized capital gains/(losses), in each case as reported in the Company's audited consolidated financial statements for the Performance Period,

**Table of Contents**

prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

**Maximum Bonus Award:** Prior to the beginning of each Performance Period (or at such later time as may be permitted by applicable provisions of the Code), the Committee will establish for each executive a maximum award, expressed as a percentage of the incentive pool for the Performance Period. The maximum percentage paid to any single executive will not exceed 40% of the incentive pool. The total of the maximum percentages for all executives shall not exceed 100% of the incentive pool.

**Committee Discretion:** The Committee has the right to reduce any or all award bonuses to amounts less than the maximum allocated percentages of the incentive pool or eliminate such award bonuses altogether based on factors determined by the Committee, including but not limited to, performance against budgeted financial goals and the Participant's personal performance.

**Performance Period** is the Company's fiscal year or any other period designated by the Committee with respect to which an award may be granted. Performance Periods may not overlap.

The Company may pay awards in the form of cash, stock, restricted stock, options or other stock-based or stock-denominated awards or any other form or combination of consideration as the Committee may determine, in its discretion. Equity or equity-based awards may be granted under the terms and conditions of the Principal Financial Group, Inc. Stock Incentive Plan or any future equity compensation plan approved by the shareholders of the Company.

The Committee may, at any time, terminate or amend the Annual Incentive Plan, provided that any amendment that would require consent of the shareholders of the Company under the Code, New York Stock Exchange listing rules or the Exchange Act or other applicable law will not take effect without the consent of shareholders.

The Annual Incentive Plan is effective as of January 1, 2005, subject to receipt of shareholder approval.

**New Plan Benefits**

Because the Committee may award less than the maximum percentage of the incentive pool, the exact amount of any future benefit that may be allocated to any one executive or group of executives under the Annual Incentive Plan is not presently determinable.

**Equity Compensation Plan Information**

In general, the Company has four compensation plans under which its equity securities are authorized for issuance to employees or directors (not including the Company's tax qualified pension plans): the Principal Financial Group, Inc. Stock Incentive Plan, the Principal Financial Group, Inc. Employee Stock Purchase Plan, the Principal Financial Group, Inc. Long-Term Performance Plan, and the Principal Financial Group, Inc. Directors Stock Plan. The following table shows the number of shares of Common Stock issuable upon exercise of options outstanding at December 31, 2003, the weighted average exercise price of those



**Table of Contents**

options, and the number of shares of Common Stock remaining available for future issuance at December 31, 2003, excluding shares issuable upon exercise of outstanding options.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by the Company's stockholders(1)	6,220,707(2)	\$25.43(3)	20,924,496(4)
Equity compensation plans not approved by the Company's stockholders	-0-	n/a	-0-

Notes:

Uses 12/31/03 options outstanding

- (1) Each of the four compensation plans under which the Company's equity securities are authorized for issuance to employees or directors were approved by the Company's sole stockholder, Principal Mutual Holding Company, prior to the Company's initial public offering of Common Stock on October 22, 2001. None of the four compensation plans have been approved by the Company's stockholders subsequent to such date.
- (2) Includes 5,805,203 options outstanding under the Stock Incentive Plan, 77,155 options outstanding under the Directors Stock Plan, 281,492 restricted stock units under the Stock Incentive Plan, 22,505 restricted stock units under the Directors Stock Plan, and 34,352 units deferred in shares of Common Stock under the Long-Term Performance Plan.
- (3) The weighted-average exercise price relates only to outstanding stock options, not to outstanding restricted stock units or units deferred in shares of Common Stock under the Long-Term Performance Plan.
- (4) This number includes 5,542,304 shares remaining for issuance under the Employee Stock Purchase Plan and 15,382,192 shares available for issuance in respect of future awards of stock options, stock appreciation rights, restricted stock, restricted stock units, and/or performance units under the Long-Term Performance Plan, the Stock Incentive Plan and the Directors Stock Plan.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

Except as otherwise indicated below, the following table shows, as of March 10, 2004, beneficial ownership of shares of Common Stock by (i) the only shareholder known to the Company to beneficially own more than 5% of the outstanding shares of Common Stock, (ii) each director, (iii) each executive officer named in the Summary Compensation Table below, and (iv) all current directors and executive officers as a group. Except as otherwise indicated below, each of the individuals named in the table has sole voting and investment power, or shares such powers with his or her spouse, with respect to the shares set forth opposite his or her name.

Prior to April 29, 2002, due to restrictions contained in the Plan of Conversion, the only shares of Common Stock that directors or executive officers could beneficially own were the shares that they, their spouses or other immediate family members received as policyholders or participants in a pension plan that was an eligible policyholder in connection with the Demutualization.

Name	Number of Shares Beneficially Owned(1)		Percent of Common Stock Outstanding									
Northern Trust Corporation(2) 50 South LaSalle Street Chicago, Illinois 60675	30,717,974		10%									
Betsy J. Bernard	6,461		*									
Jocelyn Carter-Miller	6,513		*									
Gary E. Costley	8,335		*									
David J. Drury(3)	74,665		*									
C. Daniel Gelatt(4)												
	Per Common Share Amounts											
Monthly Distributions (Ex-Dividend Date)	NCA	NCB	NKX	NAC	NVX	NZH						
March 2016	\$0.0390	\$0.0650	\$0.0720	\$0.0760	\$0.0675	\$0.0670						
April	0.0390	0.0650	0.0720	0.0760	\$0.0675	0.0670						
May	0.0390	0.0650	0.0720	0.0760	\$0.0675	0.0670						
June	0.0390	0.0650	0.0720	0.0740	\$0.0660	0.0670						
July	0.0390	0.0650	0.0720	0.0740	\$0.0660	0.0670						
August 2016	0.0390	0.0650	0.0720	0.0740	\$0.0660	0.0670						
Total Distributions from Net Investment Income	\$0.2340	\$0.3900	\$0.4320	\$0.4500	\$0.4005	\$0.4020						
Yields												
Market Yield*	4.10	%	4.20	%	5.06	%	5.31	%	4.87	%	5.20	%
Taxable-Equivalent Yield*	6.28	%	6.43	%	7.75	%	8.13	%	7.46	%	7.96	%

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

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

shareholders.

As of August 31, 2016, the Funds had positive UNII balances, based upon our best estimate, for tax purposes and positive UNII balances for financial reporting purposes.

All monthly dividends paid by each Fund during the current reporting period, were paid from net investment income. If a portion of the Fund's monthly distributions was sourced from or comprised of elements other than net investment income, including capital gains and/or a return of capital, shareholders would have received a notice to that effect. For financial reporting purposes, the composition and per share amounts of each Fund's dividends for the reporting period are presented in this report's Statement of

NUVEEN 11

---

## Common Share Information (continued)

Changes in Net Assets and Financial Highlights, respectively. For income tax purposes, distribution information for each Fund as of its most recent tax year end is presented in Note 6 – Income Tax Information within the Notes to Financial Statements of this report.

## COMMON SHARE REPURCHASES

During August 2016, the Funds' Board of Directors/Trustees reauthorized an open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of August 31, 2016, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired their outstanding common shares as shown in the accompanying table.

	NCA	NCB	NKX	NAC	NVX	NZH
Common shares cumulatively repurchased and retired	–	–	–	–	50,700	12,900
Common shares authorized for repurchase	2,570,000	330,000	4,770,000	10,760,000	1,475,000	2,415,000

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

## COMMON SHARE EQUITY SHELF PROGRAMS

During the current reporting period, the following Funds were authorized by the Securities and Exchange Commission (SEC) to issue additional common shares through an equity shelf program (Shelf Offering). Under these programs, the Funds, subject to market conditions, may raise additional capital from time to time in varying amounts and offering methods at a net price at or above each Fund's NAV per common share. Under the Shelf Offering, each Fund is authorized to issue additional common shares as shown in the accompanying table:

	NCA	NAC
Additional authorized common shares	2,500,000	2,300,000

During the current reporting period, each Fund sold common shares through its Shelf Offering at a weighted average premium to its NAV per common share as shown in the accompanying table.

	NCA	NAC
Common shares sold through shelf offering	1,232,400	470,780
Weighted average premium to NAV per common share sold	2.85 %	1.19 %

Subsequent to the close of the reporting period, NCA filed a registration statement with the SEC to establish an additional shelf offering, which is not yet effective.

Refer to Notes to Financial Statements, Note 4 – Fund Shares, Common Shares, Equity Shelf Programs and Offering Costs for further details on shelf offerings and each Fund's respective transactions.

## OTHER COMMON SHARE INFORMATION

As of August 31, 2016, and during the current reporting period, the Funds' common share prices were trading at a premium/(discount) to their common share NAVs as shown in the accompanying table.

	NCA	NCB	NKX	NAC	NVX	NZH
Common share NAV	\$10.90	\$17.59	\$16.84	\$16.75	\$16.70	\$15.49
Common share price	\$11.41	\$18.56	\$17.06	\$16.72	\$16.27	\$15.45
Premium/(Discount) to NAV	4.68 %	5.51 %	1.31 %	(0.18)%	(2.57)%	(0.26)%
6-month average premium/(discount) to NAV	2.76 %	2.23 %	(0.45)%	(0.26)%	(1.76)%	0.70 %

Risk Considerations

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

Nuveen California Municipal Value Fund, Inc. (NCA)

Nuveen California Municipal Value Fund 2 (NCB)

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

Nuveen California AMT-Free Municipal Income Fund (NKX)

Nuveen California Dividend Advantage Municipal Fund (NAC)

Nuveen California Dividend Advantage Municipal Fund 2 (NVX)

Nuveen California Dividend Advantage Municipal Fund 3 (NZH)

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

NUVEEN 13

---

## NCA

Nuveen California Municipal Value Fund, Inc.

Performance Overview and Holding Summaries as of August 31, 2016

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

Average Annual Total Returns as of August 31, 2016

	Cumulative 6-Month	Average Annual 1-Year	5-Year	10-Year
NCA at Common Share NAV	5.48%	9.97%	7.37%	5.73%
NCA at Common Share Price	8.04%	14.44%	10.20%	6.85%
S&P Municipal Bond California Index	3.47%	7.37%	5.96%	5.17%
S&P Municipal Bond Index	3.35%	7.03%	4.99%	4.79%
Lipper California Municipal Debt Funds Classification Average	5.40%	11.44%	9.23%	5.89%

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

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

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

## Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	97.3%
Other Assets Less Liabilities	3.8%
Net Assets Plus Floating Rate Obligations	101.1%
Floating Rate Obligations	(1.1)%
Net Assets	100%

## Portfolio Composition

(% of total investments)

Tax Obligation/General	25.9%
Tax Obligation/Limited	20.9%
U.S. Guaranteed	15.2%
Health Care	10.8%
Transportation	8.9%
Consumer Staples	5.9%
Other	12.4%
Total	100%

## Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	21.1%
AA	45.1%

A	11.1%
BBB	7.3%
BB or Lower	10.2%
N/R (not rated)	5.2%
Total	100%

14 NUVEEN

---

NCB

Nuveen California Municipal Value Fund 2

Performance Overview and Holding Summaries as of August 31, 2016

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

Average Annual Total Returns as of August 31, 2016

	Cumulative Average Annual			
	6-Month	1-Year	5-Year	Since Inception
NCB at Common Share NAV	4.38%	8.64%	7.68%	8.22%
NCB at Common Share Price	7.19%	19.52%	10.95%	8.61%
S&P Municipal Bond California Index	3.47%	7.37%	5.96%	6.40%
S&P Municipal Bond Index	3.35%	7.03%	4.99%	5.68%
Lipper California Municipal Debt Funds Classification Average	5.40%	11.44%	9.23%	6.36%

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

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

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	97.7%
Other Assets Less Liabilities	2.3%
Net Assets	100%

Portfolio Composition

(% of total investments)

Utilities	18.6%
Tax Obligation/Limited	18.3%
U.S. Guaranteed	16.7%
Tax Obligation/General	14.4%
Health Care	12.4%
Consumer Staples	6.6%
Transportation	5.2%
Other	7.8%
Total	100%

Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	26.7%
AA	25.2%



A	28.8%
BBB	8.2%
BB or Lower	9.7%
N/R (not rated)	1.4%
Total	100%

NUVEEN 15

---

## NKX

## Nuveen California AMT-Free Municipal Income Fund

## Performance Overview and Holding Summaries as of August 31, 2016

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

## Average Annual Total Returns as of August 31, 2016

	Cumulative Average Annual			
	6-Month	1-Year	5-Year	10-Year
NKX at Common Share NAV	6.87%	13.55%	9.91%	7.01%
NKX at Common Share Price	12.03%	26.56%	12.32%	7.97%
S&P Municipal Bond California Index	3.47%	7.37%	5.96%	5.17%
S&P Municipal Bond Index	3.35%	7.03%	4.99%	4.79%
Lipper California Municipal Debt Funds Classification Average	5.40%	11.44%	9.23%	5.89%

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

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

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

## Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	151.7%
Other Assets Less Liabilities	2.2%
Net Assets Plus iMTP Shares, at Liquidation Preference & VRDP Shares, at Liquidation Preference	153.9%
iMTP Shares, at Liquidation Preference	(4.5)%
VRDP Shares, at Liquidation Preference	(49.4)%
Net Assets	100%

## Portfolio Composition

(% of total investments)

Tax Obligation/Limited	24.5%
Tax Obligation/General	21.2%
Water and Sewer	12.7%
U.S. Guaranteed	11.9%
Health Care	11.5%
Consumer Staples	6.1%
Transportation	5.1%
Other	7.0%
Total	100%

## Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	16.2%
AA	49.5%
A	11.6%
BBB	8.5%
BB or Lower	9.8%
N/R (not rated)	4.4%
Total	100%

16 NUVEEN

---

## NAC

## Nuveen California Dividend Advantage Municipal Fund

## Performance Overview and Holding Summaries as of August 31, 2016

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

## Average Annual Total Returns as of August 31, 2016

	Cumulative	Average Annual		
	6-Month	1-Year	5-Year	10-Year
NAC at Common Share NAV	7.16%	13.86%	10.33%	7.16%
NAC at Common Share Price	8.47%	22.51%	11.20%	7.27%
S&P Municipal Bond California Index	3.47%	7.37%	5.96%	5.17%
S&P Municipal Bond Index	3.35%	7.03%	4.99%	4.79%
Lipper California Municipal Debt Funds Classification Average	5.40%	11.44%	9.23%	5.89%

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

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

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

## Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	149.9%
Other Assets Less Liabilities	1.0%
Net Assets Plus Floating Rate Obligations, VMTP Shares, at Liquidation Preference & VRDP Shares, at Liquidation Preference	150.9%
Floating Rate Obligations	(4.2)%
VMTP Shares, at Liquidation Preference	(8.0)%
VRDP Shares, at Liquidation Preference	(38.7)%
Net Assets	100%

## Portfolio Composition

(% of total investments)

Tax Obligation/General	25.5%
Tax Obligation/Limited	19.0%
Health Care	13.9%
U.S. Guaranteed	11.9%
Water and Sewer	10.8%
Transportation	6.4%
Consumer Staples	6.1%
Other	6.4%
Total	100%

Credit Quality	
(% of total investment exposure)	
AAA/U.S. Guaranteed	18.4%
AA	46.3%
A	13.5%
BBB	8.8%
BB or Lower	10.1%
N/R (not rated)	2.9%
Total	100%

NUVEEN 17

---

## NVX

## Nuveen California Dividend Advantage Municipal Fund 2

## Performance Overview and Holding Summaries as of August 31, 2016

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

## Average Annual Total Returns as of August 31, 2016

	Cumulative Average Annual			
	6-Month	1-Year	5-Year	10-Year
NVX at Common Share NAV	6.53%	13.49%	9.04%	6.83%
NVX at Common Share Price	6.76%	18.43%	9.59%	7.23%
S&P Municipal Bond California Index	3.47%	7.37%	5.96%	5.17%
S&P Municipal Bond Index	3.35%	7.03%	4.99%	4.79%
Lipper California Municipal Debt Funds Classification Average	5.40%	11.44%	9.23%	5.89%

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

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

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

## Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	138.2%
Other Assets Less Liabilities	1.6%
Net Assets Plus VRDP Shares, at Liquidation Preference	139.8%
VRDP Shares, at Liquidation Preference	(39.8)%
Net Assets	100%

## Portfolio Composition

(% of total investments)

Tax Obligation/General	23.7%
Tax Obligation/Limited	17.3%
Health Care	12.8%
Transportation	11.0%
Water and Sewer	10.7%
Utilities	7.9%
U.S. Guaranteed	6.7%
Consumer Staples	6.5%
Other	3.4%
Total	100%

## Credit Quality

(% of total investment exposure)

AAA/U.S. Guaranteed	9.6%
AA	45.5%
A	22.2%
BBB	8.7%
BB or Lower	11.9%
N/R (not rated)	2.1%
Total	100%

18 NUVEEN

---

## NZH

## Nuveen California Dividend Advantage Municipal Fund 3

## Performance Overview and Holding Summaries as of August 31, 2016

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

## Average Annual Total Returns as of August 31, 2016

	Cumulative	Average Annual		
	6-Month	1-Year	5-Year	10-Year
NZH at Common Share NAV	6.57%	13.41%	9.84%	6.45%
NZH at Common Share Price	8.92%	24.89%	10.94%	6.88%
S&P Municipal Bond California Index	3.47%	7.37%	5.96%	5.17%
S&P Municipal Bond Index	3.35%	7.03%	4.99%	4.79%
Lipper California Municipal Debt Funds Classification Average	5.40%	11.44%	9.23%	5.89%

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

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

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

## Fund Allocation

(% of net assets)

Long-Term Municipal Bonds	141.3%
Other Assets Less Liabilities	1.4%
Net Assets Plus VRDP Shares, at Liquidation Preference	142.7%
VRDP Shares, at Liquidation Preference	(42.7)%
Net Assets	100%

## Portfolio Composition

(% of total investments)

Tax Obligation/Limited	23.1%
Health Care	19.3%
Tax Obligation/General	13.2%
Water and Sewer	11.4%
Transportation	8.9%
U.S. Guaranteed	8.3%
Consumer Staples	7.2%
Other	8.6%
Total	100%

## Credit Quality

(% of total investment exposure)



AAA/U.S. Guaranteed	16.5%
AA	45.2%
A	12.9%
BBB	10.4%
BB or Lower	11.1%
N/R (not rated)	3.9%
Total	100%

NUVEEN 19

---

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

NCA

Nuveen California Municipal Value Fund, Inc.

Portfolio of Investments

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 97.3% (100.0% of Total Investments)			
	MUNICIPAL BONDS – 97.3% (100.0% of Total Investments)			
	Consumer Staples – 5.8% (5.9% of Total Investments)			
\$3,000	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Gold Country Settlement Funding Corporation, Refunding Series 2006, 5.250%, 6/01/46	11/16 at 100.00	CCC	\$3,000,090
2,000	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 5.650%, 6/01/41	12/18 at 100.00	B2	2,033,340
170	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	11/16 at 100.00	BBB+	170,077
3,940	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: 5.000%, 6/01/33	6/17 at 100.00	B–	3,978,809
175	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37	6/17 at 100.00	B–	175,707
3,570	Silicon Valley Tobacco Securitization Authority, California, Tobacco Settlement Asset-Backed Bonds, Santa Clara County Tobacco Securitization Corporation, Series 2007A, 0.000%, 6/01/41	6/22 at 100.00	B–	3,666,961
3,895	Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1, 5.500%, 6/01/45	6/17 at 26.07	N/R	910,417
3,500	Total Consumer Staples	11/16 at 100.00	B–	3,500,245
20,250	Education and Civic Organizations – 1.2% (1.3% of Total Investments)			17,435,646
1,000	California Educational Facilities Authority, Revenue Bonds, Stanford University Series 2016U-7, 5.000%, 6/01/46	No Opt. Call	AAA	1,519,660
450	California Municipal Finance Authority, Charter School Revenue Bonds, Rocketship Education Multiple Projects, Series 2014A, 7.250%, 6/01/43	6/22 at 102.00	N/R	532,355
690	California State University, Systemwide Revenue Bonds, Series 2016A, 5.000%, 11/01/41	5/26 at 100.00	Aa2	860,796
700	California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46	7/21 at 100.00	BBB–	832,517
2,840	Total Education and Civic Organizations			3,745,328
285	Health Care – 10.5% (10.8% of Total Investments)		AA–	344,391

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2015A, 5.000%, 8/15/43	8/25 at 100.00		
2,270	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2016B, 5.000%, 11/15/46	11/26 at 100.00	AA-	2,817,615
555	California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2014A, 5.000%, 8/15/43	8/24 at 100.00	AA	660,705
350	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Refunding Series 2014A, 5.000%, 10/01/38	10/24 at 100.00	AA-	428,589
690	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2014B, 5.000%, 10/01/44	10/24 at 100.00	AA-	820,534
560	California Health Facilities Financing Authority, Revenue Bonds, Rady Children's Hospital – San Diego, Series 2011: 5.000%, 8/15/31	8/21 at 100.00	Aa3	655,603
670	5.250%, 8/15/41	8/21 at 100.00	Aa3	770,875
1,000	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2011B, 6.000%, 8/15/42	8/20 at 100.00	AA-	1,197,310
2,270	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/27	2/17 at 100.00	A-	2,308,250

20 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$2,390	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2016A, 5.000%, 12/01/46	6/26 at 100.00	BB+	\$2,739,131
2,625	California Statewide Communities Development Authority, Revenue Bonds, Kaiser Permanente, Series 2012A, 5.000%, 4/01/42	4/22 at 100.00	AA-	3,061,669
3,000	California Statewide Community Development Authority, Health Facility Revenue Bonds, Catholic Healthcare West, Insured Series 2008K, 5.500%, 7/01/41 – AGC Insured	7/17 at 100.00	AA	3,111,450
1,000	California Statewide Community Development Authority, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2008C, 5.625%, 7/01/35	7/18 at 100.00	A	1,079,220
2,710	California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 – AMBAC Insured	No Opt. Call	AA-	3,100,077
2,940	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009, 6.750%, 11/01/39	11/19 at 100.00	Ba1	3,285,626
2,900	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41	11/20 at 100.00	Ba1	3,120,980
1,750	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB+	2,178,400
27,965	Total Health Care			31,680,425
	Housing/Multifamily – 2.0% (2.0% of Total Investments)			
1,000	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45	8/20 at 100.00	BBB	1,143,370
1,060	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47	8/22 at 100.00	BBB	1,221,480
	California Municipal Finance Authority, Mobile Home Park Senior Revenue Bonds, Caritas Affordable Housing, Inc. Projects, Series 2014A:			
65	5.250%, 8/15/39	8/24 at 100.00	BBB	76,896
175	5.250%, 8/15/49	8/24 at 100.00	BBB	205,658
2,235	California Statewide Community Development Authority, Multifamily Housing Revenue Bonds, Harbor City Lights, Series 1999Y, 6.650%, 7/01/39 (Alternative Minimum Tax)	1/17 at 100.00	N/R	2,238,420
1,045	San Dimas Housing Authority, California, Mobile Home Park Revenue Bonds, Charter Oak Mobile Home Estates Acquisition Project, Series 1998A, 5.700%, 7/01/28	1/17 at 100.00	N/R	1,046,986
5,580	Total Housing/Multifamily			5,932,810
	Housing/Single Family – 0.7% (0.7% of Total Investments)			
2,125	California Department of Veteran Affairs, Home Purchase Revenue Bonds, Series 2007, 5.000%, 12/01/42 (Alternative Minimum Tax)	12/16 at 100.00	AA	2,160,360
4,000	Long-Term Care – 1.5% (1.5% of Total Investments)		AA-	4,380,440

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	ABAG Finance Authority for Non-Profit Corporations, California, Health Facility Revenue Bonds, The Institute on Aging, Series 2008A, 5.650%, 8/15/38	8/18 at 100.00		
180	California Statewide Community Development Authority, Certificates of Participation, Internext Group, Series 1999, 5.375%, 4/01/17	10/16 at 100.00	BBB+	180,761
4,180	Total Long-Term Care Tax Obligation/General – 25.2% (25.9% of Total Investments)			4,561,201
1,750	Antelope Valley Community College District, Los Angeles County, California, General Obligation Bonds, Refunding Series 2015, 5.000%, 8/01/39	2/25 at 100.00	Aa2	2,129,085
1,000	California State, General Obligation Bonds, Refunding Various Purpose Series 2013, 5.000%, 2/01/29	No Opt. Call	AA–	1,219,200
1,000	California State, General Obligation Bonds, Various Purpose Refunding Series 2014, 5.000%, 8/01/31	8/24 at 100.00	AA–	1,252,700
3,000	California State, General Obligation Bonds, Various Purpose Refunding Series 2015, 5.000%, 8/01/34	8/25 at 100.00	AA–	3,739,950

NUVEEN 21

## NCANuveen California Municipal Value Fund, Inc.

Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
	California State, General Obligation Bonds, Various Purpose Series 2009:			
\$2,500	6.000%, 4/01/38	4/19 at 100.00	AA-	\$2,833,625
1,000	6.000%, 11/01/39	11/19 at 100.00	AA-	1,161,410
2,000	California State, General Obligation Bonds, Various Purpose Series 2010, 5.500%, 3/01/40	3/20 at 100.00	AA-	2,299,100
	California State, General Obligation Bonds, Various Purpose Series 2013:			
2,500	5.000%, 4/01/37	4/23 at 100.00	AA-	3,011,750
2,500	5.000%, 2/01/43	No Opt. Call	AA-	2,986,050
2,240	5.000%, 11/01/43	11/23 at 100.00	AA-	2,723,235
	California State, General Obligation Bonds, Various Purpose Series 2014:			
5,000	5.000%, 5/01/32	5/24 at 100.00	AA-	6,213,700
1,970	5.000%, 10/01/39	10/24 at 100.00	AA-	2,425,582
290	Oceanside Unified School District, San Diego County, California, General Obligation Bonds, Election 2008 Series 2010B, 0.000%, 8/01/49 – AGM Insured	8/20 at 13.60	AA	36,952
10,000	Poway Unified School District, San Diego County, California, General Obligation Bonds, School Facilities Improvement District 2007-1, Series 2011A, 0.000%, 8/01/46	No Opt. Call	AA-	3,943,100
2,000	Puerto Rico, General Obligation Bonds, Public Improvement Series 2002A, 5.500%, 7/01/20 – NPFG Insured	No Opt. Call	AA-	2,170,260
6,000	Rio Hondo Community College District, California, General Obligation Bonds, Election of 2004, Series 2010C, 0.000%, 8/01/42 (4)	8/34 at 100.00	AA	6,656,820
3,000	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Dedicated Unlimited Ad Valorem Property Tax, 2012 Election Series 2016F, 5.000%, 7/01/40	7/25 at 100.00	AAA	3,681,720
11,875	San Mateo Union High School District, San Mateo County, California, General Obligation Bonds, Election 2010 Series 2011A, 0.000%, 9/01/41 (4)	9/36 at 100.00	Aaa	11,067,143
20,860	Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D, 0.000%, 8/01/42 (4)	No Opt. Call	Aa2	16,582,864

