

NUVEEN ARIZONA PREMIUM INCOME MUNICIPAL FUND INC
Form N-CSRS
April 09, 2010

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-7278

Nuveen Arizona Premium Income Municipal Fund, Inc.

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Kevin J. McCarthy
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: July 31

Date of reporting period: January 31, 2010

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

[LOGO]
NUVEEN
INVESTMENTS

Closed-End Funds

Nuveen Investments
Municipal Closed-End Funds

IT'S NOT WHAT YOU EARN, IT'S WHAT YOU KEEP. (R)

Semi-Annual Report
January 31, 2010

NUVEEN ARIZONA
PREMIUM INCOME
MUNICIPAL FUND, INC.
NAZ

NUVEEN ARIZONA
DIVIDEND ADVANTAGE
MUNICIPAL FUND
NFZ

NUVEEN ARIZONA
DIVIDEND ADVANTAGE
MUNICIPAL FUND 2
NKR

NUVEEN ARIZONA
DIVIDEND ADVANTAGE
MUNICIPAL FUND
NXE

NUVEEN TEXAS
QUALITY INCOME
MUNICIPAL FUND
NTX

(JANUARY 10)

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[LOGO]
NUVEEN

Chairman's
Letter to Shareholders

[PHOTO OF ROBERT P. BREMNER]

DEAR SHAREHOLDER,

The economic environment in which your Fund operates reflects continuing but uneven economic recovery. The U.S. and other major industrial countries are experiencing steady but comparatively low levels of economic growth, while emerging market countries are seeing a resumption of relatively strong economic expansion. The largest source of economic uncertainty is the potential impact of steps being considered by many governments to counteract the extraordinary governmental spending and credit expansion carried out to deal with the financial and economic crisis of 2008. Consequently, the implications for future tax rates, government spending, interest rates and the pace of economic recovery in the U.S. and other leading economies are extremely difficult to predict at the present time. The long term health of the global economy depends on restoring some measure of fiscal discipline around the world, but since all of the corrective steps require economic pain, it is not surprising that governments are reluctant to undertake them.

In the near term, governments remain committed to furthering economic recovery and realizing a meaningful reduction in their national unemployment rates. Such an environment should produce continued economic growth and, consequently, attractive investment opportunities. Over the longer term, the larger uncertainty mentioned earlier carries the risk of unexpected potholes in the road to sustained recovery. For this reason, Nuveen's investment management teams are working hard to balance return and risk by building well-diversified portfolios, among other strategies. I encourage you to read the following commentary on the management of your Fund. As always, I also encourage you to contact your financial consultant if you have any questions about your Nuveen Fund investment.

Nuveen remains committed to refinancing all of the auction rate preferred shares issued by its closed end funds. By the fall of 2009, all of the Nuveen taxable closed end funds had completed redemption of their auction rate preferred shares, at par value. As of March 2010, approximately 25% of the municipal auction rate preferred shares issued by the Nuveen Funds also had been redeemed. Subject to market conditions and no changes in current regulatory approvals, Nuveen expects to continue this redemption process, at par value, through the further issuance of MuniFund Term Preferreds, the resumption of issuance of Variable Rate Demand Preferred Shares, and other portfolio management actions. Please consult the Nuveen web site for the most recent information on this issue and all recent developments on your Nuveen Funds at: www.nuveen.com.

On behalf of the other members of your Fund's Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Robert P. Bremner

Robert P. Bremner
Chairman of the Board and Lead Independent Director
March 25, 2010

Portfolio Managers' Comments

NUVEEN ARIZONA PREMIUM INCOME MUNICIPAL FUND, INC. (NAZ)
NUVEEN ARIZONA DIVIDEND ADVANTAGE MUNICIPAL FUND (NFZ)
NUVEEN ARIZONA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NKR)
NUVEEN ARIZONA DIVIDEND ADVANTAGE MUNICIPAL FUND 3 (NXE)
NUVEEN TEXAS QUALITY INCOME MUNICIPAL FUND (NTX)

PORTFOLIO MANAGERS SCOTT ROMANS AND DANIEL CLOSE DISCUSS KEY INVESTMENT STRATEGIES AND THE SIX-MONTH PERFORMANCE OF THESE FIVE NUVEEN FUNDS. SCOTT, WHO HAS BEEN WITH NUVEEN SINCE 2000, HAS MANAGED THE ARIZONA FUNDS SINCE 2003. DAN, WHO JOINED NUVEEN IN 2000, ASSUMED PORTFOLIO MANAGEMENT RESPONSIBILITY FOR NTX IN 2007.

WHAT KEY STRATEGIES WERE USED TO MANAGE THE ARIZONA AND TEXAS FUNDS DURING THE SIX-MONTH REPORTING PERIOD ENDED JANUARY 31, 2010?

During this period, municipal bond prices generally rose, as strong cash flows into municipal bond funds combined with tighter supply of new tax-exempt issuance to create favorable supply and demand conditions.

One reason for the supply reduction was the introduction of the Build America Bond program, a new class of taxable municipal debt created as part of the February 2009 economic stimulus package. These bonds offer municipal issuers a federal subsidy equal to 35% of a security's interest payments, and therefore offer issuers an attractive alternative to traditional tax-exempt debt. During the six-month period ended January 31, 2010, taxable Build America Bonds issuance totaled \$51.9 billion, accounting for almost 24% of new municipal bonds nationwide.

In both Arizona and Texas, the Build America Bond program had a significant impact on the availability of tax-exempt issuance, especially among the longer maturities that we typically seek to purchase for these Funds. During this period, Build America Bonds comprised approximately 30% of new municipal supply in Texas, which ranked as the second largest user of these bonds (after California). In Arizona, where municipal issuance was already down 49% from the same period a year earlier, Build America Bonds represented almost 19% of municipal supply between August 1, 2009, and January 31, 2010. Since interest payments from Build America Bonds represent taxable income, we do not view these bonds as good investment opportunities for the Arizona and Texas Funds

CERTAIN STATEMENTS IN THIS REPORT ARE FORWARD-LOOKING STATEMENTS. DISCUSSIONS OF SPECIFIC INVESTMENTS ARE FOR ILLUSTRATION ONLY AND ARE NOT INTENDED AS RECOMMENDATIONS OF INDIVIDUAL INVESTMENTS. THE FORWARD-LOOKING STATEMENTS AND OTHER VIEWS EXPRESSED HEREIN ARE THOSE OF THE PORTFOLIO MANAGERS AS OF THE DATE OF THIS REPORT. ACTUAL FUTURE RESULTS OR OCCURRENCES MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED IN ANY FORWARD-LOOKING STATEMENTS, AND THE VIEWS EXPRESSED HEREIN ARE SUBJECT TO CHANGE AT ANY TIME, DUE TO NUMEROUS MARKET AND OTHER FACTORS. THE FUNDS DISCLAIM ANY OBLIGATION TO UPDATE PUBLICLY OR REVISE ANY FORWARD-LOOKING STATEMENTS OR VIEWS EXPRESSED HEREIN.

2 Nuveen Investments

Because the supply of new tax-exempt municipal bonds was constrained during this period, investment activity in the Arizona Funds was more limited than usual. However, we continued to find some attractive value opportunities, taking a bottom-up approach to discovering undervalued sectors and individual credits

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with the potential to perform well over the long term. During this period, NTX purchased several higher-rated general obligation issues, bonds issued for an A rated toll road system, an electric utility and a lower-rated tax incremental financing (TIF) district credit. In the Arizona Funds, we added positions in a high-grade tax revenue bond and lower-rated water/sewer and electric utility bonds. In both Arizona and Texas, cash for new purchases was generated by bond calls.

As of January 31, 2010, all five of these Funds continued to use inverse floating rate securities.(1) We employ inverse floaters as a form of leverage for a variety of reasons, including duration management, and income and total return enhancement.

HOW DID THE FUNDS PERFORM?

Individual results for these Nuveen Arizona and Texas Funds, as well as relevant index and peer group information, are presented in the accompanying table.

AVERAGE ANNUAL TOTAL RETURNS ON COMMON SHARE NET ASSET VALUE* FOR PERIODS ENDED 1/31/10

| | SIX-MONTH | 1-YEAR | 5-YEAR | 10-YEAR |
|--|-----------|--------|--------|---------|
| ----- | | | | |
| ARIZONA FUNDS | | | | |
| NAZ | 8.56% | 20.82% | 3.44% | 5.00% |
| NFZ | 10.46% | 20.56% | 2.67% | N/A |
| NKR | 9.00% | 19.23% | 3.59% | N/A |
| NXE | 10.35% | 23.06% | 3.54% | N/A |
| Standard & Poor's (S&P) Arizona Municipal Bond Index(2) | 5.33% | 11.03% | 4.23% | 5.00% |
| TEXAS FUND | | | | |
| NTX | 8.58% | 16.45% | 4.05% | 6.00% |
| Standard & Poor's (S&P) Texas Municipal Bond Index(2) | 5.90% | 11.37% | 4.47% | 6.00% |
| Standard & Poor's (S&P) National Municipal Bond Index(3) | 5.57% | 10.75% | 4.07% | 5.00% |
| Lipper Other States Municipal Debt Funds Average(4) | 8.96% | 19.19% | 3.72% | 6.00% |
| ----- | | | | |

For the six months ended January 31, 2010, the cumulative returns on common share net asset value (NAV) for all four Arizona Funds exceeded the return for the Standard & Poor's (S&P) Arizona Municipal Bond Index and NTX outperformed the S&P Texas Municipal Bond Index. All of the Funds also outperformed the S&P National Municipal Bond Index. For the six-month period, NFZ, NKR and NXE exceeded the average return for the Lipper Other States Municipal Debt Funds Average, while NAZ and NTX trailed the Lipper group average.

* Six-month returns are cumulative; returns for one-year, five-year, and ten-year are annualized.

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.

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

- 1 An inverse floating rate security, also known as an inverse floater, is a financial instrument designed to pay long-term tax-exempt interest at a rate that varies inversely with a short-term tax-exempt interest rate index. For the Nuveen Funds, the index typically used is the Securities Industry and Financial Markets (SIFM) Municipal Swap Index (previously referred to as the Bond Market Association Index or BMA). Inverse floaters, including those inverse floating rate securities in which the Funds invested during this reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in this Report sections of this report.
- 2 The Standard & Poor's (S&P) Arizona and Texas Municipal Bond Indexes are unlever-aged, market value-weighted indexes designed to measure the performance of the investment-grade municipal bond markets in Arizona and Texas, respectively. These indexes do not reflect any initial or ongoing expenses and are not available for direct investment.
- 3 The Standard & Poor's (S&P) National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the investment-grade U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.
- 4 The Lipper Other States Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: six-months, 43 funds; 1-year, 43 funds; 5-year, 43 funds; and 10-year, 20 funds. The performance of the Lipper Other States Municipal Debt Funds Average represents the overall average of returns for funds from ten different states with a wide variety of municipal market conditions. Lipper returns account for the effects of management fees and assume reinvestment of dividends, but do not reflect any applicable sales charges. The Lipper average is not available for direct investment.

Nuveen Investments 3

Key management factors that influenced the Funds' returns during this period included yield curve and duration positioning, credit exposure and sector allocation. In addition, leverage was an important factor affecting each Fund's performance over this period. The impact of leverage is discussed in more detail on page five.

During this period, we saw yields on tax-exempt bonds generally decline and bond prices rise, especially at the longer end of the municipal yield curve. As a result, longer-term bonds generally outperformed credits with shorter maturities. Overall, duration and yield curve positioning was a net positive for the performance of these Funds, with the exception of NKR. In general, the Funds were underexposed to the underperforming short end of the yield curve and tended to have heavier weightings in the longer part of the curve, which had a positive impact on performance. NKR was not as advantageously positioned as the other Arizona Funds, with a duration shorter than its target. This detracted from the Fund's relative performance as yields fell.

While yield curve positioning and duration played important roles in performance during these six months, credit exposure also had a significant impact. The

demand for municipal bonds increased among both institutional and individual investors during this period. This increase was driven by a variety of factors, including concerns about potential tax increases, the need to rebalance portfolio allocations and a growing appetite for additional risk. At the same time, the supply of new tax-exempt municipal securities declined. As investors bid up municipal bond prices, bonds rated BBB or below and non-rated bonds generally outperformed those rated AAA. In this environment, the Funds' benefited from their allocations to lower quality credits. This was especially true in NXE, which had the heaviest weighting of BBB and non-rated bonds among these five Funds. NAZ, which cannot invest in sub-investment-grade bonds, was more constrained in its opportunities to take advantage of this environment.

Holdings that generally contributed positively to the Funds' performance included industrial development revenue (IDR) and health care bonds, both of which exceeded the overall municipal market return by a substantial margin. Revenue bonds as a whole also performed well, as did the transportation and housing sectors. In addition, zero coupon bonds were among the strongest performers.

Pre-refunded bonds, which are often backed by U.S. Treasury securities and which had been one of the top performing segments of the municipal bond market over the past two years, performed poorly on a relative basis during this period. This was primarily due to their shorter effective maturities and higher credit quality. Among these five Funds, NFZ had the smallest allocation of pre-refunded bonds during this period, which benefited its relative performance. Many general obligation bonds also failed to keep pace with the overall municipal market, while education, water and sewer, and leasing trailed the other revenue sectors. In the Arizona Funds, our holdings of improvement district bonds, also known as dirt deals, generally performed poorly. Despite good structures and credit, the market for these lower-rated bonds tends to be underdeveloped in Arizona, which meant less in-state demand, especially from retail buyers, and underperformance for the segment as a whole. During this period, NFZ, NKR and NXE were overexposed to improvement district bonds, which hurt their performance, while NAZ's smaller position in these credits lessened the negative impact.