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

80,485	Total Tax Obligation/General Tax Obligation/Limited – 20.3% (20.9% of Total Investments)			76,134,246
1,000	Artesia Redevelopment Agency, California, Tax Allocation Revenue Bonds, Artesia Redevelopment Project Area, Series 2007, 5.375%, 6/01/27	11/16 at 100.00	BBB+	1,002,000
3,000	Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003: 5.500%, 10/01/23 – RAAI Insured	11/16 at 100.00	AA	3,005,040
1,000	5.625%, 10/01/33 – RAAI Insured	11/16 at 100.00	AA	1,000,980
3,500	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2013F, 5.250%, 9/01/33	9/23 at 100.00	A+	4,342,800
1,250	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2014A, 5.000%, 9/01/39	9/24 at 100.00	A+	1,516,700
1,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30	10/19 at 100.00	A+	1,144,930
2,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009-I, 6.375%, 11/01/34	11/19 at 100.00	A+	2,346,200
3,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2012G, 5.000%, 11/01/37	11/22 at 100.00	A+	3,583,020
1,005	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 – AMBAC Insured	9/16 at 101.00	A	1,018,216
1,000	Folsom Public Financing Authority, California, Special Tax Revenue Bonds, Refunding Series 2007A, 5.000%, 9/01/23 – AMBAC Insured	9/17 at 100.00	N/R	1,032,480
750	Fontana Redevelopment Agency, San Bernardino County, California, Tax Allocation Bonds, Jurupa Hills Redevelopment Project, Refunding Series 1997A, 5.500%, 10/01/27	4/17 at 100.00	A	753,008
8,250	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Refunding Series 2015A, 5.000%, 6/01/45	6/25 at 100.00	A+	10,013,354

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$675	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/25 – AMBAC Insured	5/17 at 100.00	BBB+	\$687,002
	Irvine Unified School District, California, Special Tax Bonds, Community Facilities District Series 2006A:			
150	5.000%, 9/01/26	9/16 at 100.00	N/R	152,948
355	5.125%, 9/01/36	9/16 at 100.00	N/R	360,950
2,500	Kern County Board of Education, California, Certificates of Participation, Series 2006A, 5.000%, 6/01/31 – NCFG Insured	11/16 at 100.00	AA-	2,507,350
750	Lancaster Redevelopment Agency, California, Tax Allocation Bonds, Combined Redevelopment Project Areas Housing Programs, Series 2009, 6.000%, 8/01/24	8/19 at 100.00	BBB	845,970
3,520	Los Angeles County Public Works Financing Authority, California, Lease Revenue Bonds, Multiple Capital Facilities Project II, Series 2012, 5.000%, 8/01/42	No Opt. Call	AA	4,186,266
370	National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011, 6.500%, 8/01/24	8/21 at 100.00	A	462,748
140	Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40	9/21 at 100.00	BBB+	170,103
5,910	Palmdale Elementary School District, Los Angeles County, California, Special Tax Bonds, Community Facilities District 90-1, Series 1999, 5.800%, 8/01/29	No Opt. Call	AA	5,934,054
160	Patterson Public Finance Authority, California, Revenue Bonds, Community Facilities District 2001-1, Subordinate Lien Series 2013B, 5.875%, 9/01/39	9/23 at 100.00	N/R	180,693
	Patterson Public Financing Authority, California, Revenue Bonds, Community Facilities District 2001-1, Senior Series 2013A:			
950	5.250%, 9/01/30	9/23 at 100.00	N/R	1,075,723
860	5.750%, 9/01/39	9/23 at 100.00	N/R	977,691
80	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25	10/21 at 100.00	A	98,799
2,000	Roseville, California, Special Tax Bonds, Community Facilities District 1 Fiddymont Ranch, Series 2005, 5.050%, 9/01/30	3/17 at 100.00	N/R	2,022,580
50	San Clemente, California, Special Tax Revenue Bonds, Community Facilities District 2006-1 Marblehead Coastal, Series 2015, 5.000%, 9/01/40	9/25 at 100.00	N/R	57,936
1,000	San Diego County Regional Transportation Commission, California, Sales Tax Revenue Bonds, Refunding Series 2012A, 5.000%, 4/01/42	4/22 at 100.00	AAA	1,182,230
170			N/R	191,046



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	San Francisco City and County Redevelopment Agency Successor Agency, California, Special Tax Bonds, Community Facilities District 7, Hunters Point Shipyard Phase One Improvements, Refunding Series 2014, 5.000%, 8/01/39	No Opt. Call		
2,750	San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/20 – NPFPG Insured	9/16 at 100.00	AA	2,760,423
780	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Refunding Series 2006D, 5.000%, 8/01/23 – AMBAC Insured	8/17 at 100.00	BBB+	808,571
400	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C: 5.000%, 8/01/24 – NPFPG Insured	8/17 at 100.00	AA–	415,892
590	5.000%, 8/01/25 – NPFPG Insured	8/17 at 100.00	AA–	613,329
110	Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26	4/21 at 100.00	N/R	131,809
1,330	Tehachapi Redevelopment Agency, California, Tax Allocation Bonds, Series 2007, 5.250%, 12/01/37 – RAAI Insured	12/17 at 100.00	AA	1,369,528
1,000	Virgin Islands Public Finance Authority, Matching Fund Loan Notes Revenue Bonds, Series 2012A, 5.000%, 10/01/32 – AGM Insured	10/22 at 100.00	AA	1,093,550
485	Vista Joint Powers Financing Authority, California, Special Tax Lease Revenue Refunding Bonds, Community Facilities District 90-2, Series 1997A, 5.875%, 9/01/20	9/16 at 100.00	N/R	486,300

NUVEEN 23

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

NCA Nuveen California Municipal Value Fund, Inc.  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 1,730	West Contra Costa Healthcare District, California, Certificates of Participation, Series 2004, 5.375%, 7/01/21 – AMBAC Insured	11/16 at 100.00	N/R	\$ 1,755,535
190	Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A, 6.500%, 9/01/32	9/21 at 100.00	A–	233,470
55,760	Total Tax Obligation/Limited Transportation – 8.6% (8.9% of Total Investments)			61,521,224
1,820	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Junior Lien Series 2013C, 6.500%, 1/15/43	1/24 at 100.00	BB+	2,226,297
1,945	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Series 2013A: 5.000%, 1/15/42 – AGM Insured	1/24 at 100.00	AA	2,236,575
4,010	5.750%, 1/15/46	1/24 at 100.00	BBB–	4,804,702
4,010	6.000%, 1/15/53	1/24 at 100.00	BBB–	4,862,245
5,665	Los Angeles Department of Airports, California, Revenue Bonds, Los Angeles International Airport, Senior Lien Series 2015D, 5.000%, 5/15/41 (Alternative Minimum Tax)	5/25 at 100.00	AA	6,761,744
3,000	Los Angeles Harbors Department, California, Revenue Bonds, Series 2014C, 5.000%, 8/01/44	8/24 at 100.00	AA	3,626,580
175	Palm Springs Financing Authority, California, Palm Springs International Airport Revenue Bonds, Series 2006, 5.550%, 7/01/28 (Alternative Minimum Tax)	11/16 at 100.00	N/R	175,242
1,210	Port of Oakland, California, Revenue Bonds, Refunding Series 2012P, 5.000%, 5/01/29 (Alternative Minimum Tax)	No Opt. Call	A+	1,424,352
21,835	Total Transportation U.S. Guaranteed – 14.8% (15.2% of Total Investments) (5)			26,117,737
5,365	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (Pre-refunded 11/15/16) (UB)	11/16 at 100.00	AA– (5)	5,415,055
1,600	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/27 (Pre-refunded 2/01/17)	2/17 at 100.00	N/R (5)	1,631,008
1,000	California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31 (Pre-refunded 7/15/17)	7/17 at 100.00	AA+ (5)	1,040,590
1,855	Contra Costa County, California, GNMA Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 1988, 8.250%, 6/01/21 (Alternative Minimum Tax) (ETM)	No Opt. Call	Aaa	2,174,023

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

1,525	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38 (Pre-refunded 12/01/17)	12/17 at 100.00	BB (5)	1,672,605
	Madera Irrigation District. California, Water Revenue Refunding Bonds, Series 2008:			
1,850	5.500%, 1/01/33 (Pre-refunded 1/01/18)	1/18 at 100.00	A (5)	1,966,865
3,000	5.500%, 1/01/38 (Pre-refunded 1/01/18)	1/18 at 100.00	A (5)	3,173,370
5,710	Oceanside Unified School District, San Diego County, California, General Obligation Bonds, Election 2008 Series 2010B, 0.000%, 8/01/49 (Pre-refunded 8/01/20) – AGM Insured	8/20 at 13.60	AA (5)	750,751
8,565	Palmdale, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1988A, 0.000%, 3/01/17 (ETM)	No Opt. Call	AA+ (5)	8,539,904
1,130	Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28 (Pre-refunded 9/01/18)	9/18 at 100.00	BB+ (5)	1,262,312
440	Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30 (Pre-refunded 9/01/21)	9/21 at 100.00	A– (5)	544,870
13,285	San Bernardino County, California, GNMA Mortgage-Backed Securities Program Single Family Home Mortgage Revenue Bonds, Series 1988A, 0.000%, 9/01/21 (Alternative Minimum Tax) (ETM)	No Opt. Call	Aaa	10,161,164
65	San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	A– (5)	81,706
	San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D:			
65	7.000%, 8/01/33 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (5)	82,410
80	7.000%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (5)	101,427

24 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (5) (continued)			
\$625	San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 (Pre-refunded 12/15/17) – AMBAC Insured	12/17 at 100.00	N/R (5)	\$661,381
3,000	Santa Clara County Financing Authority, California, Insured Revenue Bonds, El Camino Hospital, Series 2007A, 5.750%, 2/01/41 (Pre-refunded 8/01/17) – AMBAC Insured	8/17 at 100.00	A+ (5)	3,145,650
910	Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, 2000 Measure A, Refunding Series 2007A, 5.000%, 4/01/36 (Pre-refunded 4/01/17) – AMBAC Insured	4/17 at 100.00	AA+ (5)	934,060
1,320	Tahoe Forest Hospital District, Placer and Nevada Counties, California, General Obligation Bonds, Series 2010B, 5.500%, 8/01/35 (Pre-refunded 8/01/18)	8/18 at 100.00	Aa3 (5)	1,444,040
51,390	Total U.S. Guaranteed Utilities – 2.7% (2.8% of Total Investments)			44,783,191
2,000	California Statewide Communities Development Authority, Certificates of Participation, Rio Bravo Fresno Project, Refunding Series 1999A, 6.500%, 12/01/18	12/16 at 100.00	N/R	2,000,840
1,800	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.500%, 11/15/37	No Opt. Call	A	2,471,076
1,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2016A, 5.000%, 7/01/37	1/26 at 100.00	Aa2	1,244,600
	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2016B:			
335	5.000%, 7/01/30	1/26 at 100.00	Aa2	428,036
705	5.000%, 7/01/31	1/26 at 100.00	Aa2	896,619
210	5.000%, 7/01/32	1/26 at 100.00	Aa2	265,637
235	5.000%, 7/01/33	1/26 at 100.00	Aa2	296,114
420	5.000%, 7/01/34	1/26 at 100.00	Aa2	527,188
6,705	Total Utilities Water and Sewer – 4.0% (4.1% of Total Investments)			8,130,110
	California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside LP Desalination Project, Series 2012:			
1,375	5.000%, 7/01/37 (Alternative Minimum Tax)	No Opt. Call	Baa3	1,552,499
2,675	5.000%, 11/21/45 (Alternative Minimum Tax)	No Opt. Call	Baa3	3,012,612
5,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2007A-2, 5.000%, 7/01/44 – AMBAC Insured	7/17 at 100.00	AA+	5,179,350

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

2,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2016A, 5.000%, 7/01/46	1/21 at 100.00	AA+	2,475,820
11,050	Total Water and Sewer			12,220,281
\$290,165	Total Long-Term Investments (cost \$253,631,880)			294,422,559
	Floating Rate Obligations – (1.1)%			(3,240,000 )
	Other Assets Less Liabilities – 3.8%			11,364,758
	Net Assets – 100%			\$302,547,317

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Step-up coupon. The rate shown is the coupon as of the end of the reporting period.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (ETM) Escrowed to maturity.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Note 3 – Portfolio Securities and Investments in Derivatives, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

NUVEEN 25

## NCB

Nuveen California Municipal Value Fund 2  
Portfolio of Investments

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 97.7% (100.0% of Total Investments)			
	MUNICIPAL BONDS – 97.7% (100.0% of Total Investments)			
	Consumer Staples – 6.5% (6.6% of Total Investments)			
\$ 2,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.000%, 6/01/33	6/17 at 100.00	B–	\$ 2,019,700
1,000	Silicon Valley Tobacco Securitization Authority, California, Tobacco Settlement Asset-Backed Bonds, Santa Clara County Tobacco Securitization Corporation, Series 2007A, 0.000%, 6/01/41	6/17 at 26.07	N/R	233,740
1,500	Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1, 5.500%, 6/01/45	11/16 at 100.00	B–	1,500,105
4,500	Total Consumer Staples			3,753,545
	Education and Civic Organizations – 2.2% (2.2% of Total Investments)			
865	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2009, 5.500%, 11/01/39	11/19 at 100.00	A2	974,751
100	California Municipal Finance Authority, Charter School Revenue Bonds, Rocketship Education Multiple Projects, Series 2014A, 7.250%, 6/01/43	6/22 at 102.00	N/R	118,301
150	California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46	7/21 at 100.00	BBB–	178,397
1,115	Total Education and Civic Organizations			1,271,449
	Health Care – 12.1% (12.4% of Total Investments)			
1,900	California Health Facilities Financing Authority, Revenue Bonds, Catholic Healthcare West, Series 2009A, 6.000%, 7/01/39	7/19 at 100.00	A	2,168,717
1,000	California Health Facilities Financing Authority, Revenue Bonds, Childrens Hospital of Orange County, Series 2009A, 6.500%, 11/01/38	11/19 at 100.00	A	1,177,700
70	California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2014A, 5.000%, 8/15/43	8/24 at 100.00	AA	83,332
75	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Refunding Series 2014A, 5.000%, 10/01/38	10/24 at 100.00	AA–	91,841
150	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2014B, 5.000%, 10/01/44	10/24 at 100.00	AA–	178,377
500	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/27	2/17 at 100.00	A–	508,425
470	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2016A, 5.250%, 12/01/56	6/26 at 100.00	BB+	546,281
685			AA	722,949

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2007B, 5.000%, 3/01/37	3/18 at 100.00		
	– AGC Insured			
250	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009, 6.625%, 11/01/29	11/19 at 100.00	Ba1	278,853
725	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41	11/20 at 100.00	Ba1	780,245
380	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB+	473,024
6,205	Total Health Care Housing/Multifamily – 1.2% (1.2% of Total Investments)			7,009,744
220	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45	8/20 at 100.00	BBB	251,541
70	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47	8/22 at 100.00	BBB	80,664

26 NUVEEN

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Housing/Multifamily (continued)			
\$250	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012B, 7.250%, 8/15/47	8/22 at 100.00	A1	\$298,153
	California Municipal Finance Authority, Mobile Home Park Senior Revenue Bonds, Caritas Affordable Housing, Inc. Projects, Series 2014A:			
15	5.250%, 8/15/39	8/24 at 100.00	BBB	17,745
40	5.250%, 8/15/49	8/24 at 100.00	BBB	47,008
595	Total Housing/Multifamily			695,111
	Housing/Single Family – 0.0% (0.1% of Total Investments)			
25	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2008L, 5.500%, 8/01/38	2/18 at 100.00	AA–	25,382
	Long-Term Care – 2.1% (2.2% of Total Investments)			
1,000	California Health Facilities Financing Authority, Insured Revenue Bonds, Community Program for Persons with Developmental Disabilities, Series 2011A, 6.250%, 2/01/26	2/21 at 100.00	AA–	1,217,710
	Tax Obligation/General – 14.1% (14.4% of Total Investments)			
2,100	Carlsbad Unified School District, San Diego County, California, General Obligation Bonds, Series 2009B, 0.000%, 5/01/34 (4)	5/24 at 100.00	AA	2,302,838
195	Oceanside Unified School District, San Diego County, California, General Obligation Bonds, Election 2008 Series 2010B, 0.000%, 8/01/49 – AGM Insured	8/20 at 13.60	AA	24,847
1,000	Rio Hondo Community College District, California, General Obligation Bonds, Election of 2004, Series 2010C, 0.000%, 8/01/42 (4)	8/34 at 100.00	AA	1,109,470
1,000	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Dedicated Unlimited Ad Valorem Property Tax, 2012 Election Series 2016F, 5.000%, 7/01/40	7/25 at 100.00	AAA	1,227,240
10,000	San Marcos Unified School District, San Diego County, California, General Obligation Bonds, 2010 Election, Series 2012B, 0.000%, 8/01/51	No Opt. Call	AA–	2,934,199
500	Western Riverside Water & Wastewater Financing Authority, California, Revenue Bonds, Western Municipal Water District, Series 2009, 5.625%, 9/01/39 – AGC Insured	8/19 at 100.00	AA+	562,950
14,795	Total Tax Obligation/General			8,161,544
	Tax Obligation/Limited – 17.9% (18.3% of Total Investments)			
1,965	California State Public Works Board, Lease Revenue Bonds, Department of Education Riverside Campus Project, Series 2009B, 5.750%, 4/01/23	4/19 at 100.00	A+	2,217,915
500	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2010A-1, 6.000%, 3/01/35	3/20 at 100.00	A+	587,325
160	Fontana Redevelopment Agency, San Bernardino County, California, Tax Allocation Bonds, Jurupa Hills Redevelopment Project, Refunding Series 1997A, 5.500%, 10/01/27	4/17 at 100.00	A	160,642



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Golden State Tobacco Securitization Corporation, California,  
Enhanced Tobacco Settlement Asset-Backed Revenue Bonds,  
Refunding Series 2015A:

180	5.000%, 6/01/40	6/25 at 100.00	A+	219,431
1,820	5.000%, 6/01/45	6/25 at 100.00	A+	2,209,007
145	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/25 – AMBAC Insured	5/17 at 100.00	BBB+	147,578
425	Lancaster Redevelopment Agency, California, Tax Allocation Bonds, Combined Redevelopment Project Areas Housing Programs, Series 2009, 6.875%, 8/01/39	No Opt. Call	BBB	489,388
80	National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011, 6.500%, 8/01/24	8/21 at 100.00	A	100,054
30	Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40	9/21 at 100.00	BBB+	36,451
35	Patterson Public Finance Authority, California, Revenue Bonds, Community Facilities District 2001-1, Subordinate Lien Series 2013B, 5.875%, 9/01/39	9/23 at 100.00	N/R	39,527

NUVEEN 27

## NCBNuveen California Municipal Value Fund 2

Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	Patterson Public Financing Authority, California, Revenue Bonds, Community Facilities District 2001-1, Senior Series 2013A:			
\$210	5.250%, 9/01/30	9/23 at 100.00	N/R	\$237,791
190	5.750%, 9/01/39	9/23 at 100.00	N/R	216,002
15	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25	10/21 at 100.00	A	18,525
20	San Clemente, California, Special Tax Revenue Bonds, Community Facilities District 2006-1 Marblehead Coastal, Series 2015, 5.000%, 9/01/40	9/25 at 100.00	N/R	23,174
1,000	San Francisco City and County Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, San Francisco Redevelopment Projects, Series 2009B, 6.625%, 8/01/39	8/19 at 100.00	AA-	1,161,210
1,500	San Francisco City and County, California, Certificates of Participation, Multiple Capital Improvement Projects, Series 2009A, 5.250%, 4/01/31	4/19 at 100.00	AA	1,665,735
585	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Refunding Series 2006D, 5.000%, 8/01/22 – AMBAC Insured	8/17 at 100.00	BBB+	606,704
125	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C, 5.000%, 8/01/25 – NPFPG Insured	8/17 at 100.00	AA-	129,943
25	Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26	4/21 at 100.00	N/R	29,957
40	Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A, 6.000%, 9/01/26	9/21 at 100.00	A-	48,489
9,050	Total Tax Obligation/Limited Transportation – 5.0% (5.2% of Total Investments)			10,344,848
395	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Junior Lien Series 2013C, 6.500%, 1/15/43	1/24 at 100.00	BB+	483,180
	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Series 2013A:			
865	5.750%, 1/15/46	1/24 at 100.00	BBB-	1,036,426
865	6.000%, 1/15/53	1/24 at 100.00	BBB-	1,048,838
305	Port of Oakland, California, Revenue Bonds, Refunding Series 2012P, 5.000%, 5/01/31 (Alternative Minimum Tax)	No Opt. Call	A+	357,707

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

2,430	Total Transportation			2,926,151
	U.S. Guaranteed – 16.3% (16.7% of Total Investments) (5)			
1,000	ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Health Facility Revenue Bonds, Saint Rose Hospital, Series 2009A, 6.000%, 5/15/29 (Pre-refunded 5/15/19)	5/19 at 100.00	AA– (5)	1,143,250
	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2009:			
55	5.500%, 11/01/39 (Pre-refunded 11/01/19)	11/19 at 100.00	N/R (5)	63,293
80	5.500%, 11/01/39 (Pre-refunded 11/01/19)	11/19 at 100.00	A2 (5)	92,062
350	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/27 (Pre-refunded 2/01/17)	2/17 at 100.00	N/R (5)	356,783
	California State, General Obligation Bonds, Various Purpose Series 2007:			
1,230	5.000%, 6/01/37 (Pre-refunded 6/01/17) – NPMG Insured	6/17 at 100.00	AA– (5)	1,271,992
770	5.000%, 6/01/37 (Pre-refunded 6/01/17) – NPMG Insured	6/17 at 100.00	AA– (5)	796,288
575	Lancaster Redevelopment Agency, California, Tax Allocation Bonds, Combined Redevelopment Project Areas Housing Programs, Series 2009, 6.875%, 8/01/39 (Pre-refunded 8/01/19)	8/19 at 100.00	N/R (5)	678,822
1,120	Oakland, California, General Obligation Bonds, Measure DD Series 2009B, 5.250%, 1/15/29 (Pre-refunded 1/15/19)	1/19 at 100.00	Aa2 (5)	1,243,424
3,805	Oceanside Unified School District, San Diego County, California, General Obligation Bonds, Election 2008 Series 2010B, 0.000%, 8/01/49 (Pre-refunded 8/01/20) – AGM Insured	8/20 at 13.60	AA (5)	500,281
2,000	Orange County Sanitation District, California, Certificates of Participation, Tender Option Bond Trust 3020, 16.176%, 2/01/35 (Pre-refunded 02/01/19) (IF) (6)	2/19 at 100.00	AAA	2,848,759

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (5) (continued)			
\$240	Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28 (Pre-refunded 9/01/18)	9/18 at 100.00	BB+ (5)	\$268,102
95	Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30 (Pre-refunded 9/01/21)	9/21 at 100.00	A- (5)	117,642
15	San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	A- (5)	18,855
	San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D:			
15	7.000%, 8/01/33 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (5)	19,018
15	7.000%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (5)	19,018
11,365	Total U.S. Guaranteed Utilities – 18.2% (18.6% of Total Investments)			9,437,589
	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2016B:			
335	5.000%, 7/01/30	1/26 at 100.00	Aa2	428,036
705	5.000%, 7/01/31	1/26 at 100.00	Aa2	896,619
210	5.000%, 7/01/32	1/26 at 100.00	Aa2	265,637
235	5.000%, 7/01/33	1/26 at 100.00	Aa2	296,114
415	5.000%, 7/01/34	1/26 at 100.00	Aa2	520,912
1,000	M-S-R Energy Authority, California, Gas Revenue Bonds, Citigroup Prepay Contracts, Series 2009C, 6.500%, 11/01/39	No Opt. Call	A	1,492,090
2,495	Roseville Natural Gas Financing Authority, California, Gas Revenue Bonds, Series 2007, 5.000%, 2/15/17	No Opt. Call	A	2,534,595
2,400	Southern California Public Power Authority, Natural Gas Project 1 Revenue Bonds, Series 2007A, 5.250%, 11/01/24	No Opt. Call	A	2,972,711
1,000	Tuolumne Wind Project Authority, California, Revenue Bonds, Tuolumne Company Project, Series 2009A, 5.625%, 1/01/29	1/19 at 100.00	AA-	1,108,110
8,795	Total Utilities Water and Sewer – 2.1% (2.1% of Total Investments)			10,514,824
1,075	California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside LP Desalination Project, Series 2012, 5.000%, 11/21/45 (Alternative Minimum Tax)	No Opt. Call	Baa3	1,210,676
\$60,950	Total Long-Term Investments (cost \$47,113,220)			56,568,573
	Other Assets Less Liabilities – 2.3%			1,333,323

Net Assets – 100%

\$57,901,896

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

Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may

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

For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(4) Step-up coupon. The rate shown is the coupon as of the end of the reporting period.

Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which

(5) ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.

(6) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.

(IF) Inverse floating rate investment.

See accompanying notes to financial statements.

NUVEEN 29

---

## NKX

Nuveen California AMT-Free Municipal Income Fund  
Portfolio of Investments

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 151.7% (100.0% of Total Investments)			
	MUNICIPAL BONDS – 151.7% (100.0% of Total Investments)			
	Consumer Staples – 9.2% (6.1% of Total Investments)			
\$860	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29	11/16 at 100.00	Baa1	\$868,359
	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A:			
6,350	5.600%, 6/01/36	12/18 at 100.00	B3	6,455,918
325	5.650%, 6/01/41	12/18 at 100.00	B2	330,418
2,780	5.700%, 6/01/46	12/18 at 100.00	B2	2,826,426
80	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	11/16 at 100.00	BBB+	80,036
2,040	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29	11/16 at 100.00	Baa2	2,073,640
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:			
18,570	5.000%, 6/01/33	6/17 at 100.00	B–	18,752,914
1,950	5.750%, 6/01/47	6/17 at 100.00	B–	1,993,524
13,560	5.125%, 6/01/47	6/17 at 100.00	B–	13,614,782
16,380	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37	6/22 at 100.00	B–	16,824,881
	Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1:			
8,450	5.375%, 6/01/38	11/16 at 100.00	B–	8,449,493
2,000	5.500%, 6/01/45	11/16 at 100.00	B–	2,000,140
73,345	Total Consumer Staples			74,270,531
	Education and Civic Organizations – 2.8% (1.8% of Total Investments)			

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

1,050	ABAG Finance Authority for Non-Profit Corporations, California, Revenue Bonds, The Jackson Laboratory, Series 2012, 5.000%, 7/01/37	7/22 at 100.00	A1	1,208,235
3,000	California Educational Facilities Authority, Revenue Bonds, Pepperdine University, Series 2015, 5.000%, 9/01/40	9/25 at 100.00	AA	3,687,960
2,000	California Educational Facilities Authority, Revenue Bonds, Stanford University Series 2016U-7, 5.000%, 6/01/46	No Opt. Call	AAA	3,039,320
4,475	California Municipal Finance Authority Charter School Revenue Bonds, Albert Einstein Academies Project, Series 2013A , 7.125%, 8/01/43	8/23 at 100.00	B+	5,169,028
1,780	California Municipal Finance Authority, Charter School Revenue Bonds, Rocketship Education Multiple Projects, Series 2014A , 7.250%, 6/01/43	6/22 at 102.00	N/R	2,105,758
1,600	California Municipal Finance Authority, Revenue Bonds, Goodwill Industries of Sacramento Valley & Northern Nevada Project, Series 2012A, 6.875%, 1/01/42	1/22 at 100.00	N/R	1,805,744
2,000	California State University, Systemwide Revenue Bonds, Refunding Series 2015A, 5.000%, 11/01/38	11/25 at 100.00	Aa2	2,494,500
1,725	California State University, Systemwide Revenue Bonds, Series 2016A, 5.000%, 11/01/41	5/26 at 100.00	Aa2	2,151,989
300	California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46	7/21 at 100.00	BBB-	356,793
185	California Statewide Communities Development Authority, Charter School Revenue Bonds, Rocketship 4 – Mosaic Elementary Charter School, Series 2011A, 8.500%, 12/01/41	12/21 at 100.00	N/R	225,128
18,115	Total Education and Civic Organizations			22,244,455

30 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care – 17.5% (11.5% of Total Investments)			
\$430	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2015A, 5.000%, 8/15/43	8/25 at 100.00	AA–	\$519,608
36,170	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2016B, 5.000%, 11/15/46	11/26 at 100.00	AA–	44,895,651
5,000	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Series 2016A, 5.000%, 11/15/41	11/25 at 100.00	AA–	6,160,750
1,630	California Health Facilities Financing Authority, Revenue Bonds, Children's Hospital Los Angeles, Series 2010A, 5.250%, 7/01/38 – AGC Insured	7/20 at 100.00	AA	1,836,065
1,255	California Health Facilities Financing Authority, Revenue Bonds, Children's Hospital Los Angeles, Series 2012A, 5.000%, 11/15/29	No Opt. Call	BBB+	1,439,811
1,000	California Health Facilities Financing Authority, Revenue Bonds, City of Hope National Medical Center, Series 2012A, 5.000%, 11/15/35	No Opt. Call	AA–	1,196,480
2,520	California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2014A, 5.000%, 8/15/43	8/24 at 100.00	AA	2,999,959
2,000	California Health Facilities Financing Authority, Revenue Bonds, Memorial Health Services, Series 2012A, 5.000%, 10/01/33	No Opt. Call	AA–	2,390,720
1,405	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Refunding Series 2014A, 5.000%, 10/01/38	10/24 at 100.00	AA–	1,720,479
2,800	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2014B, 5.000%, 10/01/44	10/24 at 100.00	AA–	3,329,704
335	California Health Facilities Financing Authority, Revenue Bonds, Rady Children's Hospital – San Diego, Series 2011, 5.250%, 8/15/41	8/21 at 100.00	Aa3	385,438
750	California Municipal Finance Authority, Revenue Bonds, Eisenhower Medical Center, Series 2010A, 5.750%, 7/01/40	7/20 at 100.00	Baa2	836,940
605	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/46	2/17 at 100.00	A–	612,327
	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2014A:			
2,400	5.250%, 12/01/34	12/24 at 100.00	BB+	2,780,544
5,200	5.250%, 12/01/44	12/24 at 100.00	BB+	6,004,024
745	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2016A, 5.250%, 12/01/56	6/26 at 100.00	BB+	865,913
4,000	California Statewide Community Development Authority, Health Facility Revenue Bonds, Catholic Healthcare West, Insured Series	7/17 at 100.00	AA	4,148,600



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

2008K, 5.500%, 7/01/41 – AGC Insured

California Statewide Community Development Authority, Revenue Bonds, Children's Hospital of Los Angeles, Series 2007:

2,995	5.000%, 8/15/39 – NCFG Insured	8/17 at 100.00	AA–	3,094,344
6,500	5.000%, 8/15/47	8/17 at 100.00	BBB+	6,694,675
	California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A:			
770	5.500%, 7/01/24 (4)	11/16 at 100.00	CCC	770,031
4,240	5.500%, 7/01/30 (4)	11/16 at 100.00	CCC	4,240,170
105	5.500%, 7/01/35 (4)	11/16 at 100.00	CCC	105,004
6,160	California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 – AMBAC Insured	No Opt. Call	AA–	7,046,670
7,555	California Statewide Community Development Authority, Revenue Bonds, St. Joseph Health System, Series 2007A, 5.750%, 7/01/47 – FGIC Insured	7/18 at 100.00	AA–	8,259,655
2,600	Marysville, California, Revenue Bonds, The Fremont-Rideout Health Group, Series 2011, 5.250%, 1/01/42	1/21 at 100.00	BBB	2,924,246
	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009:			
9,250	6.625%, 11/01/29	11/19 at 100.00	Ba1	10,317,542
7,500	6.750%, 11/01/39	11/19 at 100.00	Ba1	8,381,700

NUVEEN 31

NKX Nuveen California AMT-Free Municipal Income Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010:			
\$1,500	6.000%, 11/01/30	11/20 at 100.00	Ba1	\$1,629,885
2,595	6.000%, 11/01/41	11/20 at 100.00	Ba1	2,792,739
1,000	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Refunding Series 2007A, 5.000%, 7/01/38	7/17 at 100.00	Baa2	1,028,310
850	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB+	1,058,080
121,865	Total Health Care			140,466,064
	Housing/Multifamily – 2.4% (1.6% of Total Investments)			
475	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45	8/20 at 100.00	BBB	543,101
155	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47	8/22 at 100.00	BBB	178,613
350	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012B, 7.250%, 8/15/47	8/22 at 100.00	A1	417,413
	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Windsor Mobile Country Club Series 2013A:			
2,000	5.625%, 11/15/33	11/23 at 100.00	BBB	2,335,020
8,000	6.000%, 11/15/48	11/23 at 100.00	BBB	9,510,160
	California Municipal Finance Authority, Mobile Home Park Senior Revenue Bonds, Caritas Affordable Housing, Inc. Projects, Series 2014A:			
260	5.250%, 8/15/39	8/24 at 100.00	BBB	307,585
705	5.250%, 8/15/49	8/24 at 100.00	BBB	828,509
3,285	Independent Cities Finance Authority, California, Mobile Home Park Revenue Bonds, Rancho Vallecitos Mobile Home Park, Series 2013, 5.000%, 4/15/38	4/23 at 100.00	A-	3,620,793
	La Verne, California, Mobile Home Park Revenue Bonds, Copacabana Mobile Home Park, Refunding Series 2014:			
670	5.000%, 6/15/44	6/24 at 100.00	A	769,448
185	5.000%, 6/15/49	6/24 at 100.00	A	211,211
950			AA-	952,688

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	Poway, California, Housing Revenue Bonds, Revenue Bonds, Poinsettia Mobile Home Park, Series 2003, 5.000%, 5/01/23	11/16 at 100.00		
17,035	Total Housing/Multifamily Housing/Single Family – 0.0% (0.0% of Total Investments)			19,674,541
40	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2008L, 5.500%, 8/01/38 Long-Term Care – 1.2% (0.8% of Total Investments)	2/18 at 100.00	AA–	40,611
3,000	ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Revenue Bonds, Channing House, Series 2010, 6.125%, 5/15/40	5/20 at 100.00	AA–	3,508,860
2,250	California Health Facilities Financing Authority, Insured Revenue Bonds, Community Program for Persons with Developmental Disabilities, Series 2011A, 6.250%, 2/01/26	2/21 at 100.00	AA–	2,739,847
1,300	California Health Facilities Financing Authority, Revenue Bonds, Northern California Presbyterian Homes & Services Inc., Refunding Series 2015, 5.000%, 7/01/39	7/25 at 100.00	AA–	1,562,977
1,500	California Statewide Communities Development Authority, Revenue Bonds, Front Porch Communities and Services Project, Series 2007A, 5.125%, 4/01/37	4/17 at 100.00	BBB+	1,525,125
8,050	Total Long-Term Care Tax Obligation/General – 32.1% (21.2% of Total Investments)			9,336,809
3,000	Alhambra Unified School District, Los Angeles County, California, General Obligation Bonds, Refunding Series 2012A, 5.000%, 8/01/29 – AGM Insured	8/22 at 100.00	Aa2	3,636,810
4,000	Antelope Valley Community College District, Los Angeles County, California, General Obligation Bonds, Refunding Series 2015, 5.000%, 8/01/39	2/25 at 100.00	Aa2	4,866,480
1,000	California State, General Obligation Bonds, Refunding Series 2011, 5.250%, 9/01/25	9/21 at 100.00	AA–	1,212,760

32 NUVEEN

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
\$1,600	California State, General Obligation Bonds, Refunding Various Purpose Series 2015, 5.000%, 9/01/32	9/25 at 100.00	AA-	\$2,007,040
4,910	California State, General Obligation Bonds, Various Purpose Refunding Series 2014, 5.000%, 10/01/32	10/24 at 100.00	AA-	6,162,541
	California State, General Obligation Bonds, Various Purpose Refunding Series 2015:			
2,140	5.000%, 8/01/28	8/25 at 100.00	AA-	2,731,111
9,055	5.000%, 8/01/31	2/25 at 100.00	AA-	11,260,526
	California State, General Obligation Bonds, Various Purpose Series 2009:			
2,350	6.000%, 11/01/39	11/19 at 100.00	AA-	2,729,313
1,300	5.500%, 11/01/39	11/19 at 100.00	AA-	1,484,509
6,000	California State, General Obligation Bonds, Various Purpose Series 2010, 6.000%, 3/01/33	3/20 at 100.00	AA-	7,072,440
	California State, General Obligation Bonds, Various Purpose Series 2011:			
2,000	5.000%, 9/01/31	No Opt. Call	AA-	2,378,460
4,090	5.000%, 9/01/41	9/21 at 100.00	AA-	4,842,069
2,625	5.000%, 10/01/41	10/21 at 100.00	AA-	3,115,455
	California State, General Obligation Bonds, Various Purpose Series 2013:			
3,500	5.000%, 4/01/37	4/23 at 100.00	AA-	4,216,450
2,000	5.000%, 2/01/43	No Opt. Call	AA-	2,388,840
5,520	5.000%, 11/01/43	11/23 at 100.00	AA-	6,710,830
	California State, General Obligation Bonds, Various Purpose Series 2014:			
2,460	5.000%, 10/01/39	10/24 at 100.00	AA-	3,028,900
9,000	5.000%, 12/01/43	12/23 at 100.00	AA-	10,962,720
9,000	5.000%, 10/01/44	10/24 at 100.00	AA-	11,043,540
	California State, General Obligation Bonds, Various Purpose Series 2015:			
8,000	5.000%, 3/01/45		AA-	9,860,400

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

		3/25 at 100.00		
2,000	5.000%, 8/01/45	8/25 at 100.00	AA-	2,485,900
20,750	Coachella Valley Unified School District, Riverside County, California, General Obligation Bonds, Election 2005 Series 2010C, 0.000%, 8/01/43 – AGM Insured	No Opt. Call	AA	8,330,710
2,500	Corona-Norco Unified School District, Riverside County, California, General Obligation Bonds, Election 2006 Series 2009B, 5.375%, 2/01/34 – AGC Insured	8/18 at 100.00	AA	2,725,000
8,295	Los Angeles Community College District, California, General Obligation Bonds, Refunding Series 2015A, 5.000%, 8/01/30	8/24 at 100.00	AA+	10,405,165
5,000	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Refunding Series 2014C, 5.000%, 7/01/29	No Opt. Call	Aa2	6,276,100
4,500	Mount Diablo Unified School District, Contra Costa County, California, General Obligation Bonds, Series 2010A, 0.000%, 8/01/30 – AGM Insured (5)	8/25 at 100.00	AA	4,318,425
3,485	Peralta Community College District, Alameda County, California, General Obligation Bonds, Refunding Series 2016A: 5.000%, 8/01/33	8/25 at 100.00	AAA	4,334,922
2,000	5.000%, 8/01/34	8/25 at 100.00	AAA	2,480,380
1,125	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Election of 1998, Series 1999A, 0.000%, 7/01/21 – FGIC Insured	No Opt. Call	Aa2	1,050,120
11,980	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Refunding Series 2012R-1, 0.000%, 7/01/31	No Opt. Call	Aa2	7,960,111
1,500	San Juan Capistrano, California, General Obligation Bonds, Open Space Program, Tender Option Bond Trust 2015-XF0048, 16.238%, 8/01/40 (IF)	8/19 at 100.00	AAA	2,233,800
2,870	Sanger Unified School District, Fresno County, California, General Obligation Bonds, Election 2012, Series 2014B, 5.000%, 8/01/39 – AGM Insured	8/24 at 100.00	AA	3,427,871
10,000	Southwestern Community College District, San Diego County, California, General Obligation Bonds, Election of 2008, Series 2011C, 0.000%, 8/01/41	No Opt. Call	Aa2	4,391,100

NUVEEN 33

NKX Nuveen California AMT-Free Municipal Income Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
	Stockton Unified School District, San Joaquin County, California, General Obligation Bonds, Election 2008 Series 2011D:			
\$23,280	7.400%, 8/01/47 – AGC Insured	8/37 at 100.00	AA	\$22,620,245
38,845	0.000%, 8/01/50 – AGM Insured (5)	8/37 at 100.00	AA	37,979,533
15,780	Sylvan Union School District, Stanislaus County, California, General Obligation Bonds, Election of 2006, Series 2010, 0.000%, 8/01/49 – AGM Insured (5)	No Opt. Call	AA	12,523,324
5,000	Walnut Valley Unified School District, Los Angeles County, California, General Obligation Bonds, Election 2007 Measure S, Series 2014C, 5.000%, 8/01/39	8/24 at 100.00	Aa2	6,097,250
3,905	West Kern Community College District, California, General Obligation Bonds, Election 2004, Series 2007C, 5.000%, 10/01/32 – SYNCORA GTY Insured	11/17 at 100.00	A+	4,075,414
8,345	Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D, 0.000%, 8/01/42 (5)	No Opt. Call	Aa2	6,633,941
4,000	Yosemite Community College District, California, General Obligation Bonds, Refunding Series 2015, 5.000%, 8/01/32	8/25 at 100.00	Aa2	5,012,600
1,000	Yuba Community College District, California, General Obligation Bonds, Election 2006 Series 2011C, 5.250%, 8/01/47	8/21 at 100.00	Aa2	1,180,560
259,710	Total Tax Obligation/General			258,253,665
	Tax Obligation/Limited – 37.2% (24.5% of Total Investments)			
2,000	Baldwin Park Public Financing Authority, California, Sales Tax and Tax Allocation Bonds, Puente Merced Redevelopment Project, Series 2003, 5.250%, 8/01/21	8/17 at 100.00	BBB	2,031,800
655	Beaumont Financing Authority, California, Local Agency Revenue Bonds, Improvement Area 19C, Series 2013A, 5.000%, 9/01/27	9/23 at 100.00	N/R	752,150
1,000	Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003, 5.625%, 10/01/33 – RAAI Insured	11/16 at 100.00	AA	1,000,980
7,895	Brea and Olinda Unified School District, Orange County, California, Certificates of Participation Refunding, Series 2002A, 5.125%, 8/01/26 – AGM Insured	11/16 at 100.00	AA	7,925,238
	California Infrastructure and Economic Development Bank, Revenue Bonds, North County Center for Self-Sufficiency Corporation, Series 2004:			
1,215	5.000%, 12/01/19 – AMBAC Insured	11/16 at 100.00	AA	1,219,593
1,535	5.000%, 12/01/20 – AMBAC Insured	11/16 at 100.00	AA	1,540,802

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

1,615	5.000%, 12/01/21 – AMBAC Insured	11/16 at 100.00	AA	1,621,105
1,695	5.000%, 12/01/22 – AMBAC Insured	11/16 at 100.00	AA	1,701,407
1,780	5.000%, 12/01/23 – AMBAC Insured	11/16 at 100.00	AA	1,786,728
1,865	5.000%, 12/01/24 – AMBAC Insured	11/16 at 100.00	AA	1,872,050
7,000	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2013F, 5.250%, 9/01/31	9/23 at 100.00	A+	8,706,600
2,790	California State Public Works Board, Lease Revenue Bonds, Department of Education, Riverside Campus Project, Series 2012H: 5.000%, 4/01/30	No Opt. Call	A+	3,309,442
2,065	5.000%, 4/01/31	No Opt. Call	A+	2,447,046
4,860	California State Public Works Board, Lease Revenue Bonds, Department of Veterans Affairs, Southern California Veterans Home – Chula Vista Facility, Series 1999A, 5.600%, 11/01/19 – AMBAC Insured	11/16 at 100.00	A+	4,880,412
20,330	California State Public Works Board, Lease Revenue Bonds, Judicial Council of California, New Stockton Courthouse, Series 2014B, 5.000%, 10/01/39	10/24 at 100.00	A+	24,708,675
1,990	California State Public Works Board, Lease Revenue Bonds, Judicial Council of California, Various Projects Series 2013A, 5.000%, 3/01/33	No Opt. Call	A+	2,393,851
5,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30	10/19 at 100.00	A+	5,724,650
2,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009-I, 6.375%, 11/01/34	11/19 at 100.00	A+	2,346,200
3,020	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 – AMBAC Insured	9/16 at 101.00	A	3,059,713

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	Compton Community Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Projects, Second Lien Series 2010B:			
\$1,230	5.000%, 8/01/25	8/20 at 100.00	N/R	\$1,319,175
530	5.750%, 8/01/26	8/20 at 100.00	N/R	581,770
3,145	Culver City Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project, Series 2002A, 5.125%, 11/01/25 – NPMFG Insured	11/16 at 100.00	AA-	3,151,070
	El Monte, California, Senior Lien Certificates of Participation, Department of Public Services Facility Phase II, Series 2001:			
7,185	5.000%, 1/01/21 – AMBAC Insured	1/17 at 100.00	AA-	7,407,304
5,000	5.250%, 1/01/34 – AMBAC Insured	1/17 at 100.00	AA-	5,167,950
350	Fontana Redevelopment Agency, San Bernardino County, California, Tax Allocation Bonds, Jurupa Hills Redevelopment Project, Refunding Series 1997A, 5.500%, 10/01/27	4/17 at 100.00	A	351,403
1,000	Fullerton Community Facilities District 1, California, Special Tax Bonds, Amerige Heights, Refunding Series 2012, 5.000%, 9/01/32	9/22 at 100.00	A-	1,159,020
33,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Refunding Series 2015A, 5.000%, 6/01/45	6/25 at 100.00	A+	40,053,420
1,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2013A, 5.000%, 6/01/30	6/23 at 100.00	A+	1,203,920
7,500	Government of Guam, Business Privilege Tax Bonds, Refunding Series 2015D, 5.000%, 11/15/28	11/25 at 100.00	A	8,803,950
425	Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/35 – SYNCORA GTY Insured	11/16 at 100.00	BBB	425,510
3,345	Hesperia Public Financing Authority, California, Redevelopment and Housing Projects Tax Allocation Bonds, Series 2007A, 5.000%, 9/01/37 – SYNCORA GTY Insured	9/17 at 100.00	N/R	3,400,828
2,115	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Refunding Series 1998A, 5.250%, 5/01/23 – AMBAC Insured	No Opt. Call	N/R	2,387,031
	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1:			
1,985	5.000%, 5/01/24 – AMBAC Insured	5/17 at 100.00	BBB+	2,022,814
710	5.000%, 5/01/25 – AMBAC Insured	5/17 at 100.00	BBB+	722,624



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Irvine Unified School District, California, Special Tax Bonds,  
Community Facilities District Series 2006A:

75	5.000%, 9/01/26	9/16 at 100.00	N/R	76,474
175	5.125%, 9/01/36	9/16 at 100.00	N/R	177,933
Lake Elsinore Public Financing Authority, California, Local Agency Revenue Bonds, Canyon Hills Improvement Area D, Series 2014A:				
1,140	5.500%, 9/01/33	9/23 at 100.00	N/R	1,274,463
2,105	5.750%, 9/01/44	9/23 at 100.00	N/R	2,351,559
1,375	Lake Elsinore Public Financing Authority, California, Local Agency Revenue Bonds, Refunding Series 2015, 5.000%, 9/01/40	9/25 at 100.00	N/R	1,581,525
2,000	Lammersville Joint Unified School District, California, Community Facilities District 2007-1, Mountain House – Shea Homes, Improvement Area 1 Special Tax Bonds, Series 2013, 6.000%, 9/01/38	9/23 at 100.00	N/R	2,452,580
Lancaster Redevelopment Agency, California, Tax Allocation Bonds, Combined Redevelopment Project Areas Housing Programs, Subordinate Refunding Series 2003:				
2,505	4.750%, 8/01/23 – NPMG Insured	8/17 at 100.00	AA–	2,534,860
2,425	4.750%, 8/01/27 – NPMG Insured	11/16 at 100.00	AA–	2,452,936
3,500	Livermore Redevelopment Agency, California, Tax Allocation Revenue Bonds, Livermore Redevelopment Project Area, Series 2001A, 5.000%, 8/01/26 – NPMG Insured	2/17 at 100.00	AA–	3,517,990
6,190	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Vermont Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 – AMBAC Insured	11/16 at 100.00	A1	6,211,541
1,500	Los Osos, California, Improvement Bonds, Community Services Wastewater Assessment District 1, Series 2002, 5.000%, 9/02/33 – NPMG Insured	3/17 at 100.00	AA–	1,513,920
475	Lynwood Redevelopment Agency, California, Project A Revenue Bonds, Subordinate Lien Series 2011A, 7.250%, 9/01/38	9/21 at 100.00	A–	600,680

NUVEEN 35

NKX Nuveen California AMT-Free Municipal Income Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$9,270	Moreno Valley Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/38 – AMBAC Insured	8/17 at 100.00	A–	\$9,599,085
3,230	Murrieta Redevelopment Agency, California, Tax Allocation Bonds, Series 2005, 5.000%, 8/01/35 – NPFPG Insured	11/16 at 100.00	AA–	3,242,145
170	National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011, 6.500%, 8/01/24	8/21 at 100.00	A	212,614
65	Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40	9/21 at 100.00	BBB+	78,976
2,810	Oakland Joint Powers Financing Authority, California, Lease Revenue Bonds, Administration Building Projects, Series 2008B, 5.000%, 8/01/21 – AGC Insured	8/18 at 100.00	AA	3,032,468
3,300	Pacifica, California, Certificates of Participation, Series 2008, 5.375%, 1/01/37 – AMBAC Insured	10/16 at 100.00	AA–	3,379,728
5,000	Palm Desert Financing Authority, California, Tax Allocation Revenue Bonds, Project Area 1, Refunding Series 2002, 5.000%, 4/01/25 – NPFPG Insured	4/17 at 100.00	AA–	5,018,250
590	Patterson Public Finance Authority, California, Revenue Bonds, Community Facilities District 2001-1, Subordinate Lien Series 2013B, 5.875%, 9/01/39	9/23 at 100.00	N/R	666,305
	Patterson Public Financing Authority, California, Revenue Bonds, Community Facilities District 2001-1, Senior Series 2013A:			
3,800	5.250%, 9/01/30	9/23 at 100.00	N/R	4,302,892
3,415	5.750%, 9/01/39	9/23 at 100.00	N/R	3,882,343
2,000	Perris Joint Powers Authority, California, Local Agency Revenue Bonds, Community Facilities District 2001-1 May Farms Improvement Area 1,2 and 3, Refunding Series 2014A, 5.375%, 9/01/33	9/23 at 100.00	N/R	2,330,840
	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A:			
5,000	0.000%, 8/01/44 – NPFPG Insured	No Opt. Call	AA–	1,012,000
7,200	0.000%, 8/01/45 – NPFPG Insured	No Opt. Call	AA–	1,387,944
1,115	Rio Elementary School District, California, Special Tax Bonds, Community Facilities District 1, Series 2013, 5.500%, 9/01/39	9/23 at 100.00	N/R	1,285,517
40	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25	10/21 at 100.00	A	49,400
	Riverside County, California, Special Tax Bonds, Community Facilities District 05-8 Scott Road, Series 2013:			
660	5.000%, 9/01/32		N/R	743,563