4 Nuveen Investments

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of these Funds relative to the comparative indexes was the Funds' use of financial leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total returns for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when bond prices generally are rising.

Leverage made a significant positive contribution to the performance of these Funds over this reporting period.

RECENT DEVELOPMENTS REGARDING THE FUNDS' LEVERAGED CAPITAL STRUCTURE

Shortly after their inceptions, each of the Funds issued auction rate preferred shares (ARPS) to create financial leverage. As noted in the past shareholder reports, the ARPS issued by many closed-end funds, including these Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more auction rate preferred shares have been submitted for sale in each of their

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regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely non-existent since late February 2008. This means that these auctions have "failed to clear," and that many, or all, of the ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in ARPS did not lower the credit quality of these shares, and ARPS shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the ARPS. In the recent market, with short-term rates at multi-generational lows, those maximum rates also have been low.

One continuing implication for common shareholders from the auction failures is that each Fund's cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, each Fund's common share earnings likely have been incrementally lower at times than they otherwise might have been.

As noted in past shareholder reports, the Nuveen funds' Board of Directors/Trustees authorized several methods to refinance a portion of the Nuveen funds' outstanding ARPS. Some Funds have invested in tender option bonds (TOBs), also known as floating rate securities. The amount of TOBs that a Fund may use varies according to the composition of each Fund's portfolio. Some Funds have a greater ability to use TOBs than others. As of January 31, 2010, some Funds have issued Variable Rate Demand Preferred Shares (VRDP), but these issuances have been limited since it has been difficult to find liquidity facilities on economically viable terms given the constrained credit environment. Some Funds also have issued MuniFund Term Preferred Shares (MTP), a fixed-rate form of preferred stock with a mandatory redemption period of five years.

Nuveen Investments 5

While all these efforts have reduced the total amount of outstanding ARPS issued by the Nuveen funds, the Funds cannot provide any assurance on when the remaining outstanding ARPS might be redeemed.

As of January 31, 2010, the amount of ARPS redeemed by the Funds are as shown in the accompanying table.

| FUND | AUCTION RATE PREFERRED SHARES REDEEMED | % OF ORIGINAL AUCTION RATE PREFERRED SHARES |
|------|--|---|
| NAZ | \$2,125,000 | 7.1% |
| NFZ | \$1,400,000 | 11.7% |
| NKR | \$1,875,000 | 10.1% |
| NXE | \$3,600,000 | 16.4% |
| NTX | \$3,950,000 | 5.7% |

Subsequent to the reporting period, NFZ, NKR and NXE filed with the Securities and Exchange Commission (SEC) a registration statement seeking to register MTP. These registration statements, declared effective by the SEC, enables the Funds to issue to the public shares of MTP to refinance all or a portion of their ARPS. The issuance of MTP by NFZ, NKR and NXE is subject to market conditions. There is no assurance that these MTP shares will be issued.

As of January 31, 2010, 78 out of the 84 Nuveen closed-end municipal funds that had issued ARPS have redeemed, at par, all or a portion of these shares. These redemptions bring the total amount of Nuveen's municipal closed-end funds' ARPS

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redemptions to approximately \$2.8 billion of the original \$11 billion outstanding.

For up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at: <http://www.nuveen.com/arsps>.

6 Nuveen Investments

COMMON SHARE DIVIDEND AND SHARE PRICE INFORMATION

During the six-month period ended January 31, 2010, NAZ, NFZ, NKR, NXE and NTX each had two monthly dividend increases.

Due to normal portfolio activity, common shareholders of NTX received a long-term capital gains distribution of \$0.0118 per share and a short-term capital gains distribution of \$0.0002 per share at the end of December 2009.

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of January 31, 2010, all of the Funds in this report had positive UNII balances, based upon our best estimate, for tax purposes and positive UNII balances for financial statement purposes.

COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

During the six-month reporting period, NFZ, NKR and NXE did not repurchase any of their outstanding common shares. As of January 31, 2010, NFZ, NKR and NXE cumulatively repurchased their outstanding common shares as shown in the accompanying table. Since the inception of the Funds' repurchase program, NAZ and NTX have not repurchased any of their outstanding common shares.

| FUND | COMMON SHARES REPURCHASED | % OF OUTSTANDING COMMON SHARES |
|------|------------------------------|-----------------------------------|
| NFZ | 2,500 | 0.2% |
| NKR | 800 | 0.0%* |
| NXE | 1,600 | 0.1% |

*Rounds to less than 0.1%.

As of January 31, 2010, the Funds' common share prices were trading at (+) premiums or (-) discounts to their common share NAVs as shown in the accompanying table.

| | 1/31/10 (+) PREMIUM/ (-) DISCOUNT | SIX-MONTH AVERAGE (+) PREMIUM/ (+) DISCOUNT |
|-----|--------------------------------------|--|
| NAZ | +1.17% | -4.08% |
| NFZ | -10.11% | -6.52% |
| NKR | -7.83% | -7.56% |
| NXE | -7.80% | -7.27% |
| NTX | +4.24% | +4.11% |

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Nuveen Investments 7

NAZ Performance OVERVIEW | Nuveen Arizona Premium Income Municipal Fund, Inc.
| as of January 31, 2010

FUND SNAPSHOT

| | |
|--|----------|
| Common Share Price | \$ 13.84 |
| Common Share Net Asset Value | \$ 13.68 |
| Premium/(Discount) to NAV | 1.17% |
| Market Yield | 5.12% |
| Taxable-Equivalent Yield(1) | 7.45% |
| Net Assets Applicable to Common Shares (\$000) | \$61,160 |
| Average Effective Maturity on Securities (Years) | 17.19 |
| Leverage-Adjusted Duration | 8.87 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 11/19/92)

| | ON SHARE PRICE | ON NAV |
|----------------------|----------------|--------|
| 6-Month (Cumulative) | 15.57% | 8.56% |
| 1-Year | 34.93% | 20.82% |
| 5-Year | 2.31% | 3.44% |
| 10-Year | 5.25% | 5.65% |

PORTFOLIO COMPOSITION
(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 23.5% |
| Utilities | 16.4% |
| Health Care | 15.2% |
| Water and Sewer | 13.3% |
| U.S. Guaranteed | 12.2% |
| Education and Civic Organizations | 7.9% |
| Tax Obligation/General | 7.5% |
| Other | 4.0% |

CREDIT QUALITY (as a % of total investments)

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[PIE CHART]

| | |
|------------|-----|
| AAA/U.S. | |
| Guaranteed | 27% |
| AA | 20% |
| A | 34% |
| BBB | 8% |
| N/R | 11% |

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

| | |
|-----|----------|
| Feb | \$ 0.053 |
| Mar | 0.053 |
| Apr | 0.053 |
| May | 0.054 |
| Jun | 0.054 |
| Jul | 0.054 |
| Aug | 0.054 |
| Sep | 0.057 |
| Oct | 0.057 |
| Nov | 0.057 |
| Dec | 0.059 |
| Jan | 0.059 |

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

| | |
|---------|----------|
| 2/01/09 | \$ 10.81 |
| | 11.01 |
| | 11.23 |
| | 10.8981 |
| | 10.93 |
| | 10.83 |
| | 10.6501 |
| | 10.96 |
| | 11.23 |
| | 11.1 |
| | 11.12 |
| | 11.18 |
| | 11.6 |
| | 11.79 |
| | 11.85 |
| | 11.85 |
| | 12.09 |
| | 11.8985 |
| | 11.94 |
| | 11.88 |
| | 11.93 |
| | 11.65 |
| | 11.91 |
| | 12.58 |
| | 12.6 |
| | 12.37 |
| | 12.29 |
| | 12.57 |
| | 12.49 |
| | 12.47 |
| | 12.52 |

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| | |
|---------|---------|
| | 12.8 |
| | 12.88 |
| | 13.07 |
| | 13.3 |
| | 13.23 |
| | 13.52 |
| | 12.93 |
| | 13.1517 |
| | 12.72 |
| | 12.99 |
| | 12.7501 |
| | 12.81 |
| | 13.06 |
| | 13.31 |
| | 12.9388 |
| | 13.08 |
| | 13.1 |
| | 12.87 |
| | 13.55 |
| | 13.89 |
| | 13.9499 |
| 1/31/10 | 13.84 |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

8 Nuveen Investments

NFZ Performance OVERVIEW | Nuveen Arizona Dividend Advantage Municipal Fund
| as of January 31, 2010

CREDIT QUALITY (as a % of total investments)

[PIE CHART]

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 19% |
| AA | 25% |
| A | 32% |
| BBB | 16% |
| N/R | 8% |

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

| | |
|-----|-----------|
| Feb | \$ 0.0525 |
| Mar | 0.0525 |
| Apr | 0.0525 |
| May | 0.0525 |
| Jun | 0.0525 |
| Jul | 0.0525 |
| Aug | 0.0525 |
| Sep | 0.054 |
| Oct | 0.054 |
| Nov | 0.054 |
| Dec | 0.057 |
| Jan | 0.057 |

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COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

| | |
|---------|----------|
| 2/01/09 | \$ 10.18 |
| | 10.3299 |
| | 10.31 |
| | 9.95 |
| | 10.04 |
| | 10.0265 |
| | 9.43 |
| | 9.59 |
| | 9.97 |
| | 10.58 |
| | 11.39 |
| | 10.9 |
| | 10.93 |
| | 11.33 |
| | 11 |
| | 10.96 |
| | 11.1845 |
| | 11.3199 |
| | 11.52 |
| | 11.27 |
| | 11.27 |
| | 11.19 |
| | 11.35 |
| | 11.69 |
| | 11.5135 |
| | 12.16 |
| | 12.14 |
| | 12.45 |
| | 12 |
| | 12.14 |
| | 12.1 |
| | 12.28 |
| | 12.58 |
| | 12.8999 |
| | 13.29 |
| | 13.07 |
| | 13.32 |
| | 12 |
| | 12.75 |
| | 12.59 |
| | 12.538 |
| | 12.4 |
| | 12.38 |
| | 13 |
| | 12.67 |
| | 12.51 |
| | 12.535 |
| | 12.41 |
| | 12.39 |
| | 12.49 |
| | 12.46 |
| | 12.4 |
| 1/31/10 | 12.27 |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax

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rate of 31.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

FUND SNAPSHOT

| | |
|--|----------|
| Common Share Price | \$ 12.27 |
| Common Share Net Asset Value | \$ 13.65 |
| Premium/(Discount) to NAV | -10.11% |
| Market Yield | 5.57% |
| Taxable-Equivalent Yield(1) | 8.11% |
| Net Assets Applicable to Common Shares (\$000) | \$21,131 |
| Average Effective Maturity on Securities (Years) | 15.37 |
| Leverage-Adjusted Duration | 9.10 |

AVERAGE ANNUAL TOTAL RETURN (Inception 1/30/01)

| | ON SHARE PRICE | ON NAV |
|----------------------|----------------|--------|
| 6-Month (Cumulative) | 3.74% | 10.46% |
| 1-Year | 26.44% | 20.56% |
| 5-Year | -0.69% | 2.67% |
| Since Inception | 3.36% | 5.20% |

PORTFOLIO COMPOSITION (as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 31.9% |
| Utilities | 22.8% |
| Health Care | 12.3% |
| Water and Sewer | 8.7% |
| Tax Obligation/General | 7.9% |
| U.S. Guaranteed | 6.1% |
| Education and Civic Organizations | 5.4% |
| Other | 4.9% |

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NKR Performance OVERVIEW | Nuveen Arizona Dividend Advantage Municipal Fund 2
| as of January 31, 2010

FUND SNAPSHOT

| | |
|--|----------|
| Common Share Price | \$ 13.18 |
| Common Share Net Asset Value | \$ 14.30 |
| Premium/(Discount) to NAV | -7.83% |
| Market Yield | 5.83% |
| Taxable-Equivalent Yield(1) | 8.49% |
| Net Assets Applicable to Common Shares (\$000) | \$34,896 |
| Average Effective Maturity on Securities (Years) | 14.11 |
| Leverage-Adjusted Duration | 7.29 |

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

| | ON SHARE PRICE | ON NAV |
|----------------------|----------------|--------|
| 6-Month (Cumulative) | 8.22% | 9.00% |
| 1-Year | 26.10% | 19.23% |
| 5-Year | 1.96% | 3.59% |
| Since Inception | 4.15% | 5.74% |

PORTFOLIO COMPOSITION (as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 32.0% |
| Health Care | 16.5% |
| U.S. Guaranteed | 13.9% |
| Tax Obligation/General | 13.7% |
| Water and Sewer | 7.9% |
| Education and Civic Organizations | 4.5% |
| Other | 11.5% |

CREDIT QUALITY (as a % of total investments)

[PIE CHART]

| | |
|------------------------|-----|
| AAA/U.S. Guaranteed | 34% |
| AA | 14% |

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| | |
|-----|-----|
| A | 23% |
| BBB | 13% |
| N/R | 16% |

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

| | |
|-----|-----------|
| Feb | \$ 0.0585 |
| Mar | 0.0585 |
| Apr | 0.0585 |
| May | 0.0585 |
| Jun | 0.0585 |
| Jul | 0.0585 |
| Aug | 0.0585 |
| Sep | 0.0595 |
| Oct | 0.0595 |
| Nov | 0.0595 |
| Dec | 0.064 |
| Jan | 0.064 |

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

| | |
|---------|----------|
| 2/01/09 | \$ 11.09 |
| | 11.2 |
| | 11.3 |
| | 11.07 |
| | 11.273 |
| | 10.354 |
| | 10.37 |
| | 10.4401 |
| | 10.6901 |
| | 11.12 |
| | 11.82 |
| | 11.33 |
| | 11.6 |
| | 12.03 |
| | 11.92 |
| | 11.824 |
| | 12.15 |
| | 12.2 |
| | 12.44 |
| | 12.2 |
| | 12.2 |
| | 12.0501 |
| | 12.18 |
| | 12.83 |
| | 13.05 |
| | 12.4488 |
| | 12.52 |
| | 12.47 |
| | 12.2 |
| | 12.429 |
| | 12.41 |
| | 12.6999 |
| | 12.7 |
| | 12.9999 |
| | 13.3202 |
| | 13.464 |
| | 13.64 |

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| | |
|---------|---------|
| | 12.8499 |
| | 13.01 |
| | 12.91 |
| | 13.31 |
| | 13.1725 |
| | 13.31 |
| | 13.24 |
| | 13.16 |
| | 13.0325 |
| | 13.0201 |
| | 13.19 |
| | 13.166 |
| | 13.55 |
| | 13.42 |
| | 13.5393 |
| 1/31/10 | 13.1776 |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

10 Nuveen Investments

NXE Performance OVERVIEW | Nuveen Arizona Dividend Advantage Municipal Fund 3
| as of January 31, 2010

CREDIT QUALITY (as a % of total investments)

[PIE CHART]

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 21% |
| AA | 20% |
| A | 27% |
| BBB | 18% |
| N/R | 14% |

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

| | |
|-----|-----------|
| Feb | \$ 0.0545 |
| Mar | 0.0545 |
| Apr | 0.0545 |
| May | 0.0545 |
| Jun | 0.0545 |
| Jul | 0.0545 |
| Aug | 0.0545 |
| Sep | 0.059 |
| Oct | 0.059 |
| Nov | 0.059 |
| Dec | 0.062 |
| Jan | 0.062 |

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

| | |
|---------|----------|
| 2/01/09 | \$ 10.37 |
|---------|----------|

10.531
 10.45
 9.9999
 10.07
 9.9982
 9.51
 9.69
 9.76
 9.88
 10.131
 10.35
 10.64
 10.34
 10.7
 10.97
 11.62
 11.5
 11.4
 11.26
 11.03
 11.1
 11.19
 11.56
 11.62
 11.6154
 11.73
 11.7
 11.63
 11.7
 12.0225
 12.18
 12.53
 13.14
 13.142
 13.09
 13.12
 12.382
 13.2
 12.792
 12.4
 12.7
 12.69
 13.05
 12.69
 12.6899
 12.4299
 12.58
 12.5
 12.6
 12.634
 12.55
 12.65

1/31/10

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

FUND SNAPSHOT

 Common Share Price

\$ 12.65

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| | |
|--|----------|
| Common Share | |
| Net Asset Value | \$ 13.72 |
| Premium/(Discount) to NAV | -7.80% |
| Market Yield | 5.88% |
| Taxable-Equivalent Yield(1) | 8.56% |
| Net Assets Applicable to Common Shares (\$000) | \$42,078 |
| Average Effective Maturity on Securities (Years) | 15.77 |
| Leverage-Adjusted Duration | 8.08 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 9/25/02)

| | ON SHARE PRICE | ON NAV |
|----------------------|----------------|--------|
| 6-Month (Cumulative) | 10.90% | 10.35% |
| 1-Year | 30.07% | 23.06% |
| 5-Year | 2.34% | 3.54% |
| Since Inception | 3.10% | 4.66% |

PORTFOLIO COMPOSITION
(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 22.1% |
| Health Care | 20.6% |
| U.S. Guaranteed | 13.4% |
| Education and Civic Organizations | 10.4% |
| Transportation | 9.7% |
| Water and Sewer | 9.4% |
| Utilities | 9.3% |
| Other | 5.1% |

Nuveen Investments 11

NTX Performance OVERVIEW | Nuveen Texas Quality Income Municipal Fund
| as of January 31, 2010

FUND SNAPSHOT

| | |
|--------------------|----------|
| Common Share Price | \$ 15.23 |
|--------------------|----------|

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| | |
|--|-----------|
| Common Share Net Asset Value | \$ 14.61 |
| Premium/(Discount) to NAV | 4.24% |
| Market Yield | 5.36% |
| Taxable-Equivalent Yield(1) | 7.44% |
| Net Assets Applicable to Common Shares (\$000) | \$139,034 |
| Average Effective Maturity on Securities (Years) | 15.84 |
| Leverage-Adjusted Duration | 7.31 |

AVERAGE ANNUAL TOTAL RETURN
(Inception 10/17/91)

| | ON SHARE PRICE | ON NAV |
|----------------------|----------------|--------|
| 6-Month (Cumulative) | 5.97% | 8.58% |
| 1-Year | 27.65% | 16.45% |
| 5-Year | 5.70% | 4.05% |
| 10-Year | 8.62% | 6.73% |

PORTFOLIO COMPOSITION
(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/General | 32.1% |
| U.S. Guaranteed | 10.9% |
| Education and Civic Organizations | 10.2% |
| Health Care | 8.5% |
| Utilities | 8.5% |
| Water and Sewer | 8.1% |
| Transportation | 6.3% |
| Tax Obligation/Limited | 6.2% |
| Other | 9.2% |

CREDIT QUALITY (as a % of total investments)

[PIE CHART]

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 42% |
| AA | 24% |
| A | 16% |
| BBB | 14% |
| BB or Lower | 4% |

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2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE (2)

[BAR CHART]

| | |
|-----|----------|
| Feb | \$ 0.058 |
| Mar | 0.058 |
| Apr | 0.058 |
| May | 0.062 |
| Jun | 0.062 |
| Jul | 0.062 |
| Aug | 0.062 |
| Sep | 0.067 |
| Oct | 0.067 |
| Nov | 0.067 |
| Dec | 0.068 |
| Jan | 0.068 |

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

| | |
|---------|----------|
| 2/01/09 | \$ 12.56 |
| | 12.92 |
| | 12.9501 |
| | 12.41 |
| | 13.118 |
| | 13.05 |
| | 13.08 |
| | 13.07 |
| | 13.38 |
| | 13.2 |
| | 13.4 |
| | 13.13 |
| | 13.36 |
| | 13.25 |
| | 13.42 |
| | 13.75 |
| | 13.6696 |
| | 13.864 |
| | 13.55 |
| | 13.81 |
| | 13.6001 |
| | 14.1 |
| | 14.18 |
| | 14.49 |
| | 14.26 |
| | 14.212 |
| | 14.78 |
| | 14.5 |
| | 14.9 |
| | 14.54 |
| | 14.74 |
| | 15.09 |
| | 14.95 |
| | 15.25 |
| | 15.4199 |
| | 15.4215 |
| | 15.6283 |
| | 15.75 |
| | 15.4 |
| | 14.61 |
| | 14.61 |

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| | |
|---------|---------|
| | 14.35 |
| | 14.3999 |
| | 14.7 |
| | 15.19 |
| | 15.11 |
| | 14.95 |
| | 14.8899 |
| | 15.1 |
| | 15.16 |
| | 15.3399 |
| | 15.35 |
| 1/31/10 | 15.23 |

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

2 The Fund paid shareholders capital gains and net ordinary income distributions in December 2009 of \$0.0120 per share.

12 Nuveen Investments

NAZ | Nuveen Arizona Premium Income Municipal Fund, Inc.
 | Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---|---|------------------------------|
| CONSUMER STAPLES - 1.2% (0.8% OF TOTAL INVESTMENTS) | | |
| \$ 785 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100.00 |
| EDUCATION AND CIVIC ORGANIZATIONS - 11.4% (7.9% OF TOTAL INVESTMENTS) | | |
| 2,500 | Arizona Higher Education Loan Authority, Student Loan Revenue Bonds, Series 2007B, Auction Rate Securities, 0.000%, 11/01/41 (Alternative Minimum Tax) (4) | 9/10 at 100.00 |
| 1,000 | Arizona State University, System Revenue Bonds, Series 2002, 5.000%, 7/01/25 - FGIC Insured | 7/12 at 100.00 |
| 1,455 | Arizona State University, System Revenue Bonds, Series 2005: 5.000%, 7/01/20 - AMBAC Insured | 7/15 at 100.00 |
| 750 | 5.000%, 7/01/21 - AMBAC Insured | 7/15 at 100.00 |
| 1,500 | Tempe Industrial Development Authority, Arizona, Lease Revenue Bonds, Arizona State University Foundation Project, Series 2003, 5.000%, 7/01/34 - AMBAC Insured | 7/13 at 100.00 |
| 7,205 | Total Education and Civic Organizations | |
| HEALTH CARE - 22.0% (15.2% OF TOTAL INVESTMENTS) | | |

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| | | |
|--|---|-----------------|
| 1,430 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007A, 5.000%, 1/01/25 | 1/17 at 100.00 |
| 885 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007B, 1.004%, 1/02/37 | 1/17 at 100.00 |
| 3,470 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2008D, 5.500%, 1/01/38 | 1/18 at 100.00 |
| 675 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B, 5.000%, 12/01/37 | 12/15 at 100.00 |
| 1,110 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2007, 5.000%, 12/01/42 | 12/17 at 100.00 |
| 2,150 | Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23 | 7/14 at 100.00 |
| 2,800 | Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32 | 7/17 at 100.00 |
| 515 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Hospital Revenue Bonds, Hospital de la Concepcion, Series 2000A, 6.375%, 11/15/15 | 11/10 at 101.00 |
| 1,005 | Winslow Industrial Development Authority, Arizona, Hospital Revenue Bonds, Winslow Memorial Hospital, Series 1998, 5.500%, 6/01/22 | 6/10 at 100.00 |
| ----- | | |
| 14,040 | Total Health Care | |
| ----- | | |
| HOUSING/SINGLE FAMILY - 4.6% (3.2% OF TOTAL INVESTMENTS) | | |
| 610 | Phoenix and Pima County Industrial Development Authority, Arizona, Single Family Mortgage Revenue Bonds, Series 2007-4, 5.800%, 12/01/39 (Alternative Minimum Tax) | 7/17 at 103.00 |
| 2,115 | Tucson and Pima County Industrial Development Authority, Arizona, Joint Single Family Mortgage Revenue Bonds, Series 2007B, 5.350%, 6/01/47 (Alternative Minimum Tax) | 6/17 at 101.00 |
| ----- | | |
| 2,725 | Total Housing/Single Family | |
| ----- | | |
| TAX OBLIGATION/GENERAL - 10.8% (7.5% OF TOTAL INVESTMENTS) | | |
| 1,265 | Gila County Unified School District 10 Payson, Arizona, School Improvement Bonds, Project 2006, Series 2008B, 3.000%, 7/01/28 | 7/18 at 100.00 |
| 1,200 | Maricopa County Unified School District 95 Queen Creek, Arizona, General Obligation Bonds, Series 2008, 5.000%, 7/01/27 - AGM Insured | 7/18 at 100.00 |
| 3,530 | Pinal County Unified School District 1, Florence, Arizona, General Obligation Bonds, Series 2008C, 5.250%, 7/01/28 | 7/18 at 100.00 |
| 330 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001A, 5.375%, 7/01/28 | 7/11 at 100.00 |

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6,325 Total Tax Obligation/General

Nuveen Investments 13

NAZ | Nuveen Arizona Premium Income Municipal Fund, Inc. (continued)
 | Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---|--|---------------------------------|
| TAX OBLIGATION/LIMITED - 34.0% (23.5% OF TOTAL INVESTMENTS) | | |
| \$ 376 | Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25 | 7/10 at 102.00 |
| 3,000 | Glendale Western Loop 101 Public Facilities Corporation, Arizona, Third Lien Excise Tax Revenue Bonds, Series 2008B, 6.250%, 7/01/38 | 1/14 at 100.00 |
| 1,280 | Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006-1, 5.000%, 8/01/22 - NPMG Insured | 8/16 at 100.00 |
| 740 | Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006A, 5.000%, 8/01/23 - NPMG Insured | 8/16 at 100.00 |
| 575 | Marana Municipal Property Corporation, Arizona, Revenue Bonds, Series 2003, 5.000%, 7/01/28 - AMBAC Insured | 7/13 at 100.00 |
| 1,511 | Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006, 4.600%, 1/01/26 | 7/16 at 100.00 |
| 3,400 | Maricopa County Stadium District, Arizona, Revenue Refunding Bonds, Series 2002, 5.375%, 6/01/18 - AMBAC Insured | 6/12 at 100.00 |
| 3,400 | Mesa, Arizona, Street and Highway User Tax Revenue Bonds, Series 2005, 5.000%, 7/01/24 - AGM Insured | 7/15 at 100.00 |
| 1,140 | Pinetop Fire District of Navajo County, Arizona, Certificates of Participation, Series 2008, 7.750%, 6/15/29 | 6/16 at 102.00 |
| 1,200 | Prescott Valley Municipal Property Corporation, Arizona, Municipal Facilities Revenue Bonds, Series 2003, 5.000%, 1/01/27 - FGIC Insured | 1/13 at 100.00 |
| 265 | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24 | 7/12 at 100.00 |
| 1,610 | San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 - SYNCORA GTY Insured | 7/15 at 100.00 |
| 1,000 | Scottsdale Municipal Property Corporation, Arizona, Excise Tax | No Opt. Call |