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

		9/22 at 100.00		
1,775	5.000%, 9/01/42	9/22 at 100.00	N/R	1,968,954
1,000	Rocklin Unified School District, Placer County, California, Special Tax Bonds, Community Facilities District 1, Series 2004, 5.000%, 9/01/25 – NPFG Insured	11/16 at 100.00	AA–	1,003,650
4,475	Roseville Finance Authority, California, Special Tax Revenue Bonds, Series 2007A, 5.000%, 9/01/33 – AMBAC Insured	9/17 at 100.00	N/R	4,561,412
1,500	Roseville, California, Special Tax Bonds, Community Facilities District 1 Fiddyment Ranch, Series 2005, 5.050%, 9/01/30	3/17 at 100.00	N/R	1,516,935
400	Roseville, California, Special Tax Bonds, Community Facilities District 1 Westpark, Refunding Series 2015, 5.000%, 9/01/33	9/25 at 100.00	N/R	467,500
1,280	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A, 5.400%, 11/01/20 – NPFG Insured	No Opt. Call	AA–	1,390,758
2,565	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993B, 5.400%, 11/01/20	No Opt. Call	A+	2,780,947
2,155	San Bernardino Joint Powers Financing Authority, California, Certificates of Participation Refunding, Police Station Financing Project, Series 1999, 5.500%, 9/01/20 – NPFG Insured	9/16 at 100.00	AA–	2,156,250
215	San Clemente, California, Special Tax Revenue Bonds, Community Facilities District 2006-1 Marblehead Coastal, Series 2015, 5.000%, 9/01/40	9/25 at 100.00	N/R	249,125
1,000	San Diego County Regional Transportation Commission, California, Sales Tax Revenue Bonds, Refunding Series 2012A, 5.000%, 4/01/42	4/22 at 100.00	AAA	1,182,230
1,480	San Diego Redevelopment Agency, California, Subordinate Lien Tax Increment and Parking Revenue Bonds, Centre City Project, Series 2003B, 5.250%, 9/01/26	11/16 at 100.00	AA–	1,485,639

36 NUVEEN

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$690	San Francisco City and County Redevelopment Agency Successor Agency, California, Special Tax Bonds, Community Facilities District 7, Hunters Point Shipyard Phase One Improvements, Refunding Series 2014, 5.000%, 8/01/39	No Opt. Call	N/R	\$775,422
2,700	San Francisco City and County Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, San Francisco Redevelopment Projects, Series 1998D, 0.000%, 8/01/24 – NPFPG Insured	No Opt. Call	AA–	2,267,028
2,000	San Francisco City and County, California, Certificates of Participation, Multiple Capital Improvement Projects, Series 2009A, 5.200%, 4/01/26	4/19 at 100.00	AA	2,217,880
380	San Francisco, California, Community Facilities District 6, Mission Bay South Public Improvements, Special Tax Refunding Bonds, Series 2013A, 5.000%, 8/01/33	8/22 at 100.00	N/R	430,711
5,150	San Jacinto Unified School District, Riverside County, California, Certificates of Participation, Series 2010, 5.375%, 9/01/40 – AGC Insured	9/20 at 100.00	AA	5,901,797
4,000	San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/19 – NPFPG Insured	11/16 at 100.00	AA	4,015,160
360	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Refunding Series 2006D, 5.000%, 8/01/23 – AMBAC Insured	8/17 at 100.00	BBB+	373,187
3,310	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2005A: 5.000%, 8/01/20 – NPFPG Insured	11/16 at 100.00	AA–	3,322,247
5,025	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C: 5.000%, 8/01/28 – NPFPG Insured	11/16 at 100.00	AA–	5,043,341
100	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C: 5.000%, 8/01/24 – NPFPG Insured	8/17 at 100.00	AA–	103,973
1,110	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C: 5.000%, 8/01/25 – NPFPG Insured	8/17 at 100.00	AA–	1,153,889
1,000	San Marcos Public Facilities Authority, California, Special Tax Revenue Bonds, Refunding Series 2012D, 5.000%, 9/01/36	9/22 at 100.00	N/R	1,104,260
50	Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26	4/21 at 100.00	N/R	59,913
3,500	Stockton Public Financing Authority, California, Lease Revenue Bonds, Series 2004, 5.250%, 9/01/34 – FGIC Insured	11/16 at 100.00	AA–	3,500,315
2,430	Sweetwater Union High School District Public Financing Authority, California, Special Tax Revenue Bonds, Series 2005A: 5.000%, 9/01/25 – AGM Insured		AA	2,438,869

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

		11/16 at 100.00		
3,115	5.000%, 9/01/28 – AGM Insured	11/16 at 100.00	AA	3,126,370
2,980	Temecula Public Financing Authority, California, Special Tax Bonds, Community Facilities District 03-02 Roripaugh, Series 2006, 5.500%, 9/01/36	3/17 at 100.00	N/R	2,989,745
2,160	Temecula Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project 1, Series 2002, 5.125%, 8/01/27 – NPFG Insured	11/16 at 100.00	AA–	2,173,327
	Tustin Community Redevelopment Agency, California, Tax Allocation Housing Bonds Series 2010:			
1,205	5.000%, 9/01/30 – AGM Insured	9/20 at 100.00	AA	1,372,664
3,250	5.250%, 9/01/39 – AGM Insured	9/20 at 100.00	AA	3,720,957
4,500	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Refunding Series 2012A, 5.000%, 10/01/32 – AGM Insured	No Opt. Call	AA	4,920,975
1,020	Washington Unified School District, Yolo County, California, Certificates of Participation, Series 2007, 5.125%, 8/01/37 – AMBAC Insured	8/17 at 100.00	A	1,056,230
	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 2015-1 Arambel-KDN, Refunding Series 2015:			
350	5.250%, 9/01/35	9/25 at 100.00	N/R	376,845
790	5.250%, 9/01/45	9/25 at 100.00	N/R	842,669
4,235	West Sacramento Financing Authority, California, Special Tax Revenue Bonds, Series 2014, 5.500%, 9/01/31	9/22 at 102.00	N/R	4,820,446

NUVEEN 37

NKX Nuveen California AMT-Free Municipal Income Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$95	Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A, 6.000%, 9/01/26	9/21 at 100.00	A-	\$115,161
283,310	Total Tax Obligation/Limited Transportation – 7.7% (5.1% of Total Investments)			299,143,543
	Alameda Corridor Transportation Authority, California, Revenue Bonds, Refunding Second Subordinate Lien Series 2016B:			
1,150	5.000%, 10/01/34	10/26 at 100.00	BBB+	1,412,878
555	5.000%, 10/01/35	10/26 at 100.00	BBB+	679,642
8,660	5.000%, 10/01/36	10/26 at 100.00	BBB+	10,561,649
1,115	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2013S-4, 5.250%, 4/01/48	4/23 at 100.00	AA-	1,365,975
6,750	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Junior Lien Series 2013C, 6.500%, 1/15/43	1/24 at 100.00	BB+	8,256,870
	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Series 2013A:			
14,885	5.750%, 1/15/46	1/24 at 100.00	BBB-	17,834,909
14,885	6.000%, 1/15/53	1/24 at 100.00	BBB-	18,048,509
	Los Angeles Department of Airports, California, Revenue Bonds, Los Angeles International Airport, Senior Lien Series 2015E:			
150	5.000%, 5/15/31	5/25 at 100.00	AA	188,101
1,270	5.000%, 5/15/34	5/25 at 100.00	AA	1,574,140
1,345	5.000%, 5/15/36	5/25 at 100.00	AA	1,658,627
50,765	Total Transportation U.S. Guaranteed – 18.1% (11.9% of Total Investments) (6)			61,581,300
3,830	Antelope Valley Healthcare District, California, Revenue Bonds, Series 2011A, 6.875%, 3/01/26 (Pre-refunded 3/01/21)	3/21 at 100.00	Ba3 (6)	4,531,618
220	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Tender Option Bond Trust 3211, 12.501%, 4/01/39 (Pre-refunded 4/01/18) (IF)	4/18 at 100.00	AA (6)	285,743
10,265	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (Pre-refunded 11/15/16)	11/16 at 100.00	AA- (6)	10,360,772

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

3,000	California Infrastructure and Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/22 – AGM Insured (ETM)	No Opt. Call	Aaa	3,685,980
2,250	California Infrastructure and Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/36 (Pre-refunded 1/01/28) – AMBAC Insured	1/28 at 100.00	Aaa	3,058,110
80	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/46 (Pre-refunded 2/01/17)	2/17 at 100.00	N/R (6)	81,550
1,815	California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31 (Pre-refunded 7/15/17)	7/17 at 100.00	AA+ (6)	1,888,671
2,680	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38 (Pre-refunded 8/01/19)	8/19 at 100.00	N/R (6)	3,152,511
10,000	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2003A, 5.000%, 8/15/38 (Pre-refunded 8/15/17) – AMBAC Insured	8/17 at 100.00	AA– (6)	10,432,600
4,920	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 17.316%, 7/01/47 – AGM Insured (Pre-refunded 7/01/18) (IF)	7/18 at 100.00	AA (6)	6,213,525
1,112	California State Public Works Board, Lease Revenue Bonds, University of California Regents, Tender Option Bond Trust 1065, 8.651%, 3/01/33 (Pre-refunded 3/01/18) (IF) (7)	3/18 at 100.00	Aaa	1,258,651
550	Central Unified School District, Fresno County, California, General Obligation Bonds, Series 1993, 5.625%, 3/01/18 – AMBAC Insured (ETM)	3/17 at 100.00	N/R (6)	563,745
12,050	Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 5.000%, 8/01/31 (Pre-refunded 8/01/18) – AGM Insured	8/18 at 100.00	Aa1 (6)	13,072,563

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (6) (continued)			
	East Side Union High School District, Santa Clara County, California, General Obligation Bonds, 2008 Election Series 2010B:			
\$3,490	5.000%, 8/01/27 (Pre-refunded 8/01/19) – AGC Insured	8/19 at 100.00	AA (6)	\$3,932,392
3,545	5.000%, 8/01/28 (Pre-refunded 8/01/19) – AGC Insured	8/19 at 100.00	AA (6)	3,994,364
3,110	5.000%, 8/01/29 (Pre-refunded 8/01/19) – AGC Insured	8/19 at 100.00	AA (6)	3,504,224
7,100	Fontana Unified School District, San Bernardino County, California, General Obligation Bonds, Tender Option Bond Trust 2015-XF0111, 9.092%, 8/01/28 – AGM Insured (Pre-refunded 8/01/18) (IF)	8/18 at 100.00	AA (6)	8,372,604
5,000	Grossmont Healthcare District, California, General Obligation Bonds, Series 2007A, 5.000%, 7/15/37 (Pre-refunded 7/15/17) – AMBAC Insured	7/17 at 100.00	Aaa	5,197,550
1,700	Hesperia Unified School District, San Bernardino County, California, Certificates of Participation, Capital Improvement, Series 2007, 5.000%, 2/01/41 (Pre-refunded 2/01/17) – AMBAC Insured	2/17 at 100.00	A (6)	1,731,977
6,000	Huntington Park Redevelopment Agency, California, Single Family Residential Mortgage Revenue Refunding Bonds, Series 1986A, 8.000%, 12/01/19 (ETM)	No Opt. Call	Aaa	7,411,020
760	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38 (Pre-refunded 12/01/17)	12/17 at 100.00	BB (6)	833,560
3,000	Murrieta Valley Unified School District, Riverside County, California, General Obligation Bonds, Series 2007, 4.500%, 9/01/30 (Pre-refunded 9/01/17) – AGM Insured	9/17 at 100.00	AA (6)	3,118,560
540	Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28 (Pre-refunded 9/01/18)	9/18 at 100.00	BB+ (6)	603,229
210	Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30 (Pre-refunded 9/01/21)	9/21 at 100.00	A– (6)	260,051
9,000	San Diego County Water Authority, California, Water Revenue Certificates of Participation, Series 2008A, 5.000%, 5/01/38 (Pre-refunded 5/01/18) – AGM Insured	5/18 at 100.00	AAA	9,664,740
30	San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	A– (6)	37,711
30	San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D:			
30	7.000%, 8/01/33 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (6)	38,035



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

40	7.000%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (6)	50,714
5,000	San Jacinto Unified School District, Riverside County, California, General Obligation Bonds, Series 2007, 5.250%, 8/01/32 (Pre-refunded 8/01/17) – AGM Insured	8/17 at 100.00	AA (6)	5,215,600
325	San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 (Pre-refunded 12/15/17) – AMBAC Insured	12/17 at 100.00	N/R (6)	343,918
7,230	San Ysidro School District, San Diego County, California, General Obligation Bonds, 1997 Election Series 2011F: 0.000%, 8/01/42 (Pre-refunded 8/01/21) – AGM Insured	8/21 at 21.00	AA (6)	1,439,999
10,740	0.000%, 8/01/43 (Pre-refunded 8/01/21) – AGM Insured	8/21 at 19.43	AA (6)	1,979,812
21,225	0.000%, 8/01/44 (Pre-refunded 8/01/21) – AGM Insured	8/21 at 17.98	AA (6)	3,620,561
12,550	0.000%, 8/01/45 (Pre-refunded 8/01/21) – AGM Insured	8/21 at 16.64	AA (6)	1,980,641
23,425	0.000%, 8/01/46 (Pre-refunded 8/01/21) – AGM Insured	8/21 at 15.39	AA (6)	3,419,582
9,085	Santa Clara County Financing Authority, California, Insured Revenue Bonds, El Camino Hospital, Series 2007A, 5.750%, 2/01/41 (Pre-refunded 8/01/17) – AMBAC Insured	8/17 at 100.00	A+ (6)	9,526,077
2,000	Sierra View Local Health Care District, California, Revenue Bonds, Series 2007, 5.250%, 7/01/37 (Pre-refunded 7/01/17)	7/17 at 100.00	N/R (6)	2,078,980
1,000	The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2009E, 5.000%, 5/15/38 (Pre-refunded 5/15/17)	5/17 at 101.00	Aaa	1,041,940
6,000	Westminster Redevelopment Agency, California, Tax Allocation Bonds, Commercial Redevelopment Project 1, Police Facility Subordinate Series 2009, 6.250%, 11/01/39 (Pre-refunded 11/01/19)	11/19 at 100.00	AA (6)	7,045,440
194,907	Total U.S. Guaranteed			145,029,320

NUVEEN 39

NKX Nuveen California AMT-Free Municipal Income Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Utilities – 4.3% (2.8% of Total Investments)			
	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A:			
\$2,490	5.000%, 11/15/35	No Opt. Call	A	\$3,260,107
1,835	5.500%, 11/15/37	No Opt. Call	A	2,519,125
10,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2012B, 5.000%, 7/01/43	7/22 at 100.00	Aa2	11,889,400
4,280	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2013B, 5.000%, 7/01/28	7/23 at 100.00	Aa2	5,331,168
3,750	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Tender Option Bond Trust 2015-XF2047, 16.172%, 7/01/43 (IF) (7)	7/22 at 100.00	Aa2	6,584,100
1,000	Southern California Public Power Authority, California, Milford Wind Corridor Phase I Revenue Bonds, Series 2010-1, 5.000%, 7/01/28	1/20 at 100.00	AA–	1,131,150
2,975	Southern California Public Power Authority, California, Revenue Bonds, Apex Power Project Series 2014A, 5.000%, 7/01/37	7/24 at 100.00	AA–	3,623,877
26,330	Total Utilities			34,338,927
	Water and Sewer – 19.2% (12.7% of Total Investments)			
13,200	Atwater Public Financing Authority, California, Wastewater Revenue Bonds, Series 2010, 5.125%, 5/01/40 – AGM Insured	5/19 at 100.00	AA	14,139,312
11,600	Bay Area Water Supply and Conservation Agency, California, Revenue Bonds, Capital Cost Recovery Prepayment Program, Series 2013A, 5.000%, 10/01/34	4/23 at 100.00	AA–	14,038,784
	California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, San Diego County Water Authority Desalination Project Pipeline, Series 2012:			
8,000	5.000%, 7/01/37	No Opt. Call	Baa3	8,228,720
12,200	5.000%, 11/21/45	No Opt. Call	Baa3	12,548,798
1,000	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Revenue Bonds, Refunding Series 2015A, 5.000%, 6/01/31	6/25 at 100.00	AAA	1,263,510
3,000	Escondido Joint Powers Financing Authority, California, Revenue Bonds, Water System Financing, Series 2012, 5.000%, 9/01/41	3/22 at 100.00	AA–	3,539,940
2,250	Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 – AGM Insured	10/16 at 100.00	AA	2,258,415
5,700	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Refunding Series 2001B-1, 0.870%, 7/01/34	12/16 at 100.00	Aa2	5,700,000

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

3,225	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Refunding Series 2016B, 5.000%, 7/01/46	1/26 at 100.00	AA+	3,992,260
16,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2012A, 5.000%, 7/01/43	7/22 at 100.00	AA+	19,023,040
10,515	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2014A, 5.000%, 7/01/44	7/24 at 100.00	AA+	12,799,910
12,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2016A, 5.000%, 7/01/46	1/21 at 100.00	AA+	14,854,920
9,500	Los Angeles, California, Wastewater System Revenue Bonds, Refunding Green Series 2015A, 5.000%, 6/01/44	6/25 at 100.00	AA+	11,665,810
	Los Angeles, California, Wastewater System Revenue Bonds, Refunding Subordinate Lien Series 2013A:			
2,000	5.000%, 6/01/34	6/23 at 100.00	AA	2,430,540
3,500	5.000%, 6/01/35	6/23 at 100.00	AA	4,253,445
1,500	Metropolitan Water District of Southern California, Water Revenue Bonds, Refunding Series 2015A, 5.000%, 7/01/40	7/25 at 100.00	AAA	1,862,670
9,210	Metropolitan Water District of Southern California, Water Revenue Bonds, Refunding Series 2016A, 5.000%, 7/01/29	1/26 at 100.00	AAA	11,827,298
670	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Tender Option Bond Trust 09-8B, 16.331%, 7/01/35 (IF) (7)	7/19 at 100.00	AAA	1,004,410

40 NUVEEN

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
\$1,500	Placerville Public Financing Authority, California, Wastewater System Refinancing and Improvement Project Revenue Bonds, Series 2006, 5.000%, 9/01/34 – SYNCORA GTY Insured	9/16 at 100.00	N/R	\$ 1,504,635
2,500	Sacramento County Sanitation Districts Financing Authority, California, Revenue Bonds, Sacramento Regional County Sanitation District, Series 2014A, 5.000%, 12/01/33	6/24 at 100.00	AA	3,070,125
3,495	San Diego Public Facilities Financing Authority, California, Water Utility Revenue Bonds, Refunding Subordinate Lien Series 2016B, 5.000%, 8/01/39	8/26 at 100.00	Aa3	4,362,564
132,565	Total Water and Sewer			154,369,106
\$1,186,037	Total Long-Term Investments (cost \$1,059,622,100)			1,218,748,872
	Institutional MuniFund Term Preferred Shares, at Liquidation Preference – (4.5)% (8)			(36,000,000 )
	Variable Rate Demand Preferred Shares, at Liquidation Preference – (49.4)% (9)			(396,600,000 )
	Other Assets Less Liabilities – 2.2%			17,329,661
	Net Assets Applicable to Common Shares – 100%			\$ 803,478,533

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) The coupon for this security increased 0.25% effective January 1, 2016 and will increase an additional 0.25% effective May 11, 2016.
- (5) Step-up coupon. The rate shown is the coupon as of the end of the reporting period.
- (6) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (7) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investment in inverse floating rate transactions.
- (8) Institutional MuniFund Term Preferred Shares, at Liquidation Preference as a percentage of Total Investments is 3.0%.
- (9) Variable Rate Demand Preferred Shares, at Liquidation Preference as a percentage of Total Investments is 32.5%.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.

See accompanying notes to financial statements.



## NAC

Nuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 149.9% (100.0% of Total Investments)			
	MUNICIPAL BONDS – 149.9% (100.0% of Total Investments)			
	Consumer Staples – 9.1% (6.1% of Total Investments)			
\$2,855	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Alameda County Tobacco Asset Securitization Corporation, Series 2002, 5.750%, 6/01/29	11/16 at 100.00	Baa1	\$2,882,751
1,000	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Golden Gate Tobacco Funding Corporation, Turbo, Series 2007A, 5.000%, 6/01/47	6/17 at 100.00	N/R	1,000,250
	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A:			
11,840	5.600%, 6/01/36	12/18 at 100.00	B3	12,037,491
13,060	5.650%, 6/01/41	12/18 at 100.00	B2	13,277,710
	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005:			
1,595	4.250%, 6/01/21	11/16 at 100.00	BBB+	1,595,718
3,735	5.250%, 6/01/45	11/16 at 100.00	B-	3,735,261
3,200	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33	11/16 at 100.00	A3	3,223,200
5,120	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29	11/16 at 100.00	Baa2	5,204,429
25,000	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2006A, 0.000%, 6/01/46	11/16 at 16.22	N/R	3,874,750
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:			
24,310	5.000%, 6/01/33	6/17 at 100.00	B-	24,549,453
17,775	5.750%, 6/01/47	6/17 at 100.00	B-	18,171,738
10,875	5.125%, 6/01/47	6/17 at 100.00	B-	10,918,935
49,220			B-	50,556,815

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37	6/22 at 100.00		
19,000	Silicon Valley Tobacco Securitization Authority, California, Tobacco Settlement Asset-Backed Bonds, Santa Clara County Tobacco Securitization Corporation, Series 2007B, 0.000%, 6/01/47 Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1:	6/17 at 17.73	N/R	2,576,020
8,500	5.375%, 6/01/38	11/16 at 100.00	B-	8,499,490
1,250	5.500%, 6/01/45	11/16 at 100.00	B-	1,250,087
2,000	Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2006A, 5.125%, 6/01/46	11/16 at 100.00	B+	2,000,120
200,335	Total Consumer Staples Education and Civic Organizations – 3.4% (2.3% of Total Investments)			165,354,218
2,225	ABAG Finance Authority for Non-Profit Corporations, California, Revenue Bonds, The Jackson Laboratory, Series 2012, 5.000%, 7/01/37	7/22 at 100.00	A1	2,560,307
3,000	California Educational Facilities Authority, Revenue Bonds, Dominican University, Series 2006, 5.000%, 12/01/36	12/16 at 100.00	Ba1	3,031,650
4,075	California Educational Facilities Authority, Revenue Bonds, Santa Clara University, Refunding Series 2010, 5.000%, 2/01/40	2/20 at 100.00	Aa3	4,574,432
7,000	California Educational Facilities Authority, Revenue Bonds, Stanford University Series 2016U-7, 5.000%, 6/01/46	No Opt. Call	AAA	10,637,620
2,165	California Educational Facilities Authority, Revenue Bonds, University of San Francisco, Series 2011, 6.125%, 10/01/36	10/21 at 100.00	A2	2,673,602
965	California Infrastructure and Economic Development Bank, Revenue Bonds, Academy of Motion Picture Arts and Sciences Obligated Group, Series 2015A, 4.000%, 11/01/45	11/23 at 100.00	Aa2	1,057,418

42 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations (continued)			
\$3,980	California Municipal Finance Authority, Charter School Revenue Bonds, Rocketship Education Multiple Projects, Series 2014A , 7.250%, 6/01/43	6/22 at 102.00	N/R	\$4,708,380
1,000	California Municipal Finance Authority, Revenue Bonds, Biola University, Series 2013, 5.000%, 10/01/38	10/23 at 100.00	Baa1	1,147,360
2,500	California Municipal Finance Authority, Revenue Bonds, University of La Verne, Series 2010A, 6.250%, 6/01/40	6/20 at 100.00	A-	2,904,225
4,000	California State Public Works Board, Lease Revenue Refunding Bonds, Community Colleges Projects, Series 1996B, 5.625%, 3/01/19 – AMBAC Insured	9/16 at 100.00	A1	4,053,840
5,000	California State University, Systemwide Revenue Bonds, Refunding Series 2015A, 5.000%, 11/01/38	11/25 at 100.00	Aa2	6,236,250
	California State University, Systemwide Revenue Bonds, Series 2016A:			
3,000	5.000%, 11/01/33	5/26 at 100.00	Aa2	3,805,530
2,415	5.000%, 11/01/41	5/26 at 100.00	Aa2	3,012,785
2,750	California Statewide Communities Development Authority, Revenue Bonds, Buck Institute for Research on Aging, Series 2014, 5.000%, 11/15/44 – AGM Insured	11/24 at 100.00	AA	3,293,152
4,300	California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46	7/21 at 100.00	BBB-	5,114,033
1,815	California Statewide Communities Development Authority, Charter School Revenue Bonds, Rocketship 4 – Mosaic Elementary Charter School, Series 2011A, 8.500%, 12/01/41	12/21 at 100.00	N/R	2,208,692
50,190	Total Education and Civic Organizations			61,019,276
	Health Care – 20.9% (13.9% of Total Investments)			
3,705	ABAG Finance Authority for Nonprofit Corporations, California, Revenue Bonds, Sharp HealthCare, Series 2014A, 5.000%, 8/01/43	8/23 at 100.00	AA-	4,409,061
715	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2015A, 5.000%, 8/15/43	8/25 at 100.00	AA-	863,999
34,755	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2016B, 5.000%, 11/15/46	11/26 at 100.00	AA-	43,139,296
5,135	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Series 2016A, 5.000%, 11/15/46	11/25 at 100.00	AA-	6,303,058
16,405	California Health Facilities Financing Authority, Revenue Bonds, Children's Hospital Los Angeles, Series 2010A, 5.250%, 7/01/38 – AGC Insured	7/20 at 100.00	AA	18,478,920
5,100	California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2014A, 5.000%, 8/15/43	8/24 at 100.00	AA	6,071,346



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

1,250	California Health Facilities Financing Authority, Revenue Bonds, Memorial Health Services, Series 2012A, 5.000%, 10/01/33	No Opt. Call	AA-	1,494,200
3,135	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Refunding Series 2014A, 5.000%, 10/01/38	10/24 at 100.00	AA-	3,838,933
6,200	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2014B, 5.000%, 10/01/44	10/24 at 100.00	AA-	7,372,916
6,420	California Health Facilities Financing Authority, Revenue Bonds, Rady Children's Hospital – San Diego, Series 2011, 5.250%, 8/15/41	8/21 at 100.00	Aa3	7,386,595
3,000	California Health Facilities Financing Authority, Revenue Bonds, Saint Joseph Health System, Series 2009A, 5.750%, 7/01/39	7/19 at 100.00	AA-	3,405,180
2,470	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2011B, 6.000%, 8/15/42	8/20 at 100.00	AA-	2,957,356
6,530	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2011B, 6.000%, 8/15/42 (UB)	8/20 at 100.00	AA-	7,818,434
3,795	California Municipal Finance Authority, Revenue Bonds, Eisenhower Medical Center, Series 2010A, 5.750%, 7/01/40	7/20 at 100.00	Baa2	4,234,916