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Revenue Bonds, Series 2006, 5.000%, 7/01/24

| | | |
|--|---|-----------------|
| 645 | Vistancia Community Facilities District, Arizona, Restricted General Obligation Bonds, Series 2005, 5.750%, 7/15/24 | 7/15 at 100.00 |
| ----- | | |
| 20,142 | Total Tax Obligation/Limited | |
| ----- | | |
| U.S. GUARANTEED - 17.7% (12.2% OF TOTAL INVESTMENTS) (5) | | |
| 800 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Catholic Healthcare West, Series 1999A, 6.625%, 7/01/20 (Pre-refunded 7/01/10) | 7/10 at 101.00 |
| 1,000 | Arizona Health Facilities Authority, Hospital System Revenue Bonds, John C. Lincoln Health Network, Series 2000, 7.000%, 12/01/25 (Pre-refunded 12/01/10) | 12/10 at 102.00 |
| 1,250 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, Midwestern University, Series 2001A, 5.875%, 5/15/31 (Pre-refunded 5/15/11) | 5/11 at 101.00 |
| 1,250 | Maricopa County Industrial Development Authority, Arizona, Hospital Revenue Refunding Bonds, Samaritan Health Services, Series 1990A, 7.000%, 12/01/16 - MBIA Insured (ETM) | No Opt. Call |
| 385 | Maricopa County, Arizona, Hospital Revenue Bonds, Sun Health Corporation, Series 2005, 5.000%, 4/01/16 (Pre-refunded 4/01/15) | 4/15 at 100.00 |
| 2,000 | Phoenix Civic Improvement Corporation, Arizona, Junior Lien Wastewater System Revenue Bonds, Series 2000, 6.000%, 7/01/24 (Pre-refunded 7/01/10) - FGIC Insured | 7/10 at 101.00 |
| 1,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2000B, 6.500%, 7/01/27 (Pre-refunded 7/01/10) | 7/10 at 101.00 |
| 735 | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24 (Pre-refunded 7/01/12) | 7/12 at 100.00 |
| 1,500 | Scottsdale Industrial Development Authority, Arizona, Hospital Revenue Bonds, Scottsdale Healthcare, Series 2001, 5.800%, 12/01/31 (Pre-refunded 12/01/11) | 12/11 at 101.00 |
| ----- | | |
| 9,920 | Total U.S. Guaranteed | |
| ----- | | |

14 Nuveen Investments

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|--|--|------------------------------|
| ----- | | |
| UTILITIES - 23.7% (16.4% OF TOTAL INVESTMENTS) | | |
| \$ 1,000 | Arizona Power Authority, Special Obligation Power Resource | No Opt. Call |

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| | | |
|--------|---|----------------|
| | Revenue Refunding Crossover Bonds, Hoover Project, Series 2001, 5.250%, 10/01/15 | |
| 105 | Pima County Industrial Development Authority, Arizona, Lease Obligation Revenue Refunding Bonds, Tucson Electric Power Company, Series 1988A, 7.250%, 7/15/10 - AGM Insured | 4/10 at 100.00 |
| 1,340 | Pima County Industrial Development Authority, Arizona, Revenue Bonds, Tucson Electric Power Company, Series 2008, 5.750%, 9/01/29 | 4/15 at 100.00 |
| 2,170 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/27 - SYNCORA GTY Insured | 7/15 at 100.00 |
| 530 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Series 2002B, 5.000%, 1/01/22 | 1/13 at 100.00 |
| 715 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Tender Option Bond Trust 09-9W, 17.125%, 1/01/38 (IF) | 1/18 at 100.00 |
| 1,000 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Refunding Bonds, Series 2002A, 5.125%, 1/01/27 | 1/12 at 101.00 |
| | Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Series 2007: | |
| 4,500 | 5.500%, 12/01/29 | No Opt. Call |
| 3,500 | 5.000%, 12/01/37 | No Opt. Call |
| ----- | | |
| 14,860 | Total Utilities | |
| ----- | | |
| | WATER AND SEWER - 19.2% (13.3% OF TOTAL INVESTMENTS) | |
| 1,005 | Cottonwood, Arizona, Senior Lien Water System Revenue Bonds, Municipal Property Corporation, Series 2004, 5.000%, 7/01/24 - SYNCORA GTY Insured | 7/14 at 100.00 |
| 3,500 | Glendale, Arizona, Water and Sewer Revenue Bonds, Subordinate Lien, Series 2003, 5.000%, 7/01/28 - AMBAC Insured | 7/13 at 100.00 |
| 1,425 | Goodyear, Arizona, Water and Sewer Revenue Obligations, Series 2010, 5.625%, 7/01/39 | 7/20 at 100.00 |
| 600 | Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series 2003, 5.000%, 7/01/23 - NPFGB Insured | 7/13 at 100.00 |
| 1,000 | Phoenix Civic Improvement Corporation, Arizona, Junior Lien Wastewater System Revenue Bonds, Series 2004, 5.000%, 7/01/24 - NPFGB Insured | 7/14 at 100.00 |
| 1,500 | Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Bonds, Series 2002, 5.000%, 7/01/26 - FGIC Insured | 7/12 at 100.00 |
| 1,250 | Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Refunding Bonds, Series 2001, 5.500%, 7/01/21 - FGIC Insured | No Opt. Call |
| | Surprise Municipal Property Corporation, Arizona, Wastewater | |

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| System Revenue Bonds, Series 2007: | | |
|------------------------------------|--|----------------|
| 600 | 4.700%, 4/01/22 | 4/14 at 100.00 |
| 695 | 4.900%, 4/01/32 | 4/17 at 100.00 |
| ----- | | |
| 11,575 | Total Water and Sewer | |
| ----- | | |
| \$ 87,577 | Total Investments (cost \$85,048,139) - 144.6% | |
| ===== | | |
| | Other Assets Less Liabilities - 1.0% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (45.6)% (6) | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

- (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) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
 - (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Directors. For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.
 - (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. Such investments are normally considered to be equivalent to AAA rated securities.
 - (6) Preferred shares, at Liquidation Value as a percentage of Total Investments is 31.5%.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 15

NFZ | Nuveen Arizona Dividend Advantage Municipal Fund
 | Portfolio of Investments January 31, 2010 (Unaudited)

PRINCIPAL
 AMOUNT (000) DESCRIPTION (1)

OPTIONAL CALL
 PROVISIONS (2)

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| EDUCATION AND CIVIC ORGANIZATIONS - 8.1% (5.4% OF TOTAL INVESTMENTS) | | | |
|--|-------|---|-----------------|
| \$ | 280 | Arizona Higher Education Loan Authority, Student Loan Revenue Bonds, Series 2007B, Auction Rate Securities, 0.000%, 11/01/41 (Alternative Minimum Tax) (4) | 9/10 at 100.00 |
| | 1,000 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System, Series 1999, 5.375%, 2/01/29 | 2/10 at 100.50 |
| | 300 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, University of the Sacred Heart, Series 2001, 5.250%, 9/01/21 | 9/11 at 100.00 |
| | 305 | Tucson Industrial Development Authority, Arizona, Charter School Revenue Bonds, Arizona Agribusiness and Equine Center Charter School, Series 2004A, 6.125%, 9/01/34 | 9/14 at 100.00 |
| ----- | | | |
| | 1,885 | Total Education and Civic Organizations | |
| HEALTH CARE - 18.3% (12.3% OF TOTAL INVESTMENTS) | | | |
| | 565 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007A, 5.000%, 1/01/25 | 1/17 at 100.00 |
| | 325 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007B, 1.004%, 1/02/37 | 1/17 at 100.00 |
| | 720 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2008D, 5.500%, 1/01/38 | 1/18 at 100.00 |
| | 10 | California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/28 | 3/13 at 100.00 |
| | 250 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B, 5.000%, 12/01/37 | 12/15 at 100.00 |
| | 415 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2007, 5.000%, 12/01/42 | 12/17 at 100.00 |
| | 750 | Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23 | 7/14 at 100.00 |
| | 1,025 | Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32 | 7/17 at 100.00 |
| ----- | | | |
| | 4,060 | Total Health Care | |
| HOUSING/MULTIFAMILY - 3.5% (2.4% OF TOTAL INVESTMENTS) | | | |
| | 1,000 | Maricopa County Industrial Development Authority, Arizona, Multifamily Housing Revenue Bonds, Whispering Palms | 2/10 at 102.00 |

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Apartments, Series 1999A, 5.900%, 7/01/29 - NPMFG Insured

HOUSING/SINGLE FAMILY - 3.7% (2.5% OF TOTAL INVESTMENTS)

760 Tucson and Pima County Industrial Development Authority, Arizona, 6/17 at 101.00
Joint Single Family Mortgage Revenue Bonds, Series 2007B,
5.350%, 6/01/47 (Alternative Minimum Tax)

TAX OBLIGATION/GENERAL - 11.8% (7.9% OF TOTAL INVESTMENTS)

1,000 Maricopa County Unified School District 11, Peoria, Arizona, 7/15 at 100.00
General Obligation Bonds, Second Series 2005, 5.000%, 7/01/20
- FGIC Insured

1,340 Yuma & La Paz Counties Community College District, Arizona, 7/16 at 100.00
General Obligation Bonds, Series 2006, 5.000%, 7/01/21 - NPMFG
Insured

2,340 Total Tax Obligation/General

16 Nuveen Investments

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---------------------------|-----------------|---------------------------------|
|---------------------------|-----------------|---------------------------------|

TAX OBLIGATION/LIMITED - 47.7% (31.9% OF TOTAL INVESTMENTS)

| | | |
|----------|---|----------------|
| \$ 1,220 | Arizona Tourism and Sports Authority, Tax Revenue Bonds, Multipurpose Stadium Facility Project, Series 2003A, 5.000%, 7/01/31 - NPMFG Insured | 7/13 at 100.00 |
|----------|---|----------------|

| | | |
|----|--|----------------|
| 91 | Centerra Community Facilities District, Goodyear, Arizona, General Obligation Bonds, Series 2005, 5.500%, 7/15/29 | 7/15 at 100.00 |
|----|--|----------------|

| | | |
|-----|---|----------------|
| 207 | Estrella Mountain Ranch Community Facilities District, Arizona, Special Assessment Bonds, Montecito Assessment District, Series 2007, 5.700%, 7/01/27 | 1/17 at 100.00 |
|-----|---|----------------|

| | | |
|-----|--|----------------|
| 146 | Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25 | 7/10 at 102.00 |
|-----|--|----------------|

| | | |
|-------|--|----------------|
| 1,000 | Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006-1, 5.000%, 8/01/22 - NPMFG Insured | 8/16 at 100.00 |
|-------|--|----------------|

| | | |
|-----|---|----------------|
| 275 | Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006A, 5.000%, 8/01/23 - NPMFG Insured | 8/16 at 100.00 |
|-----|---|----------------|

| | | |
|-------|--|----------------|
| 1,180 | Marana Municipal Property Corporation, Arizona, Revenue Bonds, Series 2003, 5.000%, 7/01/23 - AMBAC Insured | 7/13 at 100.00 |
|-------|--|----------------|

| | | |
|-----|---|----------------|
| 528 | Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006, 4.600%, 1/01/26 | 7/16 at 100.00 |
|-----|---|----------------|

| | | |
|-----|--|----------------|
| 150 | Marley Park Community Facilities District, City of Surprise, | 7/17 at 100.00 |
|-----|--|----------------|

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Arizona, Limited Tax General Obligation Bonds, Series 2007,
6.100%, 7/15/32

| | | |
|--------|--|----------------|
| 255 | Merrill Ranch Community Facilities District 1, Florence, Arizona, General Obligation Bonds, Series 2008A, 7.400%, 7/15/33 | 7/18 at 100.00 |
| 330 | Palm Valley Community Facility District 3, Goodyear, Arizona, General Obligation Bonds, Series 2006, 5.300%, 7/15/31 | 7/16 at 100.00 |
| 225 | Palm Valley Community Facility District 3, Goodyear, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.800%, 7/15/32 | 7/17 at 100.00 |
| 100 | Parkway Community Facilities District 1, Prescott Valley, Arizona, General Obligation Bonds, Series 2006, 5.350%, 7/15/31 | 7/16 at 100.00 |
| 900 | Phoenix Industrial Development Authority, Arizona, Government Bonds, Capitol Mall LLC II, Series 2001, 5.250%, 9/15/16 - AMBAC Insured | 3/12 at 100.00 |
| 680 | Pinal County Industrial Development Authority, Arizona, Correctional Facilities Contract Revenue Bonds, Florence West Prison LLC, Series 2002A, 5.000%, 10/01/18 - ACA Insured | No Opt. Call |
| 600 | San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 - SYNCORA GTY Insured | 7/15 at 100.00 |
| 1,000 | Scottsdale Municipal Property Corporation, Arizona, Excise Tax Revenue Bonds, Series 2006, 5.000%, 7/01/24 | No Opt. Call |
| 350 | Tartesso West Community Facility District, Buckeye, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.900%, 7/15/32 | 7/17 at 100.00 |
| 500 | Vistancia Community Facilities District, Arizona, Restricted General Obligation Bonds, Series 2005, 5.750%, 7/15/24 | 7/15 at 100.00 |
| 353 | Watson Road Community Facilities District, Arizona, Special Assessment Revenue Bonds, Series 2005, 6.000%, 7/01/30 | 7/16 at 100.00 |
| 225 | Westpark Community Facilities District, Buckeye, Arizona, General Obligation Tax Increment Bonds Series 2006, 5.250%, 7/15/31 | 7/16 at 100.00 |
| 10,315 | Total Tax Obligation/Limited | |

Nuveen Investments 17

NFZ | Nuveen Arizona Dividend Advantage Municipal Fund (continued)
| Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CAL PROVISIONS (2) |
|---------------------------|-----------------|--------------------------------|
|---------------------------|-----------------|--------------------------------|

U.S. GUARANTEED - 9.1% (6.1% OF TOTAL INVESTMENTS) (5)

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| | | | |
|-------|-------|--|----------------|
| \$ | 365 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Catholic Healthcare West, Series 1999A, 6.625%, 7/01/20 (Pre-refunded 7/01/10) | 7/10 at 101.0 |
| | 240 | Maricopa County Union High School District 210 Phoenix, Arizona, General Obligation Bonds, Series 2006C, 5.000%, 7/01/24 (Pre-refunded 7/01/16) - MBIA Insured | 7/16 at 100.0 |
| | 140 | Maricopa County, Arizona, Hospital Revenue Bonds, Sun Health Corporation, Series 2005, 5.000%, 4/01/16 (Pre-refunded 4/01/15) | 4/15 at 100.0 |
| | 1,000 | Scottsdale Industrial Development Authority, Arizona, Hospital Revenue Bonds, Scottsdale Healthcare, Series 2001, 5.800%, 12/01/31 (Pre-refunded 12/01/11) | 12/11 at 101.0 |
| ----- | | | |
| | 1,745 | Total U.S. Guaranteed | |
| ----- | | | |
| | | UTILITIES - 31.7% (21.2% OF TOTAL INVESTMENTS) | |
| | 1,500 | Arizona Power Authority, Special Obligation Power Resource Revenue Refunding Crossover Bonds, Hoover Project, Series 2001, 5.250%, 10/01/17 | No Opt. Cal |
| | 1,000 | Mesa, Arizona, Utility System Revenue Refunding Bonds, Series 2002, 5.250%, 7/01/17 - FGIC Insured | No Opt. Cal |
| | 665 | Pima County Industrial Development Authority, Arizona, Revenue Bonds, Tucson Electric Power Company, Series 2008, 5.750%, 9/01/29 | 1/15 at 100.0 |
| | 1,000 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/26 - SYNCORA GTY Insured | 7/15 at 100.0 |
| | 200 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Series 2002B, 5.000%, 1/01/22 | 1/13 at 100.0 |
| | 560 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Tender Option Bond Trust 09-9W, 17.125%, 1/01/38 (IF) | 1/18 at 100.0 |
| | 235 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Refunding Bonds, Series 1997A, 5.000%, 1/01/20 | 4/10 at 100.0 |
| | 1,000 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Refunding Bonds, Series 2002A, 5.250%, 1/01/18 | 1/12 at 101.0 |
| ----- | | | |
| | 6,160 | Total Utilities | |
| ----- | | | |
| | | WATER AND SEWER - 13.0% (8.7% OF TOTAL INVESTMENTS) | |
| | 475 | Goodyear, Arizona, Water and Sewer Revenue Obligations, Series 2010, 5.625%, 7/01/39 | 7/20 at 100.0 |
| | 225 | Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series 2003, 5.000%, 7/01/23 - NCFG Insured | 7/13 at 100.0 |

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| | | |
|-----------|---|----------------|
| 1,500 | Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Bonds, Series 2002, 5.000%, 7/01/26 - FGIC Insured | 7/12 at 100.0 |
| | Surprise Municipal Property Corporation, Arizona, Wastewater System Revenue Bonds, Series 2007: | |
| 225 | 4.700%, 4/01/22 | 4/14 at 100.0 |
| 260 | 4.900%, 4/01/32 | 4/17 at 100.0 |
| 175 | Yuma County Industrial Development Authority, Arizona, Exempt Revenue Bonds, Far West Water & Sewer Inc. Refunding, Series 2007A, 6.375%, 12/01/37 (Alternative Minimum Tax) | 12/17 at 100.0 |
| ----- | | |
| 2,860 | Total Water and Sewer | |
| ----- | | |
| \$ 31,125 | Total Long-Term Investments (cost \$31,260,370) - 146.9% | |
| ===== | | |

18 Nuveen Investments

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---------------------------|--|---------------------------------|
| ----- | | |
| | SHORT-TERM INVESTMENTS - 2.4% (1.6% OF TOTAL INVESTMENTS) | |
| | UTILITIES - 2.4% (1.6% OF TOTAL INVESTMENTS) | |
| \$ 500 | The Industrial Development Authority of the County of Apache, Arizona, Industrial Development Revenue Bonds, 1985 Series A, Tucson Electric Power Company Springville Project, Variable Rate Demand Obligations, 0.200%, 12/01/20 (6) | 4/10 at 100.0 |
| ----- | | |
| | Total Short-Term Investments (cost \$500,000) | |
| ----- | | |
| | Total Investments (cost \$31,760,370) - 149.3% | |
| ----- | | |
| | Other Assets Less Liabilities - 0.9% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (50.2)% (7) | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

- (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) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment

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grade.

- (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.
 - (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. Such investments are normally considered to be equivalent to AAA rated securities.
 - (6) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.
 - (7) Preferred shares, at Liquidation Value as a percentage of Total Investments is 33.6%.
- N/R Not rated.
- (IF) Inverse floating rate investment.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 19

NKR | Nuveen Arizona Dividend Advantage Municipal Fund 2
 | Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---------------------------|---|---------------------------------|
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 6.5% (4.5% OF TOTAL INVESTMENTS) | |
| \$ 1,130 | Arizona Higher Education Loan Authority, Student Loan Revenue Bonds, Series 2007B, Auction Rate Securities, 0.000%, 11/01/41 (Alternative Minimum Tax) (4) | 9/10 at 100.0 |
| 485 | Pima County Industrial Development Authority, Arizona, Charter School Revenue Bonds, Noah Webster Basic Schools Inc., Series 2004, 6.000%, 12/15/24 | 12/14 at 100.0 |
| 320 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System, Series 1999, 5.375%, 2/01/19 | 2/10 at 100.5 |
| 480 | Tucson Industrial Development Authority, Arizona, Charter School Revenue Bonds, Arizona Agribusiness and Equine Center Charter School, Series 2004A, 6.125%, 9/01/34 | 9/14 at 100.0 |
| | University of Arizona, Certificates of Participation, | |

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| | | |
|---|---|----------------|
| Series 2002A: | | |
| 65 | 5.500%, 6/01/18 - AMBAC Insured | 6/12 at 100.0 |
| 40 | 5.125%, 6/01/22 - AMBAC Insured | 6/12 at 100.0 |
| ----- | | |
| 2,520 | Total Education and Civic Organizations | |
| ----- | | |
| HEALTH CARE - 24.1% (16.5% OF TOTAL INVESTMENTS) | | |
| 845 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007A, 5.000%, 1/01/25 | 1/17 at 100.0 |
| 520 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007B, 1.004%, 1/02/37 | 1/17 at 100.0 |
| 1,150 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2008D, 5.500%, 1/01/38 | 1/18 at 100.0 |
| 600 | Arizona Health Facilities Authority, Revenue Bonds, Blood Systems Inc., Series 2004, 5.000%, 4/01/20 | 4/14 at 100.0 |
| 400 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B, 5.000%, 12/01/37 | 12/15 at 100.0 |
| 655 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2007, 5.000%, 12/01/42 | 12/17 at 100.0 |
| 1,375 | Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23 | 7/14 at 100.0 |
| 1,650 | Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32 | 7/17 at 100.0 |
| 500 | Maricopa County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Mayo Clinic Hospital, Series 1998, 5.250%, 11/15/37 | 5/10 at 100.0 |
| 1,000 | Yavapai County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Yavapai Regional Medical Center, Series 2003A, 6.000%, 8/01/33 | 8/13 at 100.0 |
| ----- | | |
| 8,695 | Total Health Care | |
| ----- | | |
| HOUSING/MULTIFAMILY - 3.0% (2.1% OF TOTAL INVESTMENTS) | | |
| 1,000 | Maricopa County Industrial Development Authority, Arizona, GNMA Collateralized Multifamily Housing Revenue Refunding Bonds, Pine Ridge, Cambridge Court, Cove on 44th and Fountain Place Apartments, Series 2001A-1, 6.000%, 10/20/31 | 10/11 at 105.0 |
| ----- | | |
| HOUSING/SINGLE FAMILY - 3.7% (2.5% OF TOTAL INVESTMENTS) | | |
| 1,245 | Tucson and Pima County Industrial Development Authority, Arizona, Joint Single Family Mortgage Revenue Bonds, Series 2007B, 5.350%, 6/01/47 (Alternative Minimum Tax) | 6/17 at 101.0 |
| ----- | | |
| TAX OBLIGATION/GENERAL - 20.0% (13.7% OF TOTAL INVESTMENTS) | | |
| 1,000 | Maricopa County School District 6, Arizona, General Obligation | No Opt. Cal |

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Refunding Bonds, Washington Elementary School, Series 2002A,
5.375%, 7/01/16 - AGM Insured

1,165 Maricopa County Unified School District 69, Paradise Valley,
Arizona, General Obligation Refunding Bonds, Series 2002A,
5.250%, 7/01/14 - FGIC Insured

No Opt. Cal

20 Nuveen Investments

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---|---|---------------------------------|
| ----- | | |
| TAX OBLIGATION/GENERAL (continued) | | |
| \$ 1,405 | Mesa, Arizona, General Obligation Bonds, Series 2002, 5.375%, 7/01/15 - FGIC Insured | No Opt. Cal |
| | Phoenix, Arizona, Various Purpose General Obligation Bonds, Series 2002B: | |
| 1,700 | 5.000%, 7/01/22 | 7/12 at 100.0 |
| 500 | 5.000%, 7/01/27 | 7/12 at 100.0 |
| 510 | Scottsdale, Arizona, General Obligation Bonds, Series 2002, 5.000%, 7/01/24 | 7/11 at 100.0 |
| ----- | | |
| 6,280 | Total Tax Obligation/General | |
| ----- | | |
| TAX OBLIGATION/LIMITED - 46.7% (32.0% OF TOTAL INVESTMENTS) | | |
| Arizona State, Certificates of Participation, Series 2002A: | | |
| 750 | 5.000%, 11/01/17 - NPFPG Insured | 5/12 at 100.0 |
| 1,000 | 5.000%, 11/01/18 - NPFPG Insured | 5/12 at 100.0 |
| 500 | 5.000%, 11/01/20 - NPFPG Insured | 5/12 at 100.0 |
| 128 | Centerra Community Facilities District, Goodyear, Arizona, General Obligation Bonds, Series 2005, 5.500%, 7/15/29 | 7/15 at 100.0 |
| 340 | Estrella Mountain Ranch Community Facilities District, Arizona, Special Assessment Bonds, Montecito Assessment District, Series 2007, 5.800%, 7/01/32 | 1/17 at 100.0 |
| 231 | Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25 | 7/10 at 102.0 |
| 884 | Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006, 4.600%, 1/01/26 | 7/16 at 100.0 |
| Maricopa County Stadium District, Arizona, Revenue Refunding Bonds, Series 2002: | | |
| 840 | 5.375%, 6/01/18 - AMBAC Insured | 6/12 at 100.0 |
| 2,645 | 5.375%, 6/01/19 - AMBAC Insured | 6/12 at 100.0 |
| 240 | Marley Park Community Facilities District, City of Surprise, Arizona, Limited Tax General Obligation Bonds, Series 2007, 6.100%, 7/15/32 | 7/17 at 100.0 |

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| | | |
|--------|--|----------------|
| 415 | Merrill Ranch Community Facilities District 1, Florence, Arizona, General Obligation Bonds, Series 2008A, 7.400%, 7/15/33 | 7/18 at 100.0 |
| 530 | Palm Valley Community Facility District 3, Goodyear, Arizona, General Obligation Bonds, Series 2006, 5.300%, 7/15/31 | 7/16 at 100.0 |
| 350 | Palm Valley Community Facility District 3, Goodyear, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.800%, 7/15/32 | 7/17 at 100.0 |
| 140 | Parkway Community Facilities District 1, Prescott Valley, Arizona, General Obligation Bonds, Series 2006, 5.350%, 7/15/31 | 7/16 at 100.00 |
| 1,500 | Phoenix Industrial Development Authority, Arizona, Government Bonds, Capitol Mall LLC II, Series 2001, 5.250%, 9/15/16 - AMBAC Insured | 3/12 at 100. |
| 1,070 | Pinal County Industrial Development Authority, Arizona, Correctional Facilities Contract Revenue Bonds, Florence West Prison LLC, Series 2002A, 5.000%, 10/01/18 - ACA Insured | No Opt. Cal |
| 270 | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24 | 7/12 at 100.0 |
| 960 | San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 - SYNCORA GTY Insured | 7/15 at 100.0 |
| 1,000 | Scottsdale Municipal Property Corporation, Arizona, Excise Tax Revenue Bonds, Series 2006, 5.000%, 7/01/24 | No Opt. Cal |
| 555 | Tartesso West Community Facility District, Buckeye, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.900%, 7/15/32 | 7/17 at 100.0 |
| 750 | Vistancia Community Facilities District, Arizona, Restricted General Obligation Bonds, Series 2005, 5.750%, 7/15/24 | 7/15 at 100.0 |
| 558 | Watson Road Community Facilities District, Arizona, Special Assessment Revenue Bonds, Series 2005, 6.000%, 7/01/30 | 7/16 at 100.0 |
| 350 | Westpark Community Facilities District, Buckeye, Arizona, General Obligation Tax Increment Bonds Series 2006, 5.250%, 7/15/31 | 7/16 at 100.0 |
| 640 | Yuma Municipal Property Corporation, Arizona, Municipal Facilities Tax Revenue Bonds, Series 2001, 5.000%, 7/01/21 - AMBAC Insured | 7/10 at 100.0 |
| 16,646 | Total Tax Obligation/Limited | |