NUVEEN 43

NACNuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007:			
\$4,190	5.250%, 2/01/27	2/17 at 100.00	A-	\$4,260,601
6,550	5.250%, 2/01/46	No Opt. Call	A-	6,629,320
	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2014A:			
5,000	5.250%, 12/01/34	12/24 at 100.00	BB+	5,792,800
1,200	5.250%, 12/01/44	12/24 at 100.00	BB+	1,385,544
	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2016A:			
875	5.000%, 12/01/36	6/26 at 100.00	BB+	1,017,126
14,040	5.000%, 12/01/46	6/26 at 100.00	BB+	16,090,963
2,845	5.250%, 12/01/56	6/26 at 100.00	BB+	3,306,743
3,000	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System/West, Series 2015A, 5.000%, 3/01/45	3/26 at 100.00	A	3,620,850
1,335	California Statewide Communities Development Authority, Revenue Bonds, Huntington Memorial Hospital, Refunding Series 2014B, 5.000%, 7/01/44	7/24 at 100.00	A	1,575,741
21,090	California Statewide Communities Development Authority, Revenue Bonds, Kaiser Permanente, Series 2012A, 5.000%, 4/01/42	4/22 at 100.00	AA-	24,598,321
23,125	California Statewide Communities Development Authority, Revenue Bonds, Sutter Health, Series 2011A, 6.000%, 8/15/42	8/20 at 100.00	AA-	27,727,800
1,440	California Statewide Community Development Authority, Revenue Bonds, Children's Hospital of Los Angeles, Series 2007, 5.000%, 8/15/47	8/17 at 100.00	BBB+	1,483,128
	California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A:			
12,340	5.500%, 7/01/24 (4)	11/16 at 100.00	CCC	12,340,494
7,405	5.500%, 7/01/30 (4)		CCC	7,405,296

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

		11/16 at 100.00		
150	5.500%, 7/01/35 (4)	11/16 at 100.00	CCC	150,006
10,000	5.250%, 7/01/39 (4)	11/16 at 100.00	CCC	10,000,400
3,385	California Statewide Community Development Authority, Revenue Bonds, Sherman Oaks Health System, Series 1998A, 5.000%, 8/01/22 – AMBAC Insured	No Opt. Call	AA–	3,872,237
5,000	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2008B, 5.250%, 11/15/48	5/18 at 100.00	AA–	5,373,450
8,615	Madera County, California, Certificates of Participation, Children's Hospital Central California, Series 2010, 5.375%, 3/15/36	3/20 at 100.00	AA–	9,726,335
6,200	Madera County, California, Certificates of Participation, Valley Children's Hospital Project, Series 1995, 5.750%, 3/15/28 – NPMFG Insured	9/16 at 100.00	AA–	6,224,490
11,400	Marysville, California, Revenue Bonds, The Fremont-Rideout Health Group, Series 2011, 5.250%, 1/01/42	1/21 at 100.00	BBB	12,821,694
740	Oak Valley Hospital District, Stanislaus County, California, Revenue Bonds, Series 2010A, 6.500%, 11/01/29	11/20 at 100.00	BB	788,226
	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009:			
10,500	6.625%, 11/01/29	11/19 at 100.00	Ba1	11,711,805
6,885	6.750%, 11/01/39	11/19 at 100.00	Ba1	7,694,401
27,035	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41	11/20 at 100.00	Ba1	29,095,067
17,225	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Refunding Series 2007A, 5.000%, 7/01/38	7/17 at 100.00	Baa2	17,712,640
11,750	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB+	14,626,400
10,700	Upland, California, Certificates of Participation, San Antonio Community Hospital, Series 2011, 6.500%, 1/01/41	1/21 at 100.00	A–	12,588,978
332,635	Total Health Care			377,395,066

44 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Housing/Multifamily – 1.7% (1.1% of Total Investments)			
\$8,860	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45	8/20 at 100.00	BBB	\$10,130,258
	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A:			
6,540	5.125%, 8/15/32	8/22 at 100.00	BBB	7,505,827
3,580	5.500%, 8/15/47	8/22 at 100.00	BBB	4,125,377
2,980	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012B, 7.250%, 8/15/47	8/22 at 100.00	A1	3,553,978
	California Municipal Finance Authority, Mobile Home Park Senior Revenue Bonds, Caritas Affordable Housing, Inc. Projects, Series 2014A:			
1,475	5.250%, 8/15/39	8/24 at 100.00	BBB	1,744,954
1,590	5.250%, 8/15/49	8/24 at 100.00	BBB	1,868,552
1,230	Independent Cities Finance Authority, California, Mobile Home Park Revenue Bonds, Augusta Communities Mobile Home Park, Series 2012A, 5.000%, 5/15/39	5/22 at 100.00	A+	1,364,193
26,255	Total Housing/Multifamily			30,293,139
	Housing/Single Family – 0.4% (0.2% of Total Investments)			
4,870	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2007G, 5.050%, 2/01/29 (Alternative Minimum Tax)	2/17 at 100.00	AA–	4,912,856
1,750	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Tender Option Bond Trust 2016-XF2308, 9.239%, 8/01/37 (Alternative Minimum Tax) (IF) (5)	2/17 at 100.00	AA–	1,805,807
6,620	Total Housing/Single Family			6,718,663
	Industrials – 0.2% (0.2% of Total Investments)			
4,055	California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Republic Services Inc., Series 2002C, 5.250%, 6/01/23 (Mandatory put 12/01/17) (Alternative Minimum Tax)	No Opt. Call	BBB+	4,263,265
5,120	California Statewide Communities Development Authority, Revenue Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, 12/01/33 (Alternative Minimum Tax) (6)	No Opt. Call	N/R	51
9,175	Total Industrials			4,263,316
	Long-Term Care – 0.5% (0.3% of Total Investments)			
7,000	ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Revenue Bonds, Channing House, Series 2010, 6.125%, 5/15/40	5/20 at 100.00	AA–	8,187,340
175	California Statewide Community Development Authority, Certificates of Participation, Internext Group, Series 1999, 5.375%, 4/01/17	10/16 at 100.00	BBB+	175,740
7,175	Total Long-Term Care			8,363,080

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Tax Obligation/General – 38.2% (25.5% of Total Investments)					
4,125	Alameda Unified School District, Alameda County, California, General Obligation Bonds, Series 2004A, 0.000%, 8/01/25 – AGM Insured	No Opt. Call	AA		3,546,304
3,000	Alhambra Unified School District, Los Angeles County, California, General Obligation Bonds, Refunding Series 2012A, 5.000%, 8/01/29 – AGM Insured	8/22 at 100.00	Aa2		3,636,810
4,000	Antelope Valley Community College District, Los Angeles County, California, General Obligation Bonds, Refunding Series 2015, 5.000%, 8/01/39	2/25 at 100.00	Aa2		4,866,480
15,000	California State, General Obligation Bonds, Refunding Various Purpose Bid Group C Series 2016, 5.000%, 9/01/31	9/26 at 100.00	AA–		19,091,400
5,245	California State, General Obligation Bonds, Refunding Various Purpose Series 2012, 5.000%, 9/01/36	No Opt. Call	AA–		6,327,988
8,000	California State, General Obligation Bonds, Refunding Various Purpose Series 2013, 5.000%, 2/01/29	No Opt. Call	AA–		9,753,600
4,600	California State, General Obligation Bonds, Refunding Various Purpose Series 2015, 5.000%, 9/01/32	9/25 at 100.00	AA–		5,770,240

NUVEEN 45

NACNuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
	California State, General Obligation Bonds, Various Purpose Refunding Series 2014:			
\$4,690	5.000%, 8/01/31	8/24 at 100.00	AA-	\$5,875,163
4,000	5.000%, 8/01/33	8/24 at 100.00	AA-	4,983,880
12,000	5.000%, 10/01/33	10/24 at 100.00	AA-	15,009,720
	California State, General Obligation Bonds, Various Purpose Refunding Series 2015:			
3,000	5.000%, 8/01/28	8/25 at 100.00	AA-	3,828,660
780	5.000%, 8/01/31	2/25 at 100.00	AA-	969,985
2,875	5.000%, 8/01/32	2/25 at 100.00	AA-	3,562,642
5,750	5.000%, 8/01/34	8/25 at 100.00	AA-	7,168,237
140	California State, General Obligation Bonds, Various Purpose Series 2000, 5.625%, 5/01/22 – FGIC Insured	11/16 at 100.00	Aa3	140,602
3,200	California State, General Obligation Bonds, Various Purpose Series 2008, 5.125%, 4/01/33	4/18 at 100.00	AA-	3,418,336
	California State, General Obligation Bonds, Various Purpose Series 2009:			
64,195	6.000%, 11/01/39	11/19 at 100.00	AA-	74,556,715
5,005	5.500%, 11/01/39	11/19 at 100.00	AA-	5,715,360
	California State, General Obligation Bonds, Various Purpose Series 2010:			
14,000	6.000%, 3/01/33	3/20 at 100.00	AA-	16,502,360
13,100	5.500%, 3/01/40	3/20 at 100.00	AA-	15,059,105
10,605	5.250%, 11/01/40	11/20 at 100.00	AA-	12,378,262
	California State, General Obligation Bonds, Various Purpose Series 2011:			
7,215	5.250%, 10/01/28	No Opt. Call	AA-	8,734,984
10,520	5.000%, 9/01/31	No Opt. Call	AA-	12,510,700

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

12,725	5.000%, 9/01/41	9/21 at 100.00	AA-	15,064,873
14,915	5.000%, 10/01/41	10/21 at 100.00	AA-	17,701,719
	California State, General Obligation Bonds, Various Purpose Series 2013:			
7,475	5.000%, 4/01/37	4/23 at 100.00	AA-	9,005,132
7,255	5.000%, 2/01/43	No Opt. Call	AA-	8,665,517
15,145	5.000%, 4/01/43	4/23 at 100.00	AA-	18,161,581
5,000	5.000%, 11/01/43	11/23 at 100.00	AA-	6,078,650
	California State, General Obligation Bonds, Various Purpose Series 2014:			
22,970	5.000%, 5/01/32	5/24 at 100.00	AA-	28,545,738
8,910	5.000%, 10/01/39	10/24 at 100.00	AA-	10,970,527
10,245	5.000%, 12/01/43	12/23 at 100.00	AA-	12,479,230
	California State, General Obligation Bonds, Various Purpose Series 2015:			
9,500	5.000%, 3/01/45	3/25 at 100.00	AA-	11,709,225
4,780	5.000%, 8/01/45	8/25 at 100.00	AA-	5,941,301
3,550	Centinela Valley Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.250%, 2/01/26 – NPFPG Insured	No Opt. Call	AA-	4,379,457
25,000	Desert Community College District, Riverside County, California, General Obligation Bonds, Election 2004 Series 2007C, 0.000%, 8/01/46 – AGM Insured	No Opt. Call	AA	5,124,750
	Desert Community College District, Riverside County, California, General Obligation Bonds, Refunding Series 2016:			
1,430	5.000%, 8/01/33	2/26 at 100.00	Aa2	1,807,734
9,235	5.000%, 8/01/36	2/26 at 100.00	Aa2	11,494,435
5,150	Hacienda La Puente Unified School District Facilities Financing Authority, California, General Obligation Revenue Bonds, Series 2007, 5.000%, 8/01/26 – AGM Insured	No Opt. Call	AA	6,658,589
5,630	Lake Tahoe Unified School District, El Dorado County, California, General Obligation Bonds, Series 2010, 0.000%, 8/01/45 – AGM Insured (7)	No Opt. Call	AA	4,292,931
15,335	Los Angeles Community College District, California, General Obligation Bonds, Refunding Series 2015A, 5.000%, 8/01/31	8/24 at 100.00	AA+	19,158,476
5,000	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Refunding Series 2014C: 5.000%, 7/01/29		Aa2	6,276,100

10,000	5.000%, 7/01/30	No Opt. Call	No Opt. Call	Aa2	12,485,300
--------	-----------------	-----------------	-----------------	-----	------------

46 NUVEEN

---



Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
\$4,100	Monrovia Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2001B, 0.000%, 8/01/27 – FGIC Insured	No Opt. Call	AA–	\$3,211,489
10,765	North Orange County Community College District, California, General Obligation Bonds, Election of 2002 Series 2003B, 0.000%, 8/01/27 – FGIC Insured	No Opt. Call	AA+	8,490,786
1,815	Orland Joint Unified School District, Glenn and Tehama Counties, California, General Obligation Bonds, 2008 Election, Series 2012B, 0.000%, 8/01/51 – AGM Insured	8/37 at 100.00	AA	1,134,266
1,250	Oxnard School District, Ventura County, California, General Obligation Bonds, Election 2012 Series 2013B, 5.000%, 8/01/43 – AGM Insured	8/23 at 100.00	AA	1,459,437
2,575	Oxnard School District, Ventura County, California, General Obligation Refunding Bonds, Series 2001A, 5.750%, 8/01/30 – NCFG Insured	2/22 at 103.00	AA–	3,224,930
5,000	Pajaro Valley Unified School District, Santa Cruz County, California, General Obligation Bonds, Refunding Election 2012 Series 2013A, 5.000%, 8/01/43	8/23 at 100.00	Aa2	6,061,450
8,250	Puerto Rico, General Obligation Bonds, Public Improvement Series 2002A, 5.500%, 7/01/20 – NCFG Insured	No Opt. Call	AA–	8,952,322
28,000	San Bernardino Community College District, California, General Obligation Bonds, Election of 2008 Series 2009B, 0.000%, 8/01/44	No Opt. Call	Aa2	10,585,120
6,500	San Diego Community College District, California, General Obligation Bonds, Refunding Series 2011, 5.000%, 8/01/41	8/21 at 100.00	AA+	7,627,165
1,850	San Juan Capistrano, California, General Obligation Bonds, Open Space Program, Tender Option Bond Trust 2015-XF0048, 16.238%, 8/01/40 (IF)	8/19 at 100.00	AAA	2,755,020
4,970	San Rafael City High School District, Marin County, California, General Obligation Bonds, Series 2004B, 0.000%, 8/01/27 – FGIC Insured	No Opt. Call	AA+	3,865,417
2,200	Santa Maria Joint Union High School District, Santa Barbara and San Luis Obispo Counties, California, General Obligation Bonds, Series 2003B, 5.625%, 8/01/24 – AGM Insured	No Opt. Call	Aa3	2,838,066
5,240	South San Francisco Unified School District, San Mateo County, California, General Obligation Bond Anticipation Notes, Measure J, Series 2015B, 5.000%, 9/01/40	9/25 at 100.00	Aa1	6,427,279
4,175	Southwestern Community College District, San Diego County, California, General Obligation Bonds, Election of 2000, Series 2004, 0.000%, 8/01/25 – FGIC Insured	No Opt. Call	Aa2	3,444,124
5,245	Southwestern Community College District, San Diego County, California, General Obligation Bonds, Election of 2008, Series 2011C, 5.250%, 8/01/36	8/21 at 100.00	Aa2	6,175,673
26,000	Sylvan Union School District, Stanislaus County, California, General Obligation Bonds, Election of 2006, Series 2010, 0.000%,	No Opt. Call	AA	20,634,120

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

8/01/49 – AGM Insured (7)

Washington Township Health Care District, Alameda County,  
California, General Obligation Bonds, 2004 Election Series 2013B:

4,740	5.500%, 8/01/38	8/24 at 100.00	Aa3	5,901,869
4,830	5.500%, 8/01/40	8/24 at 100.00	Aa3	6,005,960
Washington Township Health Care District, Alameda County, California, General Obligation Bonds, 2012 Election Series 2013A:				
2,820	5.500%, 8/01/38	8/24 at 100.00	Aa3	3,511,238
1,750	5.500%, 8/01/40	8/24 at 100.00	Aa3	2,176,072
2,015	Wisburn School District, Los Angeles County, California, General Obligation Bonds, Series 2012C, 5.000%, 8/01/26	8/22 at 100.00	Aa3	2,419,068
140,160	Yosemite Community College District, California, General Obligation Bonds, Capital Appreciation, Election 2004, Series 2010D, 0.000%, 8/01/42 (7)	No Opt. Call	Aa2	111,421,594
2,400	Yuba Community College District, California, General Obligation Bonds, Election 2006 Series 2011C, 5.250%, 8/01/47	8/21 at 100.00	Aa2	2,833,344
680,945	Total Tax Obligation/General Tax Obligation/Limited – 28.5% (19.0% of Total Investments)			690,564,607
1,655	Bell Community Housing Authority, California, Lease Revenue Bonds, Series 2005, 5.000%, 10/01/36 – AMBAC Insured	11/16 at 100.00	N/R	1,655,033
3,370	Bell Community Redevelopment Agency, California, Tax Allocation Bonds, Bell Project Area, Series 2003, 5.500%, 10/01/23 – RAAI Insured	11/16 at 100.00	AA	3,375,662

NUVEEN 47

NACNuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Series 2013G:			
\$5,000	5.250%, 9/01/30	9/23 at 100.00	A+	\$6,219,000
11,000	5.250%, 9/01/32	9/23 at 100.00	A+	13,640,550
7,000	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2014A, 5.000%, 9/01/39	9/24 at 100.00	A+	8,493,520
17,395	California State Public Works Board, Lease Revenue Bonds, Judicial Council of California, New Stockton Courthouse, Series 2014B, 5.000%, 10/01/39	10/24 at 100.00	A+	21,141,535
1,000	California State Public Works Board, Lease Revenue Bonds, Judicial Council of California, Various Projects Series 2013A, 5.000%, 3/01/30	No Opt. Call	A+	1,205,680
1,000	California State Public Works Board, Lease Revenue Bonds, Judicial Council of California, Yuba City Courthouse, Series 2013D, 5.000%, 6/01/32	6/23 at 100.00	A+	1,209,580
10,650	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30	10/19 at 100.00	A+	12,193,504
6,860	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009-I, 6.375%, 11/01/34	11/19 at 100.00	A+	8,047,466
2,650	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2012A, 5.000%, 4/01/33	No Opt. Call	A+	3,132,485
9,950	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2013I, 5.000%, 11/01/38	11/23 at 100.00	A+	12,096,513
9,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2014E, 5.000%, 9/01/39	9/24 at 100.00	A+	10,920,240
2,905	Carson Redevelopment Agency, California, Tax Allocation Bonds, Redevelopment Project Area 1, Series 2009A, 7.000%, 10/01/36	10/19 at 100.00	A-	3,420,492
3,205	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 – AMBAC Insured	9/16 at 101.00	A	3,247,146
4,250	Coronado Community Development Agency, California, Tax Allocation Bonds, Community Development Project, Series 2005, 5.000%, 9/01/30 – AMBAC Insured	11/16 at 100.00	A+	4,265,045
1,595	Fontana Public Financing Authority, California, Tax Allocation Revenue Bonds, North Fontana Redevelopment Project, Series 2003A, 5.375%, 9/01/25 – AMBAC Insured	11/16 at 100.00	A+	1,601,316
6,655	Fontana Redevelopment Agency, San Bernardino County, California, Tax Allocation Bonds, Jurupa Hills Redevelopment Project,	4/17 at 100.00	A	6,681,687

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Refunding Series 1997A, 5.500%, 10/01/27				
810	Fontana, California, Special Tax Bonds, Community Facilities District 2 Heritage Village, Refunding Series 1998A, 5.250%, 9/01/17 – NPPFG Insured	9/16 at 100.00	AA-	829,683
1,000	Fullerton Community Facilities District 1, California, Special Tax Bonds, Amerige Heights, Refunding Series 2012, 5.000%, 9/01/32	9/22 at 100.00	A-	1,159,020
75,500	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Refunding Series 2015A, 5.000%, 6/01/45	6/25 at 100.00	A+	91,637,370
1,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2013A, 5.000%, 6/01/30	6/23 at 100.00	A+	1,203,920
Government of Guam, Business Privilege Tax Bonds, Refunding Series 2015D:				
2,500	5.000%, 11/15/28	11/25 at 100.00	A	2,934,650
2,000	5.000%, 11/15/32	11/25 at 100.00	A	2,305,680
Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A:				
1,750	5.000%, 9/01/25 – SYNCORA GTY Insured	11/16 at 100.00	BBB	1,753,308
6,690	5.000%, 9/01/35 – SYNCORA GTY Insured	11/16 at 100.00	BBB	6,698,028
2,500	Hesperia Unified School District, San Bernardino County, California, Certificates of Participation, Series 2013A, 5.000%, 2/01/38 – BAM Insured	2/23 at 100.00	AA	2,916,725
4,500	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Refunding Series 1998A, 5.250%, 5/01/23 – AMBAC Insured	No Opt. Call	N/R	5,078,790

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1:			
\$1,460	5.000%, 5/01/23 – AMBAC Insured	5/17 at 100.00	BBB+	\$1,489,127
2,435	5.000%, 5/01/24 – AMBAC Insured	5/17 at 100.00	BBB+	2,481,387
2,075	5.000%, 5/01/25 – AMBAC Insured	5/17 at 100.00	BBB+	2,111,894
	Irvine Unified School District, California, Special Tax Bonds, Community Facilities District Series 2006A:			
1,475	5.000%, 9/01/26	9/16 at 100.00	N/R	1,503,984
3,395	5.125%, 9/01/36	9/16 at 100.00	N/R	3,451,900
	Jurupa Public Financing Authority, California, Special Tax Revenue Bonds, Series 2014A:			
530	5.000%, 9/01/29	9/24 at 100.00	A–	645,545
1,900	5.000%, 9/01/30	9/24 at 100.00	A–	2,306,942
1,220	5.000%, 9/01/31	9/24 at 100.00	A–	1,475,297
1,955	Jurupa Public Financing Authority, California, Special Tax Revenue Bonds, Series 2015A, 5.000%, 9/01/43	9/25 at 100.00	BBB+	2,273,118
675	Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District 2002 Mountain House, Series 2006, 5.125%, 9/01/35	9/16 at 100.00	N/R	676,667
12,820	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Vermont Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 – AMBAC Insured	11/16 at 100.00	A1	12,864,614
5,080	Los Angeles County Public Works Financing Authority, California, Lease Revenue Bonds, Multiple Capital Facilities Project II, Series 2012, 5.000%, 8/01/42	No Opt. Call	AA	6,041,542
1,625	Lynwood Redevelopment Agency, California, Project A Revenue Bonds, Subordinate Lien Series 2011A, 6.750%, 9/01/26	9/21 at 100.00	A–	2,021,175
1,900	Modesto, California, Special Tax Bonds, Community Facilities District 2004-1 Village One 2, Refunding Series 2014, 5.000%, 9/01/31	9/24 at 100.00	BBB–	2,247,016
5,720	Murrieta Redevelopment Agency, California, Tax Allocation Bonds, Series 2007A, 5.000%, 8/01/37 – NPFG Insured	8/17 at 100.00	AA–	5,944,567
	National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011:			
3,250	6.500%, 8/01/24		A	4,064,678

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

		8/21 at 100.00		
3,000	7.000%, 8/01/32	8/21 at 100.00	A	3,777,030
1,000	Norco Redevelopment Agency, California, Tax Allocation Bonds, Project Area 1, Series 2009, 7.000%, 3/01/34 Norco Redevelopment Agency, California, Tax Allocation Refunding Bonds, Project Area 1, Refunding Series 2010:	3/18 at 100.00	A+	1,092,980
3,775	5.875%, 3/01/32	3/20 at 100.00	A+	4,375,565
1,500	6.000%, 3/01/36	3/20 at 100.00	A+	1,746,735
1,210	Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40	9/21 at 100.00	BBB+	1,470,174
695	Ontario Redevelopment Financing Authority, California, Lease Revenue Bonds, Capital Projects, Series 2001, 5.250%, 8/01/18 – AMBAC Insured	11/16 at 100.00	AA–	697,766
29,800	Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Bonds, Redevelopment Project 1, Refunding Series 1995, 7.400%, 8/01/25 – NPPFG Insured	No Opt. Call	AA–	37,094,146
605	Ontario, California, Special Tax Bonds, Community Facilities District 5, Freeway Interchange Project, Series 1997, 6.375%, 9/01/17	9/16 at 100.00	N/R	620,724
1,340	Patterson Public Finance Authority, California, Revenue Bonds, Community Facilities District 2001-1, Subordinate Lien Series 2013B, 5.875%, 9/01/39 Patterson Public Financing Authority, California, Revenue Bonds, Community Facilities District 2001-1, Senior Series 2013A:	9/23 at 100.00	N/R	1,513,302
8,505	5.250%, 9/01/30	9/23 at 100.00	N/R	9,630,552
7,625	5.750%, 9/01/39	9/23 at 100.00	N/R	8,668,481
8,990	Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32	12/16 at 100.00	N/R	9,113,433
8,750	Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Series 1999, 0.000%, 8/01/23 – AMBAC Insured	No Opt. Call	A+	7,633,150