Nuveen Investments 21

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| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---------------------------|--|---------------------------------|
| ----- | | |
| | TRANSPORTATION - 4.2% (2.9% OF TOTAL INVESTMENTS) | |
| \$ 470 | Phoenix Civic Improvement Corporation, Arizona, Senior Lien Airport Revenue Bonds, Series 1998A, 5.000%, 7/01/25 - AGM Insured | 7/10 at 100.0 |
| 1,000 | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/27 - FGIC Insured (Alternative Minimum Tax) | 7/12 at 100.0 |
| ----- | | |
| 1,470 | Total Transportation | |
| ----- | | |
| | U.S. GUARANTEED - 20.3% (13.9% OF TOTAL INVESTMENTS) (5) | |
| 400 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Catholic Healthcare West, Series 1999A, 6.625%, 7/01/20 (Pre-refunded 7/01/10) | 7/10 at 101.0 |
| 735 | Arizona Health Facilities Authority, Hospital System Revenue Bonds, Phoenix Children's Hospital, Series 2002A, 6.250%, 2/15/21 (Pre-refunded 2/15/12) | 2/12 at 101.0 |
| 715 | Arizona State University, System Revenue Bonds, Series 2002, 5.750%, 7/01/27 (Pre-refunded 7/01/12) - FGIC Insured | 7/12 at 100.0 |
| 100 | Maricopa County Unified School District 89, Dysart, Arizona, General Obligation Bonds, Series 2004B, 5.250%, 7/01/20 (Pre-refunded 7/01/14) - AGM Insured | 7/14 at 100.0 |
| 375 | Maricopa County Union High School District 210 Phoenix, Arizona, General Obligation Bonds, Series 2006C, 5.000%, 7/01/24 (Pre-refunded 7/01/16) - MBIA Insured | 7/16 at 100.0 |
| 225 | Maricopa County, Arizona, Hospital Revenue Bonds, Sun Health Corporation, Series 2005, 5.000%, 4/01/16 (Pre-refunded 4/01/15) | 4/15 at 100.0 |
| 730 | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.125%, 7/01/24 (Pre-refunded 7/01/12) | 7/12 at 100.0 |
| 1,000 | Scottsdale Industrial Development Authority, Arizona, Hospital Revenue Bonds, Scottsdale Healthcare, Series 2001, 5.800%, 12/01/31 (Pre-refunded 12/01/11) | 12/11 at 101.0 |
| 990 | Scottsdale, Arizona, General Obligation Bonds, Series 2002, 5.000%, 7/01/24 (Pre-refunded 7/01/11) | 7/11 at 100.0 |
| | University of Arizona, Certificates of Participation, Series 2002A: | |
| 685 | 5.500%, 6/01/18 (Pre-refunded 6/01/12) - AMBAC Insured | 6/12 at 100.0 |
| 460 | 5.125%, 6/01/22 (Pre-refunded 6/01/12) - AMBAC Insured | 6/12 at 100.0 |
| ----- | | |
| 6,415 | Total U.S. Guaranteed | |
| ----- | | |

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UTILITIES - 5.8% (4.0% OF TOTAL INVESTMENTS)

| | | |
|-------|---|---------------|
| 665 | Pima County Industrial Development Authority, Arizona, Revenue Bonds, Tucson Electric Power Company, Series 2008, 5.750%, 9/01/29 | 1/15 at 100.0 |
| 450 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Tender Option Bond Trust 09-9W, 17.125%, 1/01/38 (IF) | 1/18 at 100.0 |
| 1,000 | Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Series 2007, 5.000%, 12/01/37 | No Opt. Cal |
| ----- | | |
| 2,115 | Total Utilities | |
| ----- | | |

WATER AND SEWER - 11.5% (7.9% OF TOTAL INVESTMENTS)

| | | |
|-------|---|---------------|
| 500 | Maricopa County Industrial Development Authority, Arizona, Water System Improvement Revenue Bonds, Chaparral City Water Company, Series 1997A, 5.400%, 12/01/22 - AMBAC Insured (Alternative Minimum Tax) | 6/10 at 100.0 |
| 3600 | Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series 2003, 5.000%, 7/01/23 - NPMFG Insured | 7/13 at 100.0 |
| 1,000 | Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Refunding Bonds, Series 2001, 5.500%, 7/01/22 - FGIC Insured | No Opt. Cal |
| | Surprise Municipal Property Corporation, Arizona, Wastewater System Revenue Bonds, Series 2007: | |
| 350 | 4.700%, 4/01/22 | 4/14 at 100.0 |
| 410 | 4.900%, 4/01/32 | 4/17 at 100.0 |

22 Nuveen Investments

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|------------------------|--|------------------------------|
| ----- | | |
| | WATER AND SEWER (continued) | |
| \$ 1,000 | Tucson, Arizona, Water System Revenue Refunding Bonds, Series 2002, 5.500%, 7/01/18 - FGIC Insured | 7/12 at 102.0 |
| 275 | Yuma County Industrial Development Authority, Arizona, Exempt Revenue Bonds, Far West Water & Sewer Inc. Refunding, Series 2007A, 6.375%, 12/01/37 (Alternative Minimum Tax) | 12/17 at 100.0 |
| ----- | | |
| 3,895 | Total Water and Sewer | |
| ----- | | |
| \$ 50,281 | Total Investments (cost \$50,212,144) - 145.8% | |
| ===== | | |
| | Other Assets Less Liabilities - 1.8% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (47.6)% (6) | |

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

- (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) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
 - (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.
 - (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. Such investments are normally considered to be equivalent to AAA rated securities.
 - (6) Preferred shares, at Liquidation Value as a percentage of Total Investments is 32.7%.
- N/R Not rated.
- (IF) Inverse floating rate investment.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 23

NXE | Nuveen Arizona Dividend Advantage Municipal Fund 3
 | Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---------------------------|--|---------------------------------|
| ----- | | |
| | CONSUMER STAPLES - 1.1% (0.8% OF TOTAL INVESTMENTS) | |
| \$ 495 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100.0 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 14.9% (10.4% OF TOTAL INVESTMENTS) | |
| 690 | Arizona Higher Education Loan Authority, Student Loan Revenue Bonds, Series 2007B, Auction Rate Securities, 0.000%, | 9/10 at 100.0 |

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11/01/41 (Alternative Minimum Tax) (4)

| | | |
|--|--|----------------|
| 1,250 | Arizona State University, System Revenue Bonds, Series 2005, 5.000%, 7/01/20 - AMBAC Insured | 7/15 at 100.0 |
| 1,130 | Energy Management Services LLC, Arizona State University, Energy Conservation Revenue Bonds, Main Campus Project, Series 2002, 5.250%, 7/01/18 - NPFPG Insured | 7/12 at 100.0 |
| 560 | Pima County Industrial Development Authority, Arizona, Charter School Revenue Bonds, Noah Webster Basic Schools Inc., Series 2004, 6.000%, 12/15/24 | 12/14 at 100.0 |
| 565 | Tucson Industrial Development Authority, Arizona, Charter School Revenue Bonds, Arizona Agribusiness and Equine Center Charter School, Series 2004A, 6.125%, 9/01/34 | 9/14 at 100.0 |
| 2,000 | University of Arizona, Certificates of Participation, Series 2002B, 5.125%, 6/01/20 - AMBAC Insured | 6/12 at 100.0 |
| ----- | | |
| 6,195 | Total Education and Civic Organizations | |
| ----- | | |
| HEALTH CARE - 29.5% (20.6% OF TOTAL INVESTMENTS) | | |
| 1,015 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007A, 5.000%, 1/01/25 | 1/17 at 100.0 |
| 620 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2007B, 1.004%, 1/02/37 | 1/17 at 100.0 |
| 2,390 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Banner Health Systems, Series 2008D, 5.500%, 1/01/38 | 1/18 at 100.0 |
| 625 | Arizona Health Facilities Authority, Revenue Bonds, Blood Systems Inc., Series 2004, 5.000%, 4/01/20 | 4/14 at 100.0 |
| 475 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B, 5.000%, 12/01/37 | 12/15 at 100.0 |
| 785 | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2007, 5.000%, 12/01/42 | 12/17 at 100.0 |
| 1,825 | Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2004A, 5.375%, 7/01/23 | 7/14 at 100.0 |
| 1,985 | Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32 | 7/17 at 100.0 |
| 2,000 | Maricopa County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Mayo Clinic Hospital, Series 1998, 5.250%, 11/15/37 | 5/10 at 100.0 |
| 1,000 | Yavapai County Industrial Development Authority, Arizona, Hospital Revenue Bonds, Yavapai Regional Medical Center, Series 2003A, 6.000%, 8/01/33 | 8/13 at 100.0 |
| ----- | | |
| 12,720 | Total Health Care | |

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| | | |
|--|---|---------------|
| HOUSING/SINGLE FAMILY - 3.6% (2.5% OF TOTAL INVESTMENTS) | | |
| 1,495 | Tucson and Pima County Industrial Development Authority, Arizona, Joint Single Family Mortgage Revenue Bonds, Series 2007B, 5.350%, 6/01/47 (Alternative Minimum Tax) | 6/17 at 101.0 |

| | | |
|---|---|---------------|
| TAX OBLIGATION/GENERAL - 2.5% (1.8% OF TOTAL INVESTMENTS) | | |
| 1,000 | Pinal County Unified School District 1, Florence, Arizona, General Obligation Bonds, Series 2008C, 5.250%, 7/01/28 | 7/18 at 100.0 |

| | | |
|---|---|---------------|
| TAX OBLIGATION/LIMITED - 31.5% (22.1% OF TOTAL INVESTMENTS) | | |
| 146 | Centerra Community Facilities District, Goodyear, Arizona, General Obligation Bonds, Series 2005, 5.500%, 7/15/29 | 7/15 at 100.0 |
| 2,250 | DC Ranch Community Facilities District, Scottsdale, Arizona, General Obligation Bonds, Series 2002, 5.000%, 7/15/27 - AMBAC Insured | 7/13 at 100.0 |

24 Nuveen Investments

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|------------------------------------|--|---------------------------------|
| TAX OBLIGATION/LIMITED (continued) | | |
| | Estrella Mountain Ranch Community Facilities District, Arizona, Special Assessment Bonds, Montecito Assessment District, Series 2007: | |
| \$ 251 | 5.700%, 7/01/27 | 1/17 at 100.0 |
| 155 | 5.800%, 7/01/32 | 1/17 at 100.0 |
| 271 | Estrella Mountain Ranch Community Facilities District, Goodyear, Arizona, Special Assessment Lien Bonds, Series 2001A, 7.875%, 7/01/25 | 7/10 at 102.0 |
| 525 | Greater Arizona Development Authority, Infrastructure Revenue Bonds, Series 2006A, 5.000%, 8/01/23 - NPMFG Insured | 8/16 at 100.0 |
| 1,033 | Marana, Arizona, Tangerine Farms Road Improvement District Revenue Bonds, Series 2006, 4.600%, 1/01/26 | 7/16 at 100.0 |
| 290 | Marley Park Community Facilities District, City of Surprise, Arizona, Limited Tax General Obligation Bonds, Series 2007, 6.100%, 7/15/32 | 7/17 at 100.0 |
| 490 | Merrill Ranch Community Facilities District 1, Florence, Arizona, General Obligation Bonds, Series 2008A, 7.400%, 7/15/33 | 7/18 at 100.0 |
| 2,175 | Mohave County, Arizona, Certificates of Participation, Series | 7/14 at 100.0 |

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2004, 5.250%, 7/01/19 - AMBAC Insured

| | | |
|-------|--|---------------|
| 640 | Palm Valley Community Facility District 3, Goodyear, Arizona, General Obligation Bonds, Series 2006, 5.300%, 7/15/31 | 7/16 at 100.0 |
| 425 | Palm Valley Community Facility District 3, Goodyear, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.800%, 7/15/32 | 7/17 at 100.0 |
| 160 | Parkway Community Facilities District 1, Prescott Valley, Arizona, General Obligation Bonds, Series 2006, 5.350%, 7/15/31 | 7/16 at 100.0 |
| 1,250 | Pinal County Industrial Development Authority, Arizona, Correctional Facilities Contract Revenue Bonds, Florence West Prison LLC, Series 2002A, 5.000%, 10/01/18 - ACA Insured | No Opt. Cal |
| 1,130 | San Luis Civic Improvement Corporation, Arizona, Municipal Facilities Excise Tax Revenue Bonds, Series 2005, 5.000%, 7/01/25 - SYNCORA GTY Insured | 7/15 at 100.0 |
| 665 | Tartesso West Community Facility District, Buckeye, Arizona, Limited Tax General Obligation Bonds, Series 2007, 5.900%, 7/15/32 | 7/17 at 100.0 |
| 1,250 | Vistancia Community Facilities District, Arizona, Restricted General Obligation Bonds, Series 2005, 5.750%, 7/15/24 | 7/15 at 100.0 |
| 662 | Watson Road Community Facilities District, Arizona, Special Assessment Revenue Bonds, Series 2005, 6.000%, 7/01/30 | 7/16 at 100.0 |
| 425 | Westpark Community Facilities District, Buckeye, Arizona, General Obligation Tax Increment Bonds Series 2006, 5.250%, 7/15/31 | 7/16 at 100.0 |

| | | |
|--------|------------------------------|--|
| 14,193 | Total Tax Obligation/Limited | |
|--------|------------------------------|--|

TRANSPORTATION - 13.9% (9.7% OF TOTAL INVESTMENTS)

| | | |
|-------|--|---------------|
| | Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B: | |
| 1,000 | 5.750%, 7/01/16 - FGIC Insured (Alternative Minimum Tax) | 7/12 at 100.0 |
| 2,300 | 5.250%, 7/01/21 - FGIC Insured (Alternative Minimum Tax) | 7/12 at 100.0 |
| 2,450 | Tucson Airport Authority Inc., Arizona, Revenue Refunding Bonds, Series 2001B, 5.000%, 6/01/20 - AMBAC Insured (Alternative Minimum Tax) | 6/11 at 100.0 |

| | | |
|-------|----------------------|--|
| 5,750 | Total Transportation | |
|-------|----------------------|--|

U.S. GUARANTEED - 19.1% (13.4% OF TOTAL INVESTMENTS) (5)

| | | |
|-------|---|----------------|
| 300 | Arizona Health Facilities Authority, Hospital Revenue Bonds, Catholic Healthcare West, Series 1999A, 6.625%, 7/01/20 (Pre-refunded 7/01/10) | 7/10 at 101.0 |
| 1,000 | Arizona Health Facilities Authority, Hospital System Revenue Bonds, John C. Lincoln Health Network, Series 2000, 6.875%, 12/01/20 (Pre-refunded 12/01/10) | 12/10 at 102.0 |

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| | | |
|-------|--|----------------|
| 1,575 | Maricopa County Union High School District 210, Phoenix, Arizona, General Obligation Bonds, Series 2004A, 5.000%, 7/01/20 (Pre-refunded 7/01/14) - AGM Insured | 7/14 at 100.0 |
| 270 | Maricopa County, Arizona, Hospital Revenue Bonds, Sun Health Corporation, Series 2005, 5.000%, 4/01/16 (Pre-refunded 4/01/15) | 4/15 at 100.0 |
| 1,250 | Scottsdale Industrial Development Authority, Arizona, Hospital Revenue Bonds, Scottsdale Healthcare, Series 2001, 5.800%, 12/01/31 (Pre-refunded 12/01/11) | 12/11 at 101.0 |

Nuveen Investments 25

NXE | Nuveen Arizona Dividend Advantage Municipal Fund 3 (continued)
 | Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---------------------------|---|---------------------------------|
| ----- | | |
| | U.S. GUARANTEED (5) (continued) | |
| \$ 2,770 | Tempe, Arizona, Excise Tax Revenue Refunding Bonds, Series 2003, 5.000%, 7/01/22 (Pre-refunded 7/01/13) | 7/13 at 100.0 |
| ----- | | |
| 7,165 | Total U.S. Guaranteed | |
| ----- | | |
| | UTILITIES - 13.4% (9.4% OF TOTAL INVESTMENTS) | |
| 1,250 | Maricopa County Pollution Control Corporation, Arizona, Revenue Bonds, Arizona Public Service Company - Palo Verde Project, Series 2002A, 5.050%, 5/01/29 - AMBAC Insured | 11/12 at 100.0 |
| 665 | Pima County Industrial Development Authority, Arizona, Revenue Bonds, Tucson Electric Power Company, Series 2008, 5.750%, 9/01/29 | 1/15 at 100.0 |
| 1,660 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/26 - SYNCORA GTY Insured | 7/15 at 100.0 |
| 270 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Series 2002B, 5.000%, 1/01/22 | 1/13 at 100.0 |
| 775 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Tender Option Bond Trust 09-9W, 17.125%, 1/01/38 (IF) | 1/18 at 100.0 |
| 1,165 | Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Series 2007, 5.000%, 12/01/37 | No Opt. Cal |
| ----- | | |
| 5,785 | Total Utilities | |
| ----- | | |

WATER AND SEWER - 13.2% (9.3% OF TOTAL INVESTMENTS)

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| | | |
|-----------|--|----------------|
| 955 | Goodyear, Arizona, Water and Sewer Revenue Obligations, Series 2010, 5.625%, 7/01/39 | 7/20 at 100.0 |
| 405 | Oro Valley Municipal Property Corporation, Arizona, Senior Lien Water Revenue Bonds, Series 2003, 5.000%, 7/01/23 - NCFG Insured | 7/13 at 100.0 |
| 1,000 | Phoenix Civic Improvement Corporation, Arizona, Junior Lien Wastewater System Revenue Refunding Bonds, Series 2001, 5.125%, 7/01/21 - FGIC Insured | 7/11 at 100.0 |
| 2,000 | Phoenix Civic Improvement Corporation, Arizona, Junior Lien Water System Revenue Bonds, Series 2002, 5.000%, 7/01/18 - FGIC Insured | 7/12 at 100.0 |
| | Surprise Municipal Property Corporation, Arizona, Wastewater System Revenue Bonds, Series 2007: | |
| 425 | 4.700%, 4/01/22 | 4/14 at 100.0 |
| 490 | 4.900%, 4/01/32 | 4/17 at 100.0 |
| 330 | Yuma County Industrial Development Authority, Arizona, Exempt Revenue Bonds, Far West Water & Sewer Inc. Refunding, Series 2007A, 6.375%, 12/01/37 (Alternative Minimum Tax) | 12/17 at 100.0 |
| ----- | | |
| 5,605 | Total Water and Sewer | |
| ----- | | |
| \$ 60,403 | Total Investments (cost \$60,233,474) - 142.7% | |
| ===== | | |
| | Other Assets Less Liabilities - 1.0% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (43.7)% (6) | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

- (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) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.
- (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. Such investments are normally considered to be equivalent to AAA rated securities.
- (6) Preferred Shares, at Liquidation Value a percentage of Total Investments is 30.6%.

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N/R Not rated.

(IF) Inverse floating rate investment.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

26 Nuveen Investments

NTX | Nuveen Texas Quality Income Municipal Fund
 | Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|--|---|---------------------------------|
| CONSUMER STAPLES - 1.6% (1.1% OF TOTAL INVESTMENTS) | | |
| \$ 2,340 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100.00 |
| EDUCATION AND CIVIC ORGANIZATIONS - 15.1% (10.2% OF TOTAL INVESTMENTS) | | |
| 1,000 | Central Texas Higher Education Authority Inc., Texas, Student Loan Revenue Bonds, Auction Rate Coupon, 0.560%, 12/01/37 (4) | 4/10 at 100.00 |
| | Red River Education Finance Corporation, Texas, Revenue Bonds, Hockaday School, Series 2005: | |
| 1,170 | 5.000%, 5/15/27 | 5/15 at 100.00 |
| 1,230 | 5.000%, 5/15/28 | 5/15 at 100.00 |
| 1,290 | 5.000%, 5/15/29 | 5/15 at 100.00 |
| | Texas Public Finance Authority, Revenue Bonds, Texas Southern University Financing System, Series 2003: | |
| 1,710 | 5.000%, 5/01/18 - FGIC Insured | 5/13 at 100.00 |
| 1,795 | 5.000%, 5/01/19 - FGIC Insured | 5/13 at 100.00 |
| 1,885 | 5.000%, 5/01/20 - FGIC Insured | 5/13 at 100.00 |
| 1,665 | Texas State University System, Financing Revenue Bonds, Series 2004, 5.000%, 3/15/24 - AGM Insured | 9/14 at 100.00 |
| 2,000 | Texas State University System, Financing Revenue Refunding Bonds, Series 2002, 5.000%, 3/15/20 - AGM Insured | 3/12 at 100.00 |
| 2,330 | Universal City Education Facilities Corporation, Texas, Revenue Bonds, Wayland Baptist University Project, Series 2001, 5.625%, 3/01/26 | 3/11 at 102.00 |
| 5,000 | University of North Texas, Financing System Revenue Bonds, Series 2001, 5.000%, 4/15/24 - AGM Insured | 4/12 at 100.00 |
| 21,075 | Total Education and Civic Organizations | |
| ENERGY - 2.0% (1.4% OF TOTAL INVESTMENTS) | | |

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| | | |
|---|---|-----------------|
| 3,000 | Gulf Coast Waste Disposal Authority, Texas, Waste Disposal Revenue Bonds, Valero Energy Corporation Project, Series 1998, 5.600%, 4/01/32 (Alternative Minimum Tax) | 4/10 at 100.00 |
| ----- | | |
| HEALTH CARE - 12.6% (8.5% OF TOTAL INVESTMENTS) | | |
| Brazoria County Health Facilities Development Corporation, Texas, Revenue Bonds, Brazosport Memorial Hospital, Series 2004: | | |
| 1,745 | 5.250%, 7/01/20 - RAAI Insured | 7/14 at 100.00 |
| 1,835 | 5.250%, 7/01/21 - RAAI Insured | 7/14 at 100.00 |
| 2,650 | Midland County Hospital District, Texas, Hospital Revenue Bonds, Series 1992, 0.000%, 6/01/11 | No Opt. Call |
| 2,000 | North Central Texas Health Facilities Development Corporation, Hospital Revenue Bonds, Baylor Healthcare System, Series 2001A, 5.125%, 5/15/29 | 5/11 at 100.00 |
| Richardson Hospital Authority, Texas, Revenue Bonds, Richardson Regional Medical Center, Series 2004: | | |
| 2,000 | 5.875%, 12/01/24 | 12/13 at 100.00 |
| 1,000 | 6.000%, 12/01/34 | 12/13 at 100.00 |
| 2,500 | Tarrant County Cultural & Educational Facilities Financing Corporation, Texas, Revenue Bonds, Tarrant County Health Resources, Series 2007B, 5.000%, 11/15/42 | 11/17 at 100.00 |
| 2,000 | Tarrant County Cultural Education Facilities Finance Corporation, Texas, Revenue Refunding Bonds, Christus Health, Series 2008, 6.500%, 7/01/37 | 1/19 at 100.00 |
| 700 | Tyler Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Mother Frances Hospital Regional Healthcare Center, Series 2007B, 5.000%, 7/01/37 | 7/17 at 100.00 |
| 2,000 | Tyler Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Mother Frances Hospital Regional Healthcare Center, Series 2007, 5.000%, 7/01/33 | 7/17 at 100.00 |
| ----- | | |
| 18,430 | Total Health Care | |
| ----- | | |

Nuveen Investments 27

NTX | Nuveen Texas Quality Income Municipal Fund (continued)
| Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|--|--------------------------------|------------------------------|
| ----- | | |
| HOUSING/MULTIFAMILY - 1.4% (1.0% OF TOTAL INVESTMENTS) | | |
| Bexar County Housing Finance Corporation, Texas, Insured Multifamily Housing Revenue Bonds, Waters at Northern Hills Apartments Project, Series 2001A: | | |
| \$ 2,000 | 6.000%, 8/01/31 - NCFG Insured | 8/11 at 102.00 |

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| | | |
|---|---|----------------|
| 750 | 6.050%, 8/01/36 - NPFG Insured | 8/11 at 102.00 |
| <hr/> | | |
| 2,750 | Total Housing/Multifamily | |
| <hr/> | | |
| HOUSING/SINGLE FAMILY - 3.1% (2.1% OF TOTAL INVESTMENTS) | | |
| 1,480 | El Paso Housing Finance Corporation, Texas, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 2001A-3, 6.180%, 4/01/33 | 4/11 at 106.75 |
| 10 | Galveston Property Finance Authority Inc., Texas, Single Family Mortgage Revenue Bonds, Series 1991A, 8.500%, 9/01/11 | 3/10 at 100.00 |
| 2,700 | Texas Department of Housing and Community Affairs, Single Family Mortgage Bonds, Series 2002B, 5.550%, 9/01/33 - NPFG Insured (Alternative Minimum Tax) | 3/12 at 100.00 |
| <hr/> | | |
| 4,190 | Total Housing/Single Family | |
| <hr/> | | |
| LONG-TERM CARE - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| Bexar County, Texas, Health Facilities Development Corporation Revenue Bonds, Army Retirement Residence, Series 2007: | | |
| 1,000 | 5.000%, 7/01/27 | 7/17 at 100.00 |
| 600 | 5.000%, 7/01/37 | 7/17 at 100.00 |
| <hr/> | | |
| 1,600 | Total Long-Term Care | |
| <hr/> | | |
| MATERIALS - 4.3% (2.9% OF TOTAL INVESTMENTS) | | |
| 3,000 | Cass County Industrial Development Corporation, Texas, Environmental Improvement Revenue Bonds, International Paper Company, Series 2000A, 6.600%, 3/15/24 (Alternative Minimum Tax) | 3/10 at 101.00 |
| 3,000 | Guadalupe-Blanco River Authority, Texas, Sewage and Solid Waste Disposal Facility Bonds, E.I. DuPont de Nemours and Company Project, Series 1996, 6.400%, 4/01/26 (Alternative Minimum Tax) | 4/10 at 100.00 |
| <hr/> | | |
| 6,000 | Total Materials | |
| <hr/> | | |
| TAX OBLIGATION/GENERAL - 47.5% (32.1% OF TOTAL INVESTMENTS) | | |
| 1,260 | Bexar County, Texas, Combined Tax and Revenue Certificates of Obligation, Series 2004, 5.000%, 6/15/19 | 6/14 at 100.00 |
| 2,000 | Borger Independent School District, Hutchison County, Texas, General Obligation Bonds, Series 2006, 5.000%, 2/15/36 | 2/16 at 100.00 |
| 400 | Calallen Independent School District, Nueces County, Texas, General Obligation Bonds, School Building Series 2008, 5.000%, 2/15/38 | 2/18 at 100.00 |
| 1,190 | Canutillo Independent School District, El Paso County, Texas, General Obligation Bonds, Series 2006A, 5.000%, 8/15/22 | 8/15 at 100.00 |
| 325 | Copperas Cove, Texas, Certificates of Obligation, Series 2003, 5.000%, 8/15/23 - MBIA Insured | 8/12 at 100.00 |

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| | | |
|-------|---|-----------------|
| 2,305 | Corpus Christi, Texas, Combination Tax and Municipal Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2002, 5.500%, 9/01/21 - AGM Insured | 9/12 at 100.00 |
| 2,595 | Denton County, Texas, Permanent Improvement General Obligation Bonds, Series 2005, 5.000%, 7/15/25 | 7/12 at 100.00 |
| 1,750 | El Paso County, Texas, Certificates of Obligation, Series 2001, 5.000%, 2/15/21 - AGM Insured | No Opt. Call |
| | Fort Bend County Municipal Utility District 25, Texas, General Obligation Bonds, Series 2005: | |
| 1,330 | 5.000%, 10/01/26 - FGIC Insured | 10/12 at 100.00 |
| 1,320 | 5.000%, 10/01/27 - FGIC Insured | 10/12 at 100.00 |