NUVEEN 49

NACNuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$ 13,655	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 8/01/45 – NPMFG Insured	No Opt. Call	AA–	\$2,632,274
	Redding Redevelopment Agency, California, Tax Allocation Bonds, Canby-Hilltop-Cypress Area Project, Series 2003A:			
1,500	5.000%, 9/01/17 – NPMFG Insured	11/16 at 100.00	AA–	1,505,625
1,500	5.000%, 9/01/20 – NPMFG Insured	11/16 at 100.00	AA–	1,505,550
3,375	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Interstate 215 Corridor Redevelopment Project Area, Series 2010E, 6.500%, 10/01/40	10/20 at 100.00	A–	4,055,366
705	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25	10/21 at 100.00	A	870,668
2,885	Riverside County Redevelopment Agency, California, Tax Allocation Housing Bonds, Series 2010A, 6.000%, 10/01/39	10/20 at 100.00	A	3,419,648
	Riverside County, California, Special Tax Bonds, Community Facilities District 05-8 Scott Road, Series 2013:			
555	5.000%, 9/01/30	9/22 at 100.00	N/R	629,875
710	5.000%, 9/01/42	9/22 at 100.00	N/R	787,582
25	Riverside Public Financing Authority, California, Revenue Bonds, Multiple Project Loans, Series 1991A, 8.000%, 2/01/18	2/17 at 100.00	N/R	25,588
3,540	Rohnert Park Community Development Commission, California, Tax Allocation Bonds, Redevelopment Project Series 2007R, 5.000%, 8/01/37 – FGIC Insured	8/17 at 100.00	AA–	3,678,980
2,645	Roseville, California, Special Tax Bonds, Community Facilities District 1 Fiddymont Ranch, Series 2005, 5.050%, 9/01/30	3/17 at 100.00	N/R	2,674,862
385	Roseville, California, Special Tax Bonds, Community Facilities District 1 Westpark, Refunding Series 2015, 5.000%, 9/01/31	9/25 at 100.00	N/R	454,319
	Sacramento City Financing Authority, California, Lease Revenue Refunding Bonds, Series 1993A:			
7,690	5.400%, 11/01/20 – AMBAC Insured	No Opt. Call	A+	8,391,636
855	5.400%, 11/01/20 – NPMFG Insured	No Opt. Call	AA–	928,983
4,250	Sacramento City Financing Authority, California, Tax Allocation Revenue Bonds, Merged Downtown Sacramento and Oak Park Projects, Series 2005A, 0.000%, 12/01/31 – FGIC Insured	No Opt. Call	AA–	2,490,628
475	San Clemente, California, Special Tax Revenue Bonds, Community Facilities District 2006-1 Marblehead Coastal, Series 2015, 5.000%, 9/01/40	9/25 at 100.00	N/R	550,392

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

2,135	San Diego County Regional Transportation Commission, California, Sales Tax Revenue Bonds, Refunding Series 2012A, 5.000%, 4/01/42	4/22 at 100.00	AAA	2,524,061
10,000	San Diego County Regional Transportation Commission, California, Sales Tax Revenue Bonds, Series 2014A, 5.000%, 4/01/34	4/24 at 100.00	AAA	12,227,000
1,535	San Francisco City and County Redevelopment Agency Successor Agency, California, Special Tax Bonds, Community Facilities District No Opt. 7, Hunters Point Shipyard Phase One Improvements, Refunding Series Call 2014, 5.000%, 8/01/39		N/R	1,725,033
255	San Francisco, California, Community Facilities District 6, Mission Bay South Public Improvements, Special Tax Refunding Bonds, Series 2013A, 5.000%, 8/01/33	8/22 at 100.00	N/R	289,030
9,435	San Jose Financing Authority, California, Lease Revenue Refunding Bonds, Convention Center Project, Series 2001F, 5.000%, 9/01/20 – NPFG Insured	9/16 at 100.00	AA	9,470,759
2,750	San Jose Redevelopment Agency, California, Housing Set-Aside Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2010A-1, 5.500%, 8/01/35	8/20 at 100.00	A	3,127,878
695	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Refunding Series 2006D: 5.000%, 8/01/19 – AMBAC Insured	8/17 at 100.00	BBB+	721,758
910	5.000%, 8/01/21 – AMBAC Insured	8/17 at 100.00	BBB+	944,180
1,365	5.000%, 8/01/23 – AMBAC Insured	8/17 at 100.00	BBB+	1,415,000
2,765	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2003, 4.900%, 8/01/33 – FGIC Insured	11/16 at 100.00	AA–	2,806,364
700	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2004A, 4.440%, 8/01/17 – NPFG Insured	11/16 at 100.00	AA–	702,254

50 NUVEEN



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
\$1,000	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2005A, 5.000%, 8/01/27 – NPFPG Insured	11/16 at 100.00	AA–	\$1,003,700
2,200	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C: 5.000%, 8/01/24 – NPFPG Insured	8/17 at 100.00	AA–	2,287,406
4,710	5.000%, 8/01/25 – NPFPG Insured	8/17 at 100.00	AA–	4,896,233
1,825	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2008B, 6.250%, 8/01/20	8/18 at 100.00	BBB+	2,000,711
7,860	Santa Ana Community Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2011A, 6.750%, 9/01/28	3/21 at 100.00	AA–	9,538,582
2,770	Santa Ana Community Redevelopment Agency, Orange County, California, Tax Allocation Refunding Bonds, South Main Street Redevelopment, Series 2003B, 5.000%, 9/01/19 – FGIC Insured	11/16 at 100.00	AA–	2,780,304
4,625	Santa Clara Redevelopment Agency, California, Tax Allocation Bonds, Bayshore North Project, Series 2003: 5.000%, 6/01/17 – NPFPG Insured	12/16 at 100.00	AA–	4,676,245
2,695	5.000%, 6/01/20 – NPFPG Insured	12/16 at 100.00	AA–	2,724,861
1,500	5.000%, 6/01/21 – NPFPG Insured	12/16 at 100.00	AA–	1,516,620
2,840	5.000%, 6/01/23 – NPFPG Insured	12/16 at 100.00	AA–	2,871,467
960	Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26	4/21 at 100.00	N/R	1,150,330
4,360	Temecula Public Financing Authority, California, Special Tax Bonds, Community Facilities District 03-02 Roripaugh, Series 2006: 5.450%, 9/01/26	3/17 at 100.00	N/R	4,378,530
2,315	5.500%, 9/01/36	3/17 at 100.00	N/R	2,322,570
1,310	Temecula Redevelopment Agency, California, Redevelopment Project 1 Tax Allocation Housing Bonds Series 2011A, 7.000%, 8/01/39	8/21 at 100.00	BBB+	1,639,413
1,350	Temecula Valley Unified School District, Riverside County, California, Special Tax Bonds, Community Facilities District 2002-1 Improvement Area 1, Series 2012, 5.000%, 9/01/33	9/22 at 100.00	N/R	1,496,462
1,200	Turlock Public Financing Authority, California, Tax Allocation Revenue Bonds, Series 2011, 7.500%, 9/01/39	3/21 at 100.00	A–	1,501,092
1,000			A+	1,268,810

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	Union City Community Redevelopment Agency, California, Tax Allocation Revenue Bonds, Redevelopment Project, Subordinate Lien Series 2011, 6.875%, 12/01/33	12/21 at 100.00		
6,870	Vernon Redevelopment Agency, California, Tax Allocation Bonds, Industrial Redevelopment Project, Series 2005, 5.000%, 9/01/35 – NPPG Insured	11/16 at 100.00	AA–	6,879,137
1,620	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Refunding Series 2012A, 5.000%, 10/01/32 – AGM Insured	No Opt. Call	AA	1,771,551
6,530	Washington Unified School District, Yolo County, California, Certificates of Participation, Series 2007, 5.125%, 8/01/37 – AMBAC Insured	8/17 at 100.00	A	6,761,946
1,280	William S Hart School Financing Authority, California, Refunding Revenue Bonds, Series 2013, 5.000%, 9/01/34	9/23 at 100.00	A–	1,504,986
	Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A:			
865	6.000%, 9/01/26	9/21 at 100.00	A–	1,048,570
810	6.500%, 9/01/32	9/21 at 100.00	A–	995,320
467,490	Total Tax Obligation/Limited Transportation – 9.5% (6.4% of Total Investments)			515,667,258
12,510	Alameda Corridor Transportation Authority, California, Revenue Bonds, Refunding Second Subordinate Lien Series 2016B, 5.000%, 10/01/37	10/26 at 100.00	BBB+	15,232,176
1,715	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2012F-1, 5.000%, 4/01/30	No Opt. Call	AA	2,073,401
15,060	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Junior Lien Series 2013C, 6.500%, 1/15/43	1/24 at 100.00	BB+	18,421,994

NUVEEN 51

NACNuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Transportation (continued)			
	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Series 2013A:			
\$33,235	5.750%, 1/15/46	1/24 at 100.00	BBB-	\$39,821,512
33,235	6.000%, 1/15/53	1/24 at 100.00	BBB-	40,298,435
1,200	Long Beach, California, Harbor Revenue Bonds, Series 2015D, 5.000%, 5/15/42	5/25 at 100.00	AA	1,475,520
	Los Angeles Department of Airports, California, Revenue Bonds, Los Angeles International Airport, Senior Lien Series 2015D:			
865	5.000%, 5/15/31 (Alternative Minimum Tax)	5/25 at 100.00	AA	1,052,843
3,805	5.000%, 5/15/33 (Alternative Minimum Tax)	5/25 at 100.00	AA	4,604,507
1,000	5.000%, 5/15/36 (Alternative Minimum Tax)	5/25 at 100.00	AA	1,200,520
11,335	5.000%, 5/15/41 (Alternative Minimum Tax)	5/25 at 100.00	AA	13,529,456
	Los Angeles Department of Airports, California, Revenue Bonds, Los Angeles International Airport, Subordinate Lien Series 2016A:			
3,000	5.000%, 5/15/33 (Alternative Minimum Tax)	5/26 at 100.00	AA-	3,695,010
1,000	5.000%, 5/15/35 (Alternative Minimum Tax)	5/26 at 100.00	AA-	1,226,800
1,250	Los Angeles Department of Airports, California, Revenue Bonds, Los Angeles International Airport, Series 2010D, 5.000%, 5/15/40 (UB) (5)	5/20 at 100.00	AA	1,421,113
1,000	Los Angeles Harbors Department, California, Revenue Bonds, Refunding Series 2014B, 5.000%, 8/01/44	8/24 at 100.00	AA	1,208,860
	Los Angeles Harbors Department, California, Revenue Bonds, Series 2014C:			
1,575	5.000%, 8/01/35	8/24 at 100.00	AA	1,920,634
2,000	5.000%, 8/01/44	8/24 at 100.00	AA	2,417,720
120	Palm Springs Financing Authority, California, Palm Springs International Airport Revenue Bonds, Series 2006, 5.450%, 7/01/20 (Alternative Minimum Tax)	11/16 at 100.00	N/R	120,160
	Port of Oakland, California, Revenue Bonds, Refunding Series 2012P:			
1,000	5.000%, 5/01/29 (Alternative Minimum Tax)	No Opt. Call	A+	1,177,150

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

6,340	5.000%, 5/01/31 (Alternative Minimum Tax)	No Opt. Call	A+	7,435,615
1,180	Sacramento Regional Transit District, California, Farebox Revenue Bonds, Refunding Series 2012, 5.000%, 3/01/42	No Opt. Call	A-	1,335,170
4,550	San Diego County Regional Airport Authority, California, Airport Revenue Bonds, Senior Series 2013B, 5.000%, 7/01/43 (Alternative Minimum Tax)	7/23 at 100.00	A+	5,247,970
4,500	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2014B, 5.000%, 5/01/44	5/24 at 100.00	A+	5,349,375
2,465	San Francisco Airports Commission, California, Special Facilities Lease Revenue Bonds, San Francisco International Airport, SFO Fuel Company LLC, Series 2000A, 6.125%, 1/01/27 – AGM Insured (Alternative Minimum Tax)	1/17 at 100.00	AA	2,476,166
143,940	Total Transportation U.S. Guaranteed – 17.9% (11.9% of Total Investments) (8)			172,742,107
3,000	Antelope Valley Healthcare District, California, Revenue Bonds, Series 2011A, 7.250%, 3/01/36 (Pre-refunded 3/01/21)	3/21 at 100.00	Ba3 (8)	3,767,100
5,540	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Tender Option Bond Trust 3211, 12.501%, 4/01/39 (Pre-refunded 4/01/18) (IF)	4/18 at 100.00	AA (8)	7,195,518
	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Refunding Series 2002X:			
10	5.500%, 12/01/17 – FGIC Insured (ETM)	No Opt. Call	AAA	10,630
210	5.500%, 12/01/17 – NPMFG Insured (ETM)	No Opt. Call	Aa1 (8)	223,194
2,470	California Educational Facilities Authority, Revenue Bonds, University of Southern California, Tender Option Bond Trust 09-11B, 16.282%, 10/01/38 (Pre-refunded 10/01/18) (IF) (5)	10/18 at 100.00	Aa1 (8)	3,334,698
10,000	California Educational Facilities Authority, Revenue Bonds, University of Southern California, Series 2007A, 4.500%, 10/01/33 (Pre-refunded 10/01/17) (UB)	10/17 at 100.00	Aa1 (8)	10,416,800
49,980	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (Pre-refunded 11/15/16) (UB)	11/16 at 100.00	Aa3 (8)	50,446,314

52 NUVEEN

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (8) (continued)			
\$5,360	California Infrastructure and Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/23 – AGM Insured (ETM)	No Opt. Call	Aaa	\$6,738,485
1,000	California Municipal Finance Authority, Revenue Bonds, Harbor Regional Center Project, Series 2009, 8.000%, 11/01/29 (Pre-refunded 11/01/19)	11/19 at 100.00	A3 (8)	1,224,010
2,960	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007: 5.250%, 2/01/27 (Pre-refunded 2/01/17)	2/17 at 100.00	N/R (8)	3,017,365
865	5.250%, 2/01/46 (Pre-refunded 2/01/17)	2/17 at 100.00	N/R (8)	881,764
50	California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, North County Recycling Center, Series 1991A, 6.750%, 7/01/17 (ETM)	1/17 at 100.00	Aaa	52,037
11,360	California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31 (Pre-refunded 7/15/17)	7/17 at 100.00	AA+ (8)	11,821,102
2,010	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38 (Pre-refunded 8/01/19)	8/19 at 100.00	N/R (8)	2,364,383
17,670	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2003A, 5.000%, 8/15/38 (Pre-refunded 8/15/17) – AMBAC Insured (UB) (5)	8/17 at 100.00	AA– (8)	18,434,404
7,190	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Trust 2554, 17.136%, 7/01/47 (Pre-refunded 7/01/18) – AGM Insured (IF)	7/18 at 100.00	AA (8)	9,080,626
4,565	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 2016-XF2351, 17.437%, 11/15/46 (Pre-refunded 11/15/16) (IF) (5)	11/16 at 100.00	AA– (8)	4,735,274
21,235	California State Public Works Board, Lease Revenue Bonds, University of California Regents, Tender Option Bond Trust 2016-XG0003, 8.651%, 3/01/33 (Pre-refunded 3/01/18) (IF) (5)	3/18 at 100.00	Aaa	24,035,472
5,425	Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 5.000%, 8/01/31 (Pre-refunded 8/01/18) – AGM Insured	8/18 at 100.00	Aa1 (8)	5,885,366
15,060	Contra Costa County, California, GNMA Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 1988, 8.250%, 6/01/21 (Alternative Minimum Tax) (ETM)	No Opt. Call	Aaa	17,650,019
1,600	Eastern Municipal Water District, California, Water and Sewerage System Revenue Certificates of Participation, Tender Option Bond Trust 2015-XF0072, 13.282%, 7/01/35 (Pre-refunded 7/01/18) (IF)	7/18 at 100.00	AAA	2,304,464
1,500	Hesperia Unified School District, San Bernardino County, California, Certificates of Participation, Capital Improvement, Series 2007,	2/17 at 100.00	A (8)	1,528,215

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

1,000	5.000%, 2/01/41 (Pre-refunded 2/01/17) – AMBAC Insured Lindsay Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2007, 5.000%, 8/01/37 (Pre-refunded 8/01/17) – RAAI Insured	8/17 at 100.00	N/R (8)	1,041,510
13,670	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38 (Pre-refunded 12/01/17)	12/17 at 100.00	BB (8)	14,993,119
4,705	Madera Irrigation District, California, Water Revenue Refunding Bonds, Series 2008, 5.500%, 1/01/38 (Pre-refunded 1/01/18)	1/18 at 100.00	A (8)	4,976,902
5,170	Newport Beach, California, Revenue Bonds, Hoag Memorial Hospital Presbyterian, Series 2011A, 6.000%, 12/01/40 (Pre-refunded 12/01/21)	12/21 at 100.00	N/R (8)	6,513,425
5,840	Orange County Water District, California, Revenue Certificates of Participation, Series 1999A, 5.375%, 8/15/29 (ETM)	8/29 at 100.00	N/R (8)	7,889,022
905	Orange County Water District, California, Revenue Certificates of Participation, Series 2003B, 5.000%, 8/15/34 – NPFPG Insured (ETM)	No Opt. Call	AAA	1,234,402
3,380	Orange County Sanitation District, California, Certificates of Participation, Tender Option Bond Trust 11738, 16.221%, 2/01/35 (Pre-refunded 2/01/19) (IF)	2/19 at 100.00	AAA	4,814,337
15,070	Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28 (Pre-refunded 9/01/18)	9/18 at 100.00	BB+ (8)	16,834,546
2,620	Pomona, California, GNMA/FHLMC Collateralized Single Family Mortgage Revenue Refunding Bonds, Series 1990B, 7.500%, 8/01/23 (ETM)	No Opt. Call	Aaa	3,238,241
3,920	Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30 (Pre-refunded 9/01/21)	9/21 at 100.00	A– (8)	4,854,293

NUVEEN 53

NACNuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (8) (continued)			
\$1,460	Rohnert Park Community Development Commission, California, Tax Allocation Bonds, Redevelopment Project Series 2007R, 5.000%, 8/01/37 – FGIC Insured (ETM)	8/17 at 100.00	AA– (8)	\$1,502,238
	San Diego Public Facilities Financing Authority, California, Sewerage Revenue Bonds, Refunding Series 2010A:			
11,320	5.250%, 5/15/25 (Pre-refunded 5/15/20)	5/20 at 100.00	AA+ (8)	13,199,573
11,000	5.250%, 5/15/26 (Pre-refunded 5/15/20)	5/20 at 100.00	AA+ (8)	12,826,440
12,000	5.250%, 5/15/27 (Pre-refunded 5/15/20)	5/20 at 100.00	AA+ (8)	13,992,480
7,170	5.250%, 5/15/28 (Pre-refunded 5/15/20)	5/20 at 100.00	AA+ (8)	8,360,507
2,000	San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2009C, 6.500%, 8/01/39 (Pre-refunded 8/01/19)	8/19 at 100.00	A– (8)	2,338,200
575	San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	A– (8)	722,787
	San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D:			
575	7.000%, 8/01/33 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (8)	729,008
715	7.000%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (8)	906,506
2,600	San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 (Pre-refunded 12/15/17) – AMBAC Insured	12/17 at 100.00	N/R (8)	2,751,346
5,500	Santa Clara County Financing Authority, California, Insured Revenue Bonds, El Camino Hospital, Series 2007A, 5.750%, 2/01/41 (Pre-refunded 8/01/17) – AMBAC Insured	8/17 at 100.00	A+ (8)	5,767,025
2,600	The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2009E, 5.000%, 5/15/38 (Pre-refunded 5/15/17)	5/17 at 101.00	Aaa	2,709,044
5,000	Westminster Redevelopment Agency, California, Tax Allocation Bonds, Commercial Redevelopment Project 1, Police Facility Subordinate Series 2009, 6.250%, 11/01/39 (Pre-refunded 11/01/19)	11/19 at 100.00	AA (8)	5,871,200
287,855	Total U.S. Guaranteed Utilities – 3.4% (2.3% of Total Investments)			323,213,391
5,735	California Statewide Communities Development Authority, Certificates of Participation, Rio Bravo Fresno Project, Refunding	12/16 at 100.00	N/R	5,737,409

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Series 1999A, 6.500%, 12/01/18  
 Long Beach Bond Finance Authority, California, Natural Gas  
 Purchase Revenue Bonds, Series 2007A:

7,970	5.000%, 11/15/35	No Opt. Call	A	10,434,962
7,610	5.500%, 11/15/37	No Opt. Call	A	10,447,160
5,230	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2012B, 5.000%, 7/01/43	7/22 at 100.00	Aa2	6,218,156
4,865	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2013B, 5.000%, 7/01/28	7/23 at 100.00	Aa2	6,059,844
4,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2014B, 5.000%, 7/01/43	1/24 at 100.00	Aa2	4,820,680
	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2016B:			
2,210	5.000%, 7/01/42	1/26 at 100.00	Aa2	2,744,223
2,760	5.000%, 7/01/45	1/26 at 100.00	Aa2	3,419,254
3,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Tender Option Bond Trust 2015-XF2047, 16.172%, 7/01/43 (IF) (5)	7/22 at 100.00	Aa2	5,267,280
2,500	Sacramento Municipal Utility District, California, Electric Revenue Bonds, Tender Option Bond Trust 1186, 16.241%, 8/15/41 (IF) (5)	8/23 at 100.00	AA-	4,641,500
1,565	Southern California Public Power Authority, California, Revenue Bonds, Apex Power Project Series 2014A, 5.000%, 7/01/35	7/24 at 100.00	AA-	1,919,066
47,445	Total Utilities			61,709,534

54 NUVEEN



Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer – 16.2% (10.8% of Total Investments) Bay Area Water Supply and Conservation Agency, California, Revenue Bonds, Capital Cost Recovery Prepayment Program, Series 2013A:			
\$3,010	5.000%, 10/01/29	4/23 at 100.00	AA–	\$3,693,421
4,250	5.000%, 10/01/30	4/23 at 100.00	AA–	5,164,260
4,000	5.000%, 10/01/34	4/23 at 100.00	AA–	4,840,960
810	California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Refunding Series 2002X, 5.500%, 12/01/17 – NPPFG Insured	No Opt. Call	AAA	861,273
	California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside LP Desalination Project, Series 2012:			
3,925	5.000%, 7/01/37 (Alternative Minimum Tax)	No Opt. Call	Baa3	4,431,678
36,420	5.000%, 11/21/45 (Alternative Minimum Tax)	No Opt. Call	Baa3	41,016,568
175	California Statewide Community Development Authority, Water and Wastewater Revenue Bonds, Pooled Financing Program, Series 2003A, 5.250%, 10/01/23 – AGM Insured	11/16 at 100.00	AA	175,684
385	California Statewide Community Development Authority, Water and Wastewater Revenue Bonds, Pooled Financing Program, Series 2004A, 5.250%, 10/01/24 – AGM Insured	11/16 at 100.00	AA	386,486
2,500	Central Basin Municipal Water District, California, Certificates of Participation, Tender Option Bond Trust 3152, 15.812%, 8/01/39 – AGC Insured (IF) (5)	2/20 at 100.00	AA	3,711,300
	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Revenue Bonds, Refunding Series 2015A:			
2,000	5.000%, 6/01/31	6/25 at 100.00	AAA	2,527,020
10,500	5.000%, 6/01/32	6/25 at 100.00	AAA	13,208,685
10,000	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Revenue Bonds, Series 2014C, 5.000%, 6/01/44	6/24 at 100.00	AAA	12,232,000
1,950	East Valley Water District Financing Authority, California, Refunding Revenue Bonds, Series 2010, 5.000%, 10/01/40	10/20 at 100.00	AA–	2,224,931
750	Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 – AGM Insured	10/16 at 100.00	AA	752,805
	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Refunding Series 2016B:			
3,870	5.000%, 7/01/32		AA+	4,895,318

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

		1/26 at 100.00		
4,750	5.000%, 7/01/33	1/26 at 100.00	AA+	5,985,285
3,775	5.000%, 7/01/35	1/26 at 100.00	AA+	4,720,147
5,000	5.000%, 7/01/36	1/26 at 100.00	AA+	6,232,600
1,780	5.000%, 7/01/37	1/26 at 100.00	AA+	2,215,388
2,000	5.000%, 7/01/38	1/26 at 100.00	AA+	2,485,380
	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2011A:			
23,430	5.250%, 7/01/39 (UB)	1/21 at 100.00	AA+	27,587,654
2,000	5.000%, 7/01/41	1/21 at 100.00	AA+	2,322,700
6,710	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2014A, 5.000%, 7/01/44	7/24 at 100.00	AA+	8,168,083
	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2016A:			
5,435	5.000%, 7/01/32	1/26 at 100.00	AA+	6,874,949
1,000	5.000%, 7/01/33	1/26 at 100.00	AA+	1,260,060
1,000	5.000%, 7/01/34	1/26 at 100.00	AA+	1,255,210
5,680	5.000%, 7/01/35	1/26 at 100.00	AA+	7,102,102
1,000	5.000%, 7/01/36	1/26 at 100.00	AA+	1,246,520
20,255	5.000%, 7/01/46	1/21 at 100.00	AA+	25,073,867
1,570	Los Angeles, California, Wastewater System Revenue Bonds, Refunding Green Series 2015A, 5.000%, 6/01/32	6/25 at 100.00	AA+	1,975,013
4,235	Los Angeles, California, Wastewater System Revenue Bonds, Refunding Series 2015B, 5.000%, 6/01/34	6/25 at 100.00	AA+	5,288,626
1,485	Los Angeles, California, Wastewater System Revenue Bonds, Refunding Subordinate Lien Series 2013A, 5.000%, 6/01/35	6/23 at 100.00	AA	1,804,676

NUVEEN 55

NACNuveen California Dividend Advantage Municipal Fund  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer (continued)			
\$2,000	Metropolitan Water District of Southern California, Water Revenue Bonds, Refunding Series 2015A, 5.000%, 7/01/40	7/25 at 100.00	AAA	\$2,483,560
	Metropolitan Water District of Southern California, Water Revenue Bonds, Refunding Series 2016A:			
18,275	5.000%, 7/01/32	1/26 at 100.00	AAA	23,170,324
5,125	5.000%, 7/01/35	1/26 at 100.00	AAA	6,427,980
670	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Tender Option Bond Trust 09-8B, 16.331%, 7/01/35 (IF) (5)	7/19 at 100.00	AAA	1,004,410
1,510	Orange County Sanitation District, California, Certificates of Participation, Tender Option Bond Trust 3020, 16.176%, 2/01/35 (IF) (5)	2/19 at 100.00	AAA	2,150,814
5,490	Orange County Sanitation District, California, Wastewater Revenue Bonds, Refunding Series 2016A, 5.000%, 2/01/35	2/26 at 100.00	AAA	6,929,423
3,500	Placerville Public Financing Authority, California, Wastewater System Refinancing and Improvement Project Revenue Bonds, Series 2006, 5.000%, 9/01/34 – SYNCORA GTY Insured	9/16 at 100.00	N/R	3,510,815
2,525	Sacramento County Sanitation Districts Financing Authority, California, Revenue Bonds, Crossover Refunding Series 2001, 5.500%, 12/01/20 – AMBAC Insured	No Opt. Call	AA	3,022,021
3,000	Sacramento County Sanitation Districts Financing Authority, California, Revenue Bonds, Sacramento Regional County Sanitation District, Series 2014A, 5.000%, 12/01/33	6/24 at 100.00	AA	3,684,150
5,580	San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2011A, 5.000%, 11/01/41 (UB)	11/21 at 100.00	AA-	6,555,440
	San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Tender Option Bond Trust 2015-XF0226:			
750	16.295%, 11/01/28 (IF)	11/21 at 100.00	AA-	1,356,060
750	16.393%, 11/01/43 (IF)	5/22 at 100.00	AA-	1,303,440
7,500	Santa Clara Valley Water District, California, Water System Revenue Bonds, Refunding Series 2016A, 5.000%, 6/01/46	12/25 at 100.00	Aa1	9,291,150
	Silicon Valley Clean Water, Mateo County, California, Wastewater Revenue Bonds, Series 2015:			
3,000	5.000%, 8/01/40	8/25 at 100.00	AA	3,706,800

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

1,600	5.000%, 8/01/45	8/25 at 100.00	AA	1,971,104
4,000	West Basin Municipal Water District, California, Certificates of Participation, Refunding Series 2008B, 5.000%, 8/01/28 – AGC Insured	8/18 at 100.00	AA	4,319,880
240,925	Total Water and Sewer			292,608,020
\$2,500,985	Total Long-Term Investments (cost \$2,354,149,978)			2,709,911,675
	Floating Rate Obligations – (4.2)%			(75,940,000 )
	Borrowings – (1.7)% (9)			(30,000,000 )
	Variable Rate MuniFund Term Preferred Shares, at Liquidation Preference (8.0)% (10)			(145,000,000 )
	Variable Rate Demand Preferred Shares, at Liquidation Preference – (38.7)% (11)			(699,600,000 )
	Other Assets Less Liabilities – 1.0%			48,397,944
	Net Assets Applicable to Common Shares – 100%			\$ 1,807,769,619

56 NUVEEN

---

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) The coupon for this security increased 0.25% effective January 1, 2016 and will increase an additional 0.25% effective May 11, 2016.
- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (6) As of, or subsequent to, the end of the reporting period this security is non-income producing. Non-income producing, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has ceased accruing additional income on the Fund's records.
- (7) Step-up coupon. The rate shown is the coupon as of the end of the reporting period.
- (8) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (9) Borrowings as a percentage of Total Investments is 1.1%.
- (10) Variable Rate MuniFund Term Preferred Shares, at Liquidation Preference as a percentage of Total Investments is 5.4%.
- (11) Variable Rate Demand Preferred Shares, at Liquidation Preference as a percentage of Total Investments is 25.8%.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Note 3 – Portfolio Securities and Investments in Derivatives, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

## NVX

Nuveen California Dividend Advantage Municipal Fund 2  
Portfolio of Investments

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 138.2% (100.0% of Total Investments)			
	MUNICIPAL BONDS – 138.2% (100.0% of Total Investments)			
	Consumer Staples – 9.0% (6.5% of Total Investments)			
	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A:			
\$2,000	5.600%, 6/01/36	12/18 at 100.00	B3	\$2,033,360
2,000	5.650%, 6/01/41	12/18 at 100.00	B2	2,033,340
220	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	11/16 at 100.00	BBB+	220,099
1,595	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33	11/16 at 100.00	A3	1,606,564
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:			
3,770	5.000%, 6/01/33	6/17 at 100.00	B–	3,807,135
6,040	5.750%, 6/01/47	6/17 at 100.00	B–	6,174,813
6,160	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37	6/22 at 100.00	B–	6,327,306
21,785	Total Consumer Staples			22,202,617
	Education and Civic Organizations – 2.7% (1.9% of Total Investments)			
1,775	ABAG Finance Authority for Non-Profit Corporations, California, Revenue Bonds, The Jackson Laboratory, Series 2012, 5.000%, 7/01/37	7/22 at 100.00	A1	2,042,493
555	California Municipal Finance Authority, Charter School Revenue Bonds, Rocketship Education Multiple Projects, Series 2014A, 7.250%, 6/01/43	6/22 at 102.00	N/R	656,571
2,500	California Municipal Finance Authority, Revenue Bonds, University of La Verne, Series 2010A, 6.250%, 6/01/40	6/20 at 100.00	A–	2,904,225
850	California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46	7/21 at 100.00	BBB–	1,010,914
5,680	Total Education and Civic Organizations			6,614,203
	Health Care – 17.7% (12.8% of Total Investments)			

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

570	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2015A, 5.000%, 8/15/43	8/25 at 100.00	AA-	688,782
3,750	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2016B, 5.000%, 11/15/46	11/26 at 100.00	AA-	4,654,650
395	California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2014A, 5.000%, 8/15/43	8/24 at 100.00	AA	470,232
435	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Refunding Series 2014A, 5.000%, 10/01/38	10/24 at 100.00	AA-	532,675
855	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2014B, 5.000%, 10/01/44	10/24 at 100.00	AA-	1,016,749
895	California Health Facilities Financing Authority, Revenue Bonds, Rady Children's Hospital – San Diego, Series 2011, 5.250%, 8/15/41	8/21 at 100.00	Aa3	1,029,751
2,470	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series 2007, 5.250%, 2/01/27	2/17 at 100.00	A-	2,511,620
2,000	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2014A, 5.250%, 12/01/44	12/24 at 100.00	BB+	2,309,240
600	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2016A, 5.250%, 12/01/56	6/26 at 100.00	BB+	697,380

58 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$1,300	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System/West, Series 2015A, 5.000%, 3/01/35	3/26 at 100.00	A	\$1,598,623
3,200	California Statewide Communities Development Authority, Revenue Bonds, Kaiser Permanente, Series 2012A, 5.000%, 4/01/42	4/22 at 100.00	AA-	3,732,320
5,245	California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.500%, 7/01/35 (4)	11/16 at 100.00	CCC	5,245,210
1,035	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2004D, 5.050%, 8/15/38 – AGM Insured	8/18 at 100.00	AA	1,111,569
1,610	Madera County, California, Certificates of Participation, Children's Hospital Central California, Series 2010, 5.375%, 3/15/36	3/20 at 100.00	AA-	1,817,690
455	Oak Valley Hospital District, Stanislaus County, California, Revenue Bonds, Series 2010A, 6.500%, 11/01/29	11/20 at 100.00	BB	484,652
1,500	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009, 6.625%, 11/01/29	11/19 at 100.00	Ba1	1,673,115
4,800	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41	11/20 at 100.00	Ba1	5,165,760
5,785	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Refunding Series 2007A, 5.000%, 7/01/38	7/17 at 100.00	Baa2	5,948,773
2,250	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB+	2,800,800
39,150	Total Health Care			43,489,591
	Housing/Multifamily – 1.4% (1.0% of Total Investments)			
1,265	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45	8/20 at 100.00	BBB	1,446,363
410	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47	8/22 at 100.00	BBB	472,459
940	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012B, 7.250%, 8/15/47	8/22 at 100.00	A1	1,121,053
	California Municipal Finance Authority, Mobile Home Park Senior Revenue Bonds, Caritas Affordable Housing, Inc. Projects, Series 2014A:			
80	5.250%, 8/15/39	8/24 at 100.00	BBB	94,642
220	5.250%, 8/15/49	8/24 at 100.00	BBB	258,542
2,915	Total Housing/Multifamily			3,393,059
	Housing/Single Family – 0.6% (0.5% of Total Investments)			
1,490	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2007G, 5.050%, 2/01/29 (Alternative Minimum Tax)	2/17 at 100.00	AA-	1,503,112
3,175	Industrials – 0.0% (0.0% of Total Investments)		N/R	32



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	California Statewide Communities Development Authority, Revenue No Opt. Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, Call 12/01/33 (Alternative Minimum Tax) (5)			
	Tax Obligation/General – 32.7% (23.7% of Total Investments)			
1,300	Alhambra Unified School District, Los Angeles County, California, General Obligation Bonds, Refunding Series 2012A, 5.000%, 8/01/29 – AGM Insured	8/22 at 100.00	Aa2	1,575,951
4,000	California State, General Obligation Bonds, Various Purpose Refunding Series 2014, 5.000%, 8/01/31	8/24 at 100.00	AA–	5,010,800
	California State, General Obligation Bonds, Various Purpose Refunding Series 2015:			
675	5.000%, 8/01/32	2/25 at 100.00	AA–	836,447
2,000	5.000%, 8/01/34	8/25 at 100.00	AA–	2,493,300
13,850	California State, General Obligation Bonds, Various Purpose Series 2009, 6.000%, 4/01/38	4/19 at 100.00	AA–	15,698,282

NUVEEN 59

NVX Nuveen California Dividend Advantage Municipal Fund 2  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/General (continued)			
	California State, General Obligation Bonds, Various Purpose Series 2010:			
\$2,000	6.000%, 3/01/33	3/20 at 100.00	AA-	\$2,357,480
1,000	5.250%, 11/01/40	11/20 at 100.00	AA-	1,167,210
	California State, General Obligation Bonds, Various Purpose Series 2011:			
4,850	5.250%, 10/01/28	No Opt. Call	AA-	5,871,750
2,300	5.000%, 9/01/41	9/21 at 100.00	AA-	2,722,924
2,190	5.000%, 10/01/41	10/21 at 100.00	AA-	2,599,180
	California State, General Obligation Bonds, Various Purpose Series 2013:			
2,500	5.000%, 2/01/43	No Opt. Call	AA-	2,986,050
2,240	5.000%, 11/01/43	11/23 at 100.00	AA-	2,723,235
	California State, General Obligation Bonds, Various Purpose Series 2014:			
2,000	5.000%, 5/01/32	5/24 at 100.00	AA-	2,485,480
1,815	5.000%, 10/01/44	10/24 at 100.00	AA-	2,227,114
32,730	Desert Community College District, Riverside County, California, General Obligation Bonds, Election 2004 Series 2007C, 0.000%, 8/01/46 – AGM Insured	No Opt. Call	AA	6,709,323
1,285	Los Angeles Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2009D, 5.000%, 7/01/27	7/19 at 100.00	Aa2	1,439,161
1,265	Palomar Pomerado Health, California, General Obligation Bonds, Capital Appreciation, Election of 2004, Series 2007A, 5.000%, 8/01/32 – NPMFG Insured	8/17 at 100.00	AA-	1,309,199
10,330	Palomar Pomerado Health, California, General Obligation Bonds, Convertible Capital Appreciation, Election 2004 Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	5,284,415
2,000	Paramount Unified School District, Los Angeles County, California, General Obligation Bonds, Election 2006 Series 2011, 0.000%, 8/01/45	No Opt. Call	A+	2,000,480
2,000			AA-	2,170,260

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	Puerto Rico, General Obligation Bonds, Public Improvement Series 2002A, 5.500%, 7/01/20 – NPMFG Insured	No Opt. Call		
1,425	San Joaquin Delta Community College District, California, General Obligation Bonds, Refunding Series 2015A, 5.000%, 8/01/32	8/25 at 100.00	Aa2	1,785,739
21,000	San Marcos Unified School District, San Diego County, California, General Obligation Bonds, 2010 Election, Series 2012B, 0.000%, 8/01/51	No Opt. Call	AA-	6,161,820
1,000	Southwestern Community College District, San Diego County, California, General Obligation Bonds, Election of 2008, Series 2011C, 5.250%, 8/01/36	8/21 at 100.00	Aa2	1,177,440
1,600	Yuba Community College District, California, General Obligation Bonds, Election 2006 Series 2011C, 5.250%, 8/01/47	8/21 at 100.00	Aa2	1,888,896
117,355	Total Tax Obligation/General Tax Obligation/Limited – 23.9% (17.3% of Total Investments)			80,681,936
7,000	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2013F, 5.250%, 9/01/31	9/23 at 100.00	A+	8,706,599
3,525	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2014A, 5.000%, 9/01/39	9/24 at 100.00	A+	4,277,094
3,770	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2012G, 5.000%, 11/01/37	11/22 at 100.00	A+	4,502,662
4,520	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2014E, 5.000%, 9/01/39	9/24 at 100.00	A+	5,484,387
960	Fontana Redevelopment Agency, San Bernardino County, California, Tax Allocation Bonds, Jurupa Hills Redevelopment Project, Refunding Series 1997A, 5.500%, 10/01/27	4/17 at 100.00	A	963,850
10,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Refunding Series 2015A, 5.000%, 6/01/45	6/25 at 100.00	A+	12,137,399
2,000	Government of Guam, Business Privilege Tax Bonds, Refunding Series 2015D, 5.000%, 11/15/28	11/25 at 100.00	A	2,347,720
1,500	Hesperia Unified School District, San Bernardino County, California, Certificates of Participation, Series 2013A, 5.000%, 2/01/38 – BAM Insured	2/23 at 100.00	AA	1,750,035
870	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/23 – AMBAC Insured	5/17 at 100.00	BBB+	887,357

60 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	Irvine Unified School District, California, Special Tax Bonds, Community Facilities District Series 2006A:			
\$205	5.000%, 9/01/26	9/16 at 100.00	N/R	\$209,028
470	5.125%, 9/01/36	9/16 at 100.00	N/R	477,877
1,000	Lake Elsinore Public Financing Authority, California, Local Agency Revenue Bonds, Refunding Series 2015, 5.000%, 9/01/40	9/25 at 100.00	N/R	1,150,200
415	Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District 2002 Mountain House, Series 2006, 5.125%, 9/01/35	9/16 at 100.00	N/R	416,025
800	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Vermont Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 – AMBAC Insured	11/16 at 100.00	Aa3	802,784
1,350	Los Angeles County Public Works Financing Authority, California, Lease Revenue Bonds, Multiple Capital Facilities Project II, Series 2012, 5.000%, 8/01/42	No Opt. Call	AA	1,605,528
750	Lynwood Redevelopment Agency, California, Project A Revenue Bonds, Subordinate Lien Series 2011A, 7.000%, 9/01/31	9/21 at 100.00	A–	939,495
475	National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011, 6.500%, 8/01/24	8/21 at 100.00	A	594,068
175	Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40	9/21 at 100.00	BBB+	212,629
190	Patterson Public Finance Authority, California, Revenue Bonds, Community Facilities District 2001-1, Subordinate Lien Series 2013B, 5.875%, 9/01/39	9/23 at 100.00	N/R	214,573
	Patterson Public Financing Authority, California, Revenue Bonds, Community Facilities District 2001-1, Senior Series 2013A:			
1,190	5.250%, 9/01/30	9/23 at 100.00	N/R	1,347,485
1,075	5.750%, 9/01/39	9/23 at 100.00	N/R	1,222,114
6,275	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 8/01/45 – NPPFG Insured	No Opt. Call	AA–	1,209,632
100	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25	10/21 at 100.00	A	123,499
225	Roseville, California, Special Tax Bonds, Community Facilities District 1 Westpark, Refunding Series 2015, 5.000%, 9/01/37	9/25 at 100.00	N/R	261,612
	San Buenaventura Redevelopment Agency, California, Merged Project Areas Tax Allocation Bonds, Series 2008:			
1,000	7.750%, 8/01/28	8/18 at 100.00	A	1,049,620
1,325	8.000%, 8/01/38	8/18 at 100.00	A	1,390,879

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

60	San Clemente, California, Special Tax Revenue Bonds, Community Facilities District 2006-1 Marblehead Coastal, Series 2015, 5.000%, 9/01/40	9/25 at 100.00	N/R	69,523
210	San Francisco City and County Redevelopment Agency Successor Agency, California, Special Tax Bonds, Community Facilities District No Opt. 7, Hunters Point Shipyard Phase One Improvements, Refunding Series Call 2014, 5.000%, 8/01/39		N/R	235,998
995	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Refunding Series 2006D, 5.000%, 8/01/23 – AMBAC Insured	8/17 at 100.00	BBB+	1,031,447
1,100	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C: 5.000%, 8/01/24 – NPMG Insured	8/17 at 100.00	AA–	1,143,703
765	5.000%, 8/01/25 – NPMG Insured	8/17 at 100.00	AA–	795,248
140	Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26	4/21 at 100.00	N/R	167,756
930	Temecula Public Financing Authority, California, Special Tax Bonds, Community Facilities District 03-02 Roripaugh, Series 2006, 5.500%, 9/01/36	3/17 at 100.00	N/R	933,041
240	Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A, 6.500%, 9/01/32	9/21 at 100.00	A–	294,910
55,605	Total Tax Obligation/Limited			58,955,777

NUVEEN 61

NVX Nuveen California Dividend Advantage Municipal Fund 2  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Transportation – 15.3% (11.0% of Total Investments)			
\$2,000	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2013S-4, 5.250%, 4/01/48	4/23 at 100.00	AA–	\$2,450,180
2,240	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Junior Lien Series 2013C, 6.500%, 1/15/43	1/24 at 100.00	BB+	2,740,058
4,940	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Series 2013A: 5.750%, 1/15/46	1/24 at 100.00	BBB–	5,919,009
4,935	6.000%, 1/15/53	1/24 at 100.00	BBB–	5,983,836
870	Los Angeles Department of Airports, California, Revenue Bonds, Los Angeles International Airport, Senior Lien Series 2015D: 5.000%, 5/15/31 (Alternative Minimum Tax)	5/25 at 100.00	AA	1,058,929
3,810	5.000%, 5/15/33 (Alternative Minimum Tax)	5/25 at 100.00	AA	4,610,557
1,000	5.000%, 5/15/36 (Alternative Minimum Tax)	5/25 at 100.00	AA	1,200,520
4,000	Los Angeles Harbors Department, California, Revenue Bonds, Refunding Series 2014B, 5.000%, 8/01/44	8/24 at 100.00	AA	4,835,440
1,545	Port of Oakland, California, Revenue Bonds, Refunding Series 2012P: 5.000%, 5/01/29 (Alternative Minimum Tax)	No Opt. Call	A+	1,818,697
1,000	5.000%, 5/01/31 (Alternative Minimum Tax)	No Opt. Call	A+	1,172,810
1,000	Riverside County Transportation Commission, California, Toll Revenue Senior Lien Bonds, Series 2013A, 5.750%, 6/01/44	6/23 at 100.00	BBB–	1,193,130
4,000	San Diego County Regional Airport Authority, California, Airport Revenue Bonds, Senior Series 2013B, 5.000%, 7/01/43 (Alternative Minimum Tax)	7/23 at 100.00	A+	4,613,600
31,340	Total Transportation			37,596,766
	U.S. Guaranteed – 9.3% (6.7% of Total Investments) (6)			
1,430	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Tender Option Bond Trust 3211, 12.501%, 4/01/39 (Pre-refunded 4/01/18) (IF)	4/18 at 100.00	AA (6)	1,857,327
1,500	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.250%, 11/15/46 (Pre-refunded 11/15/16)	11/16 at 100.00	AA– (6)	1,513,995
1,745	California Municipal Financing Authority, Certificates of Participation, Community Hospitals of Central California, Series	2/17 at 100.00	N/R (6)	1,778,818

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	2007, 5.250%, 2/01/27 (Pre-refunded 2/01/17)			
2,225	California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31 (Pre-refunded 7/15/17)	7/17 at 100.00	AA+ (6)	2,315,313
2,945	California State Public Works Board, Lease Revenue Bonds, University of California Regents, Tender Option Bond Trust 1065, 8.651%, 3/01/33 (Pre-refunded 3/01/18) (IF) (7)	3/18 at 100.00	Aaa	3,333,387
1,800	Hesperia Unified School District, San Bernardino County, California, Certificates of Participation, Capital Improvement, Series 2007, 5.000%, 2/01/41 (Pre-refunded 2/01/17) – AMBAC Insured	2/17 at 100.00	A (6)	1,833,858
2,000	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38 (Pre-refunded 12/01/17)	12/17 at 100.00	BB (6)	2,193,580
3,085	Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28 (Pre-refunded 9/01/18)	9/18 at 100.00	BB+ (6)	3,446,223
2,000	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26 (ETM)	No Opt. Call	C (6)	2,738,860
550	Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30 (Pre-refunded 9/01/21)	9/21 at 100.00	A- (6)	681,087
80	San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	A- (6)	100,562
85	San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D: 7.000%, 8/01/33 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (6)	107,766
105	7.000%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (6)	133,123

62 NUVEEN

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	U.S. Guaranteed (6) (continued)			
\$825	San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 (Pre-refunded 12/15/17) – AMBAC Insured	12/17 at 100.00	N/R (6)	\$873,023
20,375	Total U.S. Guaranteed			22,906,922
	Utilities – 10.8% (7.9% of Total Investments)			
2,355	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.000%, 11/15/35	No Opt. Call	A	3,083,354
14,000	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2012B, 5.000%, 7/01/43	7/22 at 100.00	Aa2	16,645,157
1,500	Southern California Public Power Authority, California, Revenue Bonds, Apex Power Project Series 2014A, 5.000%, 7/01/38	7/24 at 100.00	AA–	1,825,950
4,000	Southern California Public Power Authority, Natural Gas Project 1 Revenue Bonds, Series 2007A, 5.000%, 11/01/33	No Opt. Call	A	5,173,640
21,855	Total Utilities			26,728,101
	Water and Sewer – 14.8% (10.7% of Total Investments)			
5,240	California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside LP Desalination Project, Series 2012, 5.000%, 11/21/45 (Alternative Minimum Tax)	No Opt. Call	Baa3	5,901,340
4,265	Escondido Joint Powers Financing Authority, California, Revenue Bonds, Water System Financing, Series 2012, 5.000%, 9/01/41	3/22 at 100.00	AA–	5,032,615
7,890	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2014A, 5.000%, 7/01/44	7/24 at 100.00	AA+	9,604,496
6,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2016A, 5.000%, 7/01/46	1/21 at 100.00	AA+	7,427,460
1,160	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Tender Option Bond Trust 09-8B, 16.331%, 7/01/35 (IF) (7)	7/19 at 100.00	AAA	1,738,979
5,825	Sacramento, California, Wastewater Revenue Bonds, Series 2013, 5.000%, 9/01/42	9/23 at 100.00	AA	6,832,434
30,380	Total Water and Sewer			36,537,324
\$351,105	Total Long-Term Investments (cost \$301,410,124)			340,609,440
	Variable Rate Demand Preferred Shares, at Liquidation Preference – (39.8)% (8)			(98,000,000 )
	Other Assets Less Liabilities – 1.6%			3,932,786
	Net Assets Applicable to Common Shares – 100%			\$246,542,226

NUVEEN 63



NVX Nuveen California Dividend Advantage Municipal Fund 2

Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.  
For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (3) The coupon for this security increased 0.25% effective January 1, 2016 and will increase an additional 0.25% effective May 11, 2016.  
As of, or subsequent to, the end of the reporting period this security is non-income producing. Non-income producing, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has ceased accruing additional income on the Fund's records.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (6) Variable Rate Demand Preferred Shares, at Liquidation Preference as a percentage of Total Investments is 28.8%.
- (7) (ETM) Escrowed to maturity.
- (8) (IF) Inverse floating rate investment.

See accompanying notes to financial statements.

64 NUVEEN

---

## NZH

Nuveen California Dividend Advantage Municipal Fund 3  
Portfolio of Investments

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 141.3% (100.0% of Total Investments)			
	MUNICIPAL BONDS – 141.3% (100.0% of Total Investments)			
	Consumer Staples – 10.2% (7.2% of Total Investments)			
\$2,500	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 5.650%, 6/01/41	12/18 at 100.00	B2	\$2,541,675
360	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	11/16 at 100.00	BBB+	360,162
25,000	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2006A, 0.000%, 6/01/46	11/16 at 16.22	N/R	3,874,750
16,685	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: 5.000%, 6/01/33	6/17 at 100.00	B-	16,849,346
6,625	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 5.300%, 6/01/37	6/17 at 100.00	B-	6,772,870
6,265	Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2006A, 5.125%, 6/01/46	6/22 at 100.00	B-	6,435,157
1,200	Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2006A, 5.125%, 6/01/46	11/16 at 100.00	B+	1,200,072
58,635	Total Consumer Staples Education and Civic Organizations – 4.2% (3.0% of Total Investments)			38,034,032
2,160	California Educational Facilities Authority, Revenue Bonds, University of San Francisco, Series 2011, 6.125%, 10/01/36	10/21 at 100.00	A2	2,667,427
850	California Municipal Finance Authority, Charter School Revenue Bonds, Rocketship Education Multiple Projects, Series 2014A, 7.250%, 6/01/43	6/22 at 102.00	N/R	1,005,559
3,000	California State University, Systemwide Revenue Bonds, Refunding Series 2015A, 5.000%, 11/01/38	11/25 at 100.00	Aa2	3,741,750
1,000	California State University, Systemwide Revenue Bonds, Series 2016A: 5.000%, 11/01/33	5/26 at 100.00	Aa2	1,268,510
1,725	California State University, Systemwide Revenue Bonds, Series 2016A: 5.000%, 11/01/41	5/26 at 100.00	Aa2	2,151,989
2,750			AA	3,293,153

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	California Statewide Communities Development Authority, Revenue Bonds, Buck Institute for Research on Aging, Series 2014, 5.000%, 11/15/44 – AGM Insured	11/24 at 100.00		
1,300	California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46	7/21 at 100.00	BBB–	1,546,103
12,785	Total Education and Civic Organizations Health Care – 27.2% (19.3% of Total Investments)			15,674,491
5,640	ABAG Finance Authority for Nonprofit Corporations, California, Revenue Bonds, Sharp HealthCare, Series 2014A, 5.000%, 8/01/43	8/23 at 100.00	AA–	6,711,769
9,090	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Refunding Series 2016B, 5.000%, 11/15/46	11/26 at 100.00	AA–	11,282,871
1,215	California Health Facilities Financing Authority, California, Revenue Bonds, Sutter Health, Series 2016A, 5.000%, 11/15/46	11/25 at 100.00	AA–	1,491,376
610	California Health Facilities Financing Authority, Revenue Bonds, Lucile Salter Packard Children's Hospital, Series 2014A, 5.000%, 8/15/43	8/24 at 100.00	AA	726,181
670	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Refunding Series 2014A, 5.000%, 10/01/38	10/24 at 100.00	AA–	820,442
1,320	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2014B, 5.000%, 10/01/44	10/24 at 100.00	AA–	1,569,718
1,445	California Health Facilities Financing Authority, Revenue Bonds, Rady Children's Hospital – San Diego, Series 2011, 5.250%, 8/15/41	8/21 at 100.00	Aa3	1,662,559

NUVEEN 65

NZHNuveen California Dividend Advantage Municipal Fund 3  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$1,765	California Health Facilities Financing Authority, Revenue Bonds, Saint Joseph Health System, Series 2009A, 5.750%, 7/01/39	7/19 at 100.00	AA-	\$2,003,381
3,530	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2011B, 6.000%, 8/15/42	8/20 at 100.00	AA-	4,226,504
1,150	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2014A, 5.250%, 12/01/34	12/24 at 100.00	BB+	1,332,344
3,060	California Statewide Communities Development Authority, California, Revenue Bonds, Loma Linda University Medical Center, Series 2016A, 5.250%, 12/01/56	6/26 at 100.00	BB+	3,556,638
1,615	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2007B, 5.000%, 3/01/37 – AGC Insured	3/18 at 100.00	AA	1,704,471
1,045	California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System/West, Series 2015A, 5.000%, 3/01/35	3/26 at 100.00	A	1,285,047
1,335	California Statewide Communities Development Authority, Revenue Bonds, Huntington Memorial Hospital, Refunding Series 2014B, 5.000%, 7/01/44	7/24 at 100.00	A	1,575,741
1,000	California Statewide Communities Development Authority, Revenue Bonds, Kaiser Permanente, Series 2012A, 5.000%, 4/01/42	4/22 at 100.00	AA-	1,166,350
8,875	California Statewide Communities Development Authority, Revenue Bonds, Sutter Health, Series 2011A, 6.000%, 8/15/42	8/20 at 100.00	AA-	10,641,480
4,500	California Statewide Community Development Authority, Health Facility Revenue Bonds, Catholic Healthcare West, Insured Series 2008K, 5.500%, 7/01/41 – AGC Insured	7/17 at 100.00	AA	4,667,175
	California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A:			
3,500	5.500%, 7/01/30 (4)	11/16 at 100.00	CCC	3,500,140
2,330	5.500%, 7/01/35 (4)	11/16 at 100.00	CCC	2,330,093
3,860	California Statewide Community Development Authority, Revenue Bonds, St. Joseph Health System, Series 2007A, 5.750%, 7/01/47 – FGIC Insured	7/18 at 100.00	AA-	4,220,022
4,000	Marysville, California, Revenue Bonds, The Fremont-Rideout Health Group, Series 2011, 5.250%, 1/01/42	1/21 at 100.00	BBB	4,498,840
695	Oak Valley Hospital District, Stanislaus County, California, Revenue Bonds, Series 2010A, 6.500%, 11/01/29	11/20 at 100.00	BB	740,293
1,000	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2009, 6.750%, 11/01/39	11/19 at 100.00	Ba1	1,117,560
7,650			Ba1	8,232,930

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010, 6.000%, 11/01/41	11/20 at 100.00		
5,790	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Refunding Series 2007A, 5.000%, 7/01/38	7/17 at 100.00	Baa2	5,953,915
3,400	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB+	4,232,320
8,760	The Regents of the University of California, Medical Center Pooled Revenue Bonds, Series 2013J, 5.250%, 5/15/31	5/23 at 100.00	AA-	10,729,248
88,850	Total Health Care			101,979,408
	Housing/Multifamily – 1.4% (0.9% of Total Investments)			
1,945	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2010A, 6.400%, 8/15/45	8/20 at 100.00	BBB	2,223,855
2,020	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas Projects Series 2012A, 5.500%, 8/15/47	8/22 at 100.00	BBB	2,327,727
	California Municipal Finance Authority, Mobile Home Park Senior Revenue Bonds, Caritas Affordable Housing, Inc. Projects, Series 2014A:			
125	5.250%, 8/15/39	8/24 at 100.00	BBB	147,878
340	5.250%, 8/15/49	8/24 at 100.00	BBB	399,565
4,430	Total Housing/Multifamily			5,099,025

66 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Housing/Single Family – 0.8% (0.5% of Total Investments)			
\$2,780	California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Tender Option Bond Trust 2016-XF2308, 9.239%, 8/01/37 (Alternative Minimum Tax) (IF) (5)	2/17 at 100.00	AA–	\$2,868,654
	Industrials – 0.0% (0.0% of Total Investments)			
5,205	California Statewide Communities Development Authority, Revenue Bonds, EnerTech Regional Biosolids Project, Series 2007A, 5.500%, 12/01/33 (Alternative Minimum Tax) (6)	No Opt. Call	N/R	52
	Tax Obligation/General – 18.6% (13.2% of Total Investments)			
	California State, General Obligation Bonds, Refunding Various Purpose Series 2013:			
1,260	5.000%, 2/01/29	No Opt. Call	AA–	1,536,192
1,710	5.000%, 2/01/31	No Opt. Call	AA–	2,077,137
	California State, General Obligation Bonds, Various Purpose Refunding Series 2015:			
3,150	5.000%, 8/01/32	2/25 at 100.00	AA–	3,903,417
5,000	5.000%, 8/01/34	8/25 at 100.00	AA–	6,233,250
	California State, General Obligation Bonds, Various Purpose Series 2009:			
3,040	6.000%, 11/01/39	11/19 at 100.00	AA–	3,530,686
3,500	5.500%, 11/01/39	11/19 at 100.00	AA–	3,996,755
	California State, General Obligation Bonds, Various Purpose Series 2010:			
1,960	5.500%, 3/01/40	3/20 at 100.00	AA–	2,253,118
1,000	5.250%, 11/01/40	11/20 at 100.00	AA–	1,167,210
	California State, General Obligation Bonds, Various Purpose Series 2011:			
1,770	5.250%, 10/01/28	No Opt. Call	AA–	2,142,886
4,000	5.000%, 9/01/31	No Opt. Call	AA–	4,756,920
4,315	5.000%, 10/01/41	10/21 at 100.00	AA–	5,121,215
3,230	California State, General Obligation Bonds, Various Purpose Series 2012, 5.250%, 2/01/29	2/22 at 100.00	AA–	3,917,796
2,465	California State, General Obligation Bonds, Various Purpose Series 2013, 5.000%, 4/01/37	4/23 at 100.00	AA–	2,969,586
1,565			AA–	1,945,217

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	California State, General Obligation Bonds, Various Purpose Series 2015, 5.000%, 8/01/45	8/25 at 100.00		
15	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 – NCFG Insured (Alternative Minimum Tax)	12/16 at 100.00	AA	15,047
1,980	Desert Community College District, Riverside County, California, General Obligation Bonds, Refunding Series 2016, 5.000%, 8/01/35	2/26 at 100.00	Aa2	2,479,772
1,120	Oxnard School District, Ventura County, California, General Obligation Bonds, Election 2012 Series 2013B, 5.000%, 8/01/43 – AGM Insured	8/23 at 100.00	AA	1,307,656
4,385	Pajaro Valley Unified School District, Santa Cruz County, California, General Obligation Bonds, Refunding Election 2012 Series 2013A, 5.000%, 8/01/43	8/23 at 100.00	Aa2	5,315,892
3,000	Paramount Unified School District, Los Angeles County, California, General Obligation Bonds, Election 2006 Series 2011, 0.000%, 8/01/45	No Opt. Call	A+	3,000,720
2,115	San Mateo Union High School District, San Mateo County, California, General Obligation Bonds, Election 2010 Series 2011A, 5.000%, 9/01/42	9/21 at 100.00	Aaa	2,493,014
5,530	Stockton Unified School District, San Joaquin County, California, General Obligation Bonds, Election 2008 Series 2011D, 0.000%, 8/01/50 – AGM Insured (7)	8/37 at 100.00	AA	5,406,792
1,535	Washington Township Health Care District, Alameda County, California, General Obligation Bonds, 2012 Election Series 2013A: 5.500%, 8/01/38	8/24 at 100.00	Aa3	1,911,259
1,750	5.500%, 8/01/40	8/24 at 100.00	Aa3	2,176,073
59,395	Total Tax Obligation/General Tax Obligation/Limited – 32.7% (23.1% of Total Investments)			69,657,610
1,680	Beaumont Financing Authority, California, Local Agency Revenue Bonds, Improvement Area 19A, Series 2015B, 5.000%, 9/01/35	9/25 at 100.00	N/R	1,935,662
5,690	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Series 2013G: 5.250%, 9/01/30	9/23 at 100.00	A+	7,077,222
7,135	5.250%, 9/01/32	9/23 at 100.00	A+	8,847,757

NUVEEN 67

NZHNuveen California Dividend Advantage Municipal Fund 3  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	California State Public Works Board, Lease Revenue Bonds, Department of Corrections & Rehabilitation, Various Correctional Facilities Series 2013F:			
\$1,685	5.250%, 9/01/31	9/23 at 100.00	A+	\$2,095,803
1,450	5.250%, 9/01/33	9/23 at 100.00	A+	1,799,160
1,000	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2009G-1, 5.750%, 10/01/30	10/19 at 100.00	A+	1,144,930
2,260	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2010A-1, 5.750%, 3/01/30	3/20 at 100.00	A+	2,641,940
2,160	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 – AMBAC Insured	9/16 at 101.00	A	2,188,404
1,445	Fontana Redevelopment Agency, San Bernardino County, California, Tax Allocation Bonds, Jurupa Hills Redevelopment Project, Refunding Series 1997A, 5.500%, 10/01/27	4/17 at 100.00	A	1,450,794
15,750	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Refunding Series 2015A, 5.000%, 6/01/45	6/25 at 100.00	A+	19,116,404
3,225	Government of Guam, Business Privilege Tax Bonds, Refunding Series 2015D, 5.000%, 11/15/28	11/25 at 100.00	A	3,785,699
1,310	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/23 – AMBAC Insured	5/17 at 100.00	BBB+	1,336,135
330	Irvine Unified School District, California, Special Tax Bonds, Community Facilities District Series 2006A: 5.000%, 9/01/26	9/16 at 100.00	N/R	336,485
760	5.125%, 9/01/36	9/16 at 100.00	N/R	772,738
680	Lammersville School District, San Joaquin County, California, Special Tax Bonds, Community Facilities District 2002 Mountain House, Series 2006, 5.125%, 9/01/35	9/16 at 100.00	N/R	681,680
1,310	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Vermont Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 – AMBAC Insured	11/16 at 100.00	Aa3	1,314,559
2,615	Los Angeles County Public Works Financing Authority, California, Lease Revenue Bonds, Multiple Capital Facilities Project II, Series 2012, 5.000%, 8/01/42	No Opt. Call	AA	3,109,967
725			A	906,736



Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

	National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011, 6.500%, 8/01/24	8/21 at 100.00		
270	Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40	9/21 at 100.00	BBB+	328,055
11,165	Palm Desert Financing Authority, California, Tax Allocation Revenue Bonds, Project Area 1, Refunding Series 2002, 5.100%, 4/01/30 – NPMG Insured	4/17 at 100.00	AA-	11,202,626
285	Patterson Public Finance Authority, California, Revenue Bonds, Community Facilities District 2001-1, Subordinate Lien Series 2013B, 5.875%, 9/01/39	9/23 at 100.00	N/R	321,859
1,800	Patterson Public Financing Authority, California, Revenue Bonds, Community Facilities District 2001-1, Senior Series 2013A: 5.250%, 9/01/30	9/23 at 100.00	N/R	2,038,212
1,610	5.750%, 9/01/39	9/23 at 100.00	N/R	1,830,329
2,630	Pico Rivera Water Authority, California, Revenue Bonds, Series 2001A, 6.250%, 12/01/32	12/16 at 100.00	N/R	2,666,110
3,250	Pomona Public Financing Authority, California, Revenue Refunding Bonds, Merged Redevelopment Projects, Series 2001AD, 5.000%, 2/01/27 – NPMG Insured	2/17 at 100.00	AA-	3,261,700
10,000	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A: 0.000%, 8/01/44 – NPMG Insured	No Opt. Call	AA-	2,024,000
10,025	0.000%, 8/01/45 – NPMG Insured	No Opt. Call	AA-	1,932,519
3,500	Rancho Cucamonga Redevelopment Agency Successor Agency, California, Tax Allocation Bonds, Rancho Redevelopment Project, Series 2014, 5.000%, 9/01/30	9/24 at 100.00	AA	4,281,375
3,375	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Interstate 215 Corridor Redevelopment Project Area, Series 2010E, 6.500%, 10/01/40	10/20 at 100.00	A-	4,055,366
155	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25	10/21 at 100.00	A	191,423

68 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Tax Obligation/Limited (continued)			
	Riverside County, California, Special Tax Bonds, Community Facilities District 04-2 Lake Hill Crest, Series 2012:			
\$990	5.000%, 9/01/29	9/22 at 100.00	N/R	\$1,125,927
2,615	5.000%, 9/01/35	9/22 at 100.00	N/R	2,922,550
350	Roseville, California, Special Tax Bonds, Community Facilities District 1 Westpark, Refunding Series 2015, 5.000%, 9/01/37	9/25 at 100.00	N/R	406,952
100	San Clemente, California, Special Tax Revenue Bonds, Community Facilities District 2006-1 Marblehead Coastal, Series 2015, 5.000%, 9/01/40	9/25 at 100.00	N/R	115,872
5,000	San Diego County Regional Transportation Commission, California, Sales Tax Revenue Bonds, Series 2014A, 5.000%, 4/01/44	4/24 at 100.00	AAA	6,038,750
330	San Francisco City and County Redevelopment Agency Successor Agency, California, Special Tax Bonds, Community Facilities District 7, Hunters Point Shipyard Phase One Improvements, Refunding Series 2014, 5.000%, 8/01/39	No Opt. Call	N/R	370,854
1,500	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Refunding Series 2006D, 5.000%, 8/01/23 – AMBAC Insured	8/17 at 100.00	BBB+	1,554,945
1,160	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C, 5.000%, 8/01/25 – NPFPG Insured	8/17 at 100.00	AA–	1,205,866
215	Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26	4/21 at 100.00	N/R	257,626
8,710	South Orange County Public Financing Authority, California, Special Tax Revenue Bonds, Ladera Ranch, Refunding Series 2005A, 5.000%, 8/15/32 – AMBAC Insured	11/16 at 100.00	BBB+	8,736,391
1,500	Stockton Public Financing Authority, California, Lease Revenue Bonds, Series 2004, 5.250%, 9/01/34 – FGIC Insured	11/16 at 100.00	AA–	1,500,135
1,415	Temecula Public Financing Authority, California, Special Tax Bonds, Community Facilities District 03-02 Roripaugh, Series 2006, 5.450%, 9/01/26	3/17 at 100.00	N/R	1,421,014
1,165	Temecula Redevelopment Agency, California, Redevelopment Project 1 Tax Allocation Housing Bonds Series 2011A, 7.000%, 8/01/39	8/21 at 100.00	BBB+	1,457,951
370	Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A, 6.500%, 9/01/32	9/21 at 100.00	A–	454,652
124,695	Total Tax Obligation/Limited Transportation – 12.5% (8.9% of Total Investments)			122,245,134
3,705	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2013S-4, 5.250%, 4/01/48	4/23 at 100.00	AA–	4,538,958

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

3,425	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Junior Lien Series 2013C, 6.500%, 1/15/43	1/24 at 100.00	BB+	4,189,597
	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Series 2013A:			
7,560	5.750%, 1/15/46	1/24 at 100.00	BBB-	9,058,241
7,555	6.000%, 1/15/53	1/24 at 100.00	BBB-	9,160,664
	Los Angeles Department of Airports, California, Revenue Bonds, Los Angeles International Airport, Senior Lien Series 2015D:			
865	5.000%, 5/15/31 (Alternative Minimum Tax)	5/25 at 100.00	AA	1,052,843
3,805	5.000%, 5/15/33 (Alternative Minimum Tax)	5/25 at 100.00	AA	4,604,507
1,000	5.000%, 5/15/36 (Alternative Minimum Tax)	5/25 at 100.00	AA	1,200,520
	Los Angeles Harbors Department, California, Revenue Bonds, Series 2014C:			
1,160	5.000%, 8/01/34	8/24 at 100.00	AA	1,419,318
1,865	5.000%, 8/01/36	8/24 at 100.00	AA	2,268,176
4,610	5.000%, 8/01/44	8/24 at 100.00	AA	5,572,845
2,350	Port of Oakland, California, Revenue Bonds, Refunding Series 2012P, 5.000%, 5/01/29 (Alternative Minimum Tax)	No Opt. Call	A+	2,766,303

NUVEEN 69

NZHNuveen California Dividend Advantage Municipal Fund 3  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Transportation (continued)			
\$1,000	San Diego County Regional Airport Authority, California, Airport Revenue Bonds, Senior Series 2013B, 5.000%, 7/01/43 (Alternative Minimum Tax)	7/23 at 100.00	A+	\$1,153,400
38,900	Total Transportation			46,985,372
	U.S. Guaranteed – 11.7% (8.3% of Total Investments) (8)			
3,735	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 2015-XF0061, 17.118%, 11/15/46 (Pre-refunded 11/15/16) (IF)	11/16 at 100.00	AA– (8)	3,874,278
1,000	California Municipal Finance Authority, Revenue Bonds, Harbor Regional Center Project, Series 2009, 8.000%, 11/01/29 (Pre-refunded 11/01/19)	11/19 at 100.00	A3 (8)	1,224,010
1,594	California Statewide Communities Development Authority, Revenue Bonds, Saint Joseph Health System, Tender Option Bond Trust 2016-XG0041, 17.316%, 7/01/47 (Pre-refunded 7/01/18) – AGM Insured (IF)	7/18 at 100.00	AA (8)	2,012,654
5,600	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 2016-XF2351, 17.437%, 11/15/46 (Pre-refunded 11/15/16) (IF) (5)	11/16 at 100.00	AA– (8)	5,808,880
3,435	California Statewide Communities Development Authority, Revenue Bonds, ValleyCare Health System, Series 2007A, 5.125%, 7/15/31 (Pre-refunded 7/15/17)	7/17 at 100.00	AA+ (8)	3,574,427
1,000	Lindsay Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2007, 5.000%, 8/01/37 (Pre-refunded 8/01/17) – RAAI Insured	8/17 at 100.00	N/R (8)	1,041,510
2,950	Loma Linda, California, Hospital Revenue Bonds, Loma Linda University Medical Center, Series 2008A, 8.250%, 12/01/38 (Pre-refunded 12/01/17)	12/17 at 100.00	BB (8)	3,235,531
2,330	Newport Beach, California, Revenue Bonds, Hoag Memorial Hospital Presbyterian, Series 2011A, 6.000%, 12/01/40 (Pre-refunded 12/01/21)	12/21 at 100.00	N/R (8)	2,935,451
2,185	Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28 (Pre-refunded 9/01/18)	9/18 at 100.00	BB+ (8)	2,440,842
865	Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30 (Pre-refunded 9/01/21)	9/21 at 100.00	A– (8)	1,071,164
125	San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	A– (8)	157,128
	San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D:			

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

125	7.000%, 8/01/33 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (8)	158,480
160	7.000%, 8/01/41 (Pre-refunded 2/01/21)	2/21 at 100.00	BBB+ (8)	202,854
1,345	San Mateo Union High School District, San Mateo County, California, Certificates of Participation, Phase 1, Series 2007A, 5.000%, 12/15/30 (Pre-refunded 12/15/17) – AMBAC Insured Westminster Redevelopment Agency, California, Tax Allocation Bonds, Commercial Redevelopment Project 1, Police Facility Subordinate Series 2009:	12/17 at 100.00	N/R (8)	1,423,292
7,500	6.250%, 11/01/39 (Pre-refunded 11/01/19)	11/19 at 100.00	AA (8)	8,806,800
5,000	5.750%, 11/01/45 (Pre-refunded 11/01/19)	11/19 at 100.00	AA (8)	5,793,000
38,949	Total U.S. Guaranteed Utilities – 5.9% (4.2% of Total Investments)			43,760,301
3,815	Long Beach Bond Finance Authority, California, Natural Gas Purchase Revenue Bonds, Series 2007A, 5.000%, 11/15/35	No Opt. Call	A	4,994,903
14,505	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2012B, 5.000%, 7/01/43	7/22 at 100.00	Aa2	17,245,574
18,320	Total Utilities			22,240,477

70 NUVEEN

Edgar Filing: PRINCIPAL FINANCIAL GROUP INC - Form DEF 14A

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Water and Sewer – 16.1% (11.4% of Total Investments) Bay Area Water Supply and Conservation Agency, California, Revenue Bonds, Capital Cost Recovery Prepayment Program, Series 2013A:			
\$2,000	5.000%, 10/01/27	4/23 at 100.00	AA–	\$2,462,600
3,000	5.000%, 10/01/29	4/23 at 100.00	AA–	3,681,150
3,000	5.000%, 10/01/34	4/23 at 100.00	AA–	3,630,720
8,840	California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside LP Desalination Project, Series 2012, 5.000%, 11/21/45 (Alternative Minimum Tax)	No Opt. Call	Baa3	9,955,696
5,000	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Revenue Bonds, Refunding Series 2015A, 5.000%, 6/01/31	6/25 at 100.00	AAA	6,317,550
3,000	East Valley Water District Financing Authority, California, Refunding Revenue Bonds, Series 2010, 5.000%, 10/01/40	10/20 at 100.00	AA–	3,422,970
1,125	Fortuna Public Finance Authority, California, Water Revenue Bonds, Series 2006, 5.000%, 10/01/36 – AGM Insured	10/16 at 100.00	AA	1,129,208
2,355	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2012B, 5.000%, 7/01/37	No Opt. Call	AA+	2,815,897
9,470	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2014A, 5.000%, 7/01/44	7/24 at 100.00	AA+	11,527,830
	Los Angeles, California, Wastewater System Revenue Bonds, Refunding Subordinate Lien Series 2013A:			
1,245	5.000%, 6/01/34	6/23 at 100.00	AA	1,513,011
5,355	5.000%, 6/01/35	6/23 at 100.00	AA	6,507,771
1,500	Metropolitan Water District of Southern California, Water Revenue Bonds, Refunding Series 2015A, 5.000%, 7/01/40	7/25 at 100.00	AAA	1,862,670
	Santa Clara Valley Water District, California, Water System Revenue Bonds, Refunding Series 2016A:			
2,175	5.000%, 6/01/32	12/25 at 100.00	Aa1	2,752,854
2,180	5.000%, 6/01/33	12/25 at 100.00	Aa1	2,748,609
50,245	Total Water and Sewer			60,328,536
\$503,189	Total Long-Term Investments (cost \$466,252,372)			528,873,092
	Variable Rate Demand Preferred Shares, at Liquidation Preference – (42.7)% (9)			(160,000,000)
	Other Assets Less Liabilities – 1.4%			5,308,060
	Net Assets Applicable to Common Shares – 100%			\$374,181,152



NZHNuveen California Dividend Advantage Municipal Fund 3  
Portfolio of Investments (continued)

August 31, 2016 (Unaudited)

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may
- (2) be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- For financial reporting purposes, the ratings disclosed are the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. This treatment of split-rated
- (3) securities may differ from that used for other purposes, such as for Fund investment policies. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) The coupon for this security increased 0.25% effective January 1, 2016 and will increase an additional 0.25% effective May 11, 2016.
- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- As of, or subsequent to, the end of the reporting period this security is non-income producing. Non-income producing, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the
- (6) payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has ceased accruing additional income on the Fund's records.
- (7) Step-up coupon. The rate shown is the coupon as of the end of the reporting period.
- Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which
- (8) ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (9) Variable Rate Demand Preferred Shares, at Liquidation Preference as a percentage of Total Investments is 30.3%.
- (IF) Inverse floating rate investment.

See accompanying notes to financial statements.

72 NUVEEN

---



Statement of  
Assets and Liabilities August 31, 2016 (Unaudited)

	California Value (NCA	California Value 2 ) (NCB	California AMT- Free Income ) (NKX
<b>Assets</b>			
Long-term investments, at value (cost \$253,631,880, \$47,113,220 and \$1,059,622,100, respectively)	\$294,422,559	\$56,568,573	\$1,218,748,872
Cash	—	1,026,584	1,527,350
Receivable for:			
Interest	2,750,705	569,992	12,878,559
Investments sold	15,042,319	—	4,020,000
Deferred offering costs	—	—	2,930,358
Other assets	33,940	533	410,522
<b>Total assets</b>	<b>312,249,523</b>	<b>58,165,682</b>	<b>1,240,515,661</b>
<b>Liabilities</b>			
Borrowings	—	—	—
Cash overdraft	5,235,929	—	—
Floating rate obligations	3,240,000	—	—
Payable for:			
Dividends	1,013,151	204,985	3,277,485
Interest	—	—	—
Offering costs	—	—	268,482
Institutional MuniFund Term Preferred ("iMTP") Shares, at liquidation preference	—	—	36,000,000
Variable Rate MuniFund Term Preferred ("VMTP") Shares, at liquidation preference	—	—	—
Variable Rate Demand Preferred ("VRDP") Shares, at liquidation preference	—	—	396,600,000
Accrued expenses:			
Management fees	126,160	30,417	627,287
Directors/Trustees fees	31,990	220	108,650
Professional fees	12,596	11,905	16,810
Other	42,380	16,259	138,414
<b>Total liabilities</b>	<b>9,702,206</b>	<b>263,786</b>	<b>437,037,128</b>
<b>Net assets applicable to common shares</b>	<b>\$302,547,317</b>	<b>\$57,901,896</b>	<b>\$803,478,533</b>
Common shares outstanding	27,753,626	3,290,978	47,721,900
Net asset value ("NAV") per common share outstanding	\$10.90	\$17.59	\$16.84
Net assets applicable to common shares consist of:			
Common shares, \$0.01 par value per share	\$277,536	\$32,910	\$477,219
Paid-in surplus	264,656,720	47,021,511	640,611,157
Undistributed (Over-distribution of) net investment income	173,715	758,599	1,382,057
Accumulated net realized gain (loss)	(3,351,333 )	633,523	1,881,328
Net unrealized appreciation (depreciation)	40,790,679	9,455,353	159,126,772
<b>Net assets applicable to common shares</b>	<b>\$302,547,317</b>	<b>\$57,901,896</b>	<b>\$803,478,533</b>
Authorized shares:			
Common	250,000,000	Unlimited	Unlimited
Preferred	N/A		