28 Nuveen Investments

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|------------------------------------|---|---------------------------------|
| ----- | | |
| TAX OBLIGATION/GENERAL (continued) | | |
| \$ 3,615 | Frisco, Texas, General Obligation Bonds, Series 2006, 5.000%, 2/15/26 - FGIC Insured | 2/16 at 100.00 |
| 8,500 | Grand Prairie Independent School District, Dallas County, Texas, General Obligation Bonds, Capital Appreciation Refunding Series 2009, 0.000%, 8/15/39 | 8/18 at 22.64 |
| | Houston Community College, Texas, Limited Tax General Obligation Bonds, Series 2003: | |
| 2,500 | 5.000%, 2/15/20 - AMBAC Insured | 2/13 at 100.00 |
| 2,235 | 5.000%, 2/15/21 - AMBAC Insured | 2/13 at 100.00 |
| 5,000 | Houston, Texas, General Obligation Bonds, Series 2005E, 5.000%, 3/01/23 - AMBAC Insured | 3/15 at 100.00 |
| 100 | Judson Independent School District, Bexar County, Texas, General Obligation Refunding Bonds, Series 2002, 5.250%, 2/01/21 | 2/11 at 100.00 |
| 4,900 | Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/45 | 8/14 at 17.78 |
| 1,000 | Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2008, 0.000%, 8/15/36 | 8/17 at 33.01 |
| 5,220 | Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2000, 0.000%, 8/15/21 | 4/10 at 48.64 |
| 365 | Lone Star College System, Harris and Montgomery Counties, Texas, General Obligation Bonds, Series 2009, 5.000%, 8/15/34 | 8/19 at 100.00 |

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| | | |
|-------|---|-----------------|
| 1,000 | Mansfield Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2004, 5.000%, 2/15/20 | 2/14 at 100.00 |
| 1,010 | Mercedes Independent School District, Hidalgo County, Texas, General Obligation Bonds, Series 2005, 5.000%, 8/15/23 | 8/15 at 100.00 |
| 5,515 | Midlothian Independent School District, Ellis County, Texas, General Obligation Bonds, Series 2005, 5.000%, 2/15/34 | 2/15 at 100.00 |
| 1,500 | Montgomery County, Texas, General Obligation Bonds, Refunding Series 2008B, 5.250%, 3/01/32 | 3/19 at 100.00 |
| 925 | Northside Independent School District, Bexar County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2000, 5.875%, 8/15/25 | 8/10 at 100.00 |
| 2,000 | Plano Independent School District, Collin County, Texas, General Obligation Bonds, Series 2008, 5.250%, 2/15/34 | 2/18 at 100.00 |
| | Roma Independent School District, Texas, General Obligation Bonds, Series 2005: | |
| 1,110 | 5.000%, 8/15/22 | 8/15 at 100.00 |
| 1,165 | 5.000%, 8/15/23 - AGM Insured | 8/15 at 100.00 |
| 1,250 | Southside Independent School District, Bexar County, Texas, General Obligation Bonds, Series 2004A, 5.000%, 8/15/22 | 8/14 at 100.00 |
| 1,140 | Sunnyvale School District, Texas, General Obligation Bonds, Series 2004, 5.250%, 2/15/25 | 2/14 at 100.00 |
| 5,000 | Texas State, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2006A, 5.000%, 4/01/33 (UB) | 4/17 at 100.00 |
| 1,000 | Texas State, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2008, 5.000%, 4/01/30 (UB) | 4/18 at 100.00 |
| 1,110 | Texas State, General Obligation Bonds, Water Utility, Series 2001, 5.250%, 8/01/23 | 8/11 at 100.00 |
| 1,500 | Texas, General Obligation Refunding Bonds, Public Finance Authority, Series 2002, 5.000%, 10/01/18 | 10/12 at 100.00 |
| 3,025 | Victoria Independent School District, Victoria County, Texas, General Obligation Bonds, Series 2007, 5.000%, 2/15/32 | 2/17 at 100.00 |

Nuveen Investments 29

NTX | Nuveen Texas Quality Income Municipal Fund (continued)
| Portfolio of Investments January 31, 2010 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---------------------------|-----------------|---------------------------------|
|---------------------------|-----------------|---------------------------------|

TAX OBLIGATION/GENERAL (continued)

West Texas Independent School District, McLennan and Hill

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| | | | |
|-------|--|------------------------------|---------------|
| | Counties, General Obligation Refunding Bonds, Series 1998: | | |
| \$ | 1,000 | 0.000%, 8/15/22 | 8/13 at 61.20 |
| | 1,000 | 0.000%, 8/15/24 | 8/13 at 54.88 |
| | White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2006: | | |
| | 1,500 | 0.000%, 8/15/43 | 8/15 at 23.12 |
| | 1,500 | 0.000%, 8/15/44 | 8/15 at 21.88 |
| | 425 | 0.000%, 8/15/45 | 8/15 at 20.76 |
| ----- | | | |
| | 81,585 | Total Tax Obligation/General | |
| ----- | | | |

TAX OBLIGATION/LIMITED - 9.2% (6.2% OF TOTAL INVESTMENTS)

| | | | |
|-------|--|--|-----------------|
| | 7,940 | Dallas Area Rapid Transit, Texas, Senior Lien Sales Tax Revenue Bonds, Series 2007, 5.000%, 12/01/36 - AMBAC Insured | 12/16 at 100.00 |
| | Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Bonds, Series 2001H: | | |
| | 1,720 | 0.000%, 11/15/34 - NPMFG Insured | 11/31 at 83.17 |
| | 930 | 0.000%, 11/15/36 - NPMFG Insured | 11/31 at 73.51 |
| | 3,265 | 0.000%, 11/15/38 - NPMFG Insured | 11/31 at 64.91 |
| | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Bonds, Series 2001G: | | |
| | 2,250 | 5.250%, 11/15/22 - NPMFG Insured | 11/11 at 100.00 |
| | 2,475 | 0.000%, 11/15/41 - NPMFG Insured | 11/31 at 53.78 |
| | 1,470 | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/32 - AMBAC Insured | No Opt. Call |
| | 1,000 | Uptown Development Authority, Texas, Tax Increment Revenue Bonds, Series 2009 (Infrastructure Improvement Facilities), 5.500%, 9/01/29 | 9/19 at 100.00 |
| ----- | | | |
| | 21,050 | Total Tax Obligation/Limited | |
| ----- | | | |

TRANSPORTATION - 9.2% (6.3% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|-----------------|
| | 1,000 | Austin, Texas, Airport System Prior Lien Revenue Bonds, Series 2003, 5.250%, 11/15/16 - NPMFG Insured | 11/13 at 100.00 |
| | 3,260 | Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/22 - FGIC Insured | 1/15 at 100.00 |
| | 2,600 | Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Bonds, American Airlines Inc., Series 1999, 6.375%, 5/01/35 (Alternative Minimum Tax) | 5/10 at 101.00 |
| | 2,000 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000A, 5.625%, 7/01/30 - AGM Insured (Alternative Minimum Tax) | 7/10 at 100.00 |
| | 2,500 | North Texas Thruway Authority, First Tier System Revenue Refunding Bonds, Capital Appreciation Series 2008, 0.000%, 1/01/36 - AGC Insured | No Opt. Call |
| | 395 | North Texas Thruway Authority, First Tier System Revenue | |

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| | | |
|--------|---|----------------|
| | Refunding Bonds, Series 2008A, 5.750%, 1/01/40 | 1/18 at 100.00 |
| | North Texas Thruway Authority, First Tier System Revenue Refunding Bonds, Series 2008B: | |
| 325 | 5.750%, 1/01/40 | 1/18 at 100.00 |
| 225 | 5.750%, 1/01/40 - NCFG Insured | 1/18 at 100.00 |
| 950 | North Texas Thruway Authority, Second Tier System Revenue Refunding Bonds, Series 2008, 5.750%, 1/01/38 | 1/18 at 100.00 |
| | North Texas Tollway Authority, System Revenue Bonds, Series 2009: | |
| 100 | 6.100%, 1/01/28 | 1/19 at 100.00 |
| 2,000 | 6.250%, 1/01/39 | 1/19 at 100.00 |
| ----- | | |
| 15,355 | Total Transportation | |
| ----- | | |

30 Nuveen Investments

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|------------------------|---|------------------------------|
| ----- | | |
| | U.S. GUARANTEED - 16.2% (10.9% OF TOTAL INVESTMENTS) (5) | |
| \$ 295 | Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1992, 0.000%, 8/15/14 - MBIA Insured (ETM) | No Opt. Call |
| 950 | Copperas Cove, Texas, Certificates of Obligation, Series 2003, 5.000%, 8/15/23 (Pre-refunded 8/15/12) - MBIA Insured | 8/12 at 100.00 |
| | Gregg County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Good Shepherd Medical Center Project, Series 2000: | |
| 2,000 | 6.875%, 10/01/20 (Pre-refunded 10/01/10) - RAAI Insured | 10/10 at 101.00 |
| 3,250 | 6.375%, 10/01/25 (Pre-refunded 10/01/10) - RAAI Insured | 10/10 at 101.00 |
| 500 | Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, St. Luke's Episcopal Hospital, Series 2001A, 5.500%, 2/15/21 (Pre-refunded 8/15/11) | 8/11 at 100.00 |
| 1,000 | Judson Independent School District, Bexar County, Texas, General Obligation Refunding Bonds, Series 2002, 5.250%, 2/01/21 (Pre-refunded 2/01/11) | 2/11 at 100.00 |
| 1,000 | North Central Texas Health Facilities Development Corporation, Hospital Revenue Bonds, Presbyterian Healthcare System, Series 1996B, 5.750%, 6/01/26 - NCFG Insured (ETM) | No Opt. Call |
| 1,075 | Northside Independent School District, Bexar County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2000, 5.875%, 8/15/25 (Pre-refunded 8/15/10) | 8/10 at 100.00 |
| 2,500 | Retama Development Corporation, Texas, Special Facilities Revenue Bonds, Retama Park Racetrack, Series 1993, 8.750%, 12/15/18 (Pre-refunded 12/15/17) (6) | 12/17 at 100.00 |

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| | | |
|---|---|-----------------|
| 1,750 | San Antonio, Texas, Electric and Gas System Revenue Refunding Bonds, Series 2002, 5.375%, 2/01/20 (Pre-refunded 2/01/12) | 2/12 at 100.00 |
| 1,440 | South Texas Community College District, General Obligation Bonds, Series 2002, 5.500%, 8/15/17 (Pre-refunded 8/15/12) - AMBAC Insured | 8/12 at 100.00 |
| 3,500 | Tarrant County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Adventist Health System - Sunbelt Obligated Group, Series 2000, 6.625%, 11/15/20 (Pre-refunded 11/15/10) | 11/10 at 101.00 |
| 1,000 | Tyler Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Mother Frances Hospital Regional Healthcare Center, Series 2001, 6.000%, 7/01/31 (Pre-refunded 7/01/12) | 7/12 at 100.00 |
| ----- | | |
| 20,260 | Total U.S. Guaranteed | |
| ----- | | |
| UTILITIES - 12.5% (8.5% OF TOTAL INVESTMENTS) | | |
| 2,560 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 1999C, 7.700%, 3/01/32 (Alternative Minimum Tax) | 4/13 at 101.00 |
| 2,400 | Brazos River Authority, Texas, Revenue Bonds, Reliant Energy Inc., Series 1999A, 5.375%, 4/01/19 | 4/10 at 100.50 |
| 5,000 | Brownsville, Texas, Utility System Priority Revenue Bonds, Series 2005A, 5.000%, 9/01/27 - AMBAC Insured | 9/15 at 100.00 |
| 2,000 | Bryan, Brazos County, Texas, Electric System Revenue Bonds, Series 2009, 5.000%, 7/01/34 | 7/17 at 100.00 |
| 2,000 | Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2000, 5.750%, 2/15/15 - AMBAC Insured (Alternative Minimum Tax) | 2/10 at 100.00 |
| 2,000 | Lower Colorado River Authority, Texas, Revenue Bonds, Series 2008, 5.750%, 5/15/37 | 5/15 at 100.00 |
| 1,000 | Matagorda County Navigation District 1, Texas, Revenue Bonds, Reliant Energy Inc., Series 1999B, 5.950%, 5/01/30 (Alternative Minimum Tax) | 5/10 at 100.50 |
| 1,000 | Matagorda County Navigation District Number One, Texas, Pollution Control Revenue Refunding Bonds, Central Power and Light Company Project, Series 2009A, 6.300%, 11/01/29 | 7/19 at 102.00 |
| ----- | | |
| 17,960 | Total Utilities | |
| ----- | | |

Nuveen Investments 31

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| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL CALL PROVISIONS (2) |
|---|--|---------------------------------|
| WATER AND SEWER - 11.9% (8.1% OF TOTAL INVESTMENTS) | | |
| Coastal Water Authority, Texas, Contract Revenue Bonds, Houston Water Projects, Series 2004: | | |
| \$ 1,005 | 5.000%, 12/15/20 - FGIC Insured | 12/14 at 100.00 |
| 1,030 | 5.000%, 12/15/21 - FGIC Insured | 12/14 at 100.00 |
| 1,000 | El Paso, Texas, Water and Sewer Revenue Bonds, Refunding Series 2008C, 5.375%, 3/01/29 | 3/18 at 100.00 |
| 3,000 | Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A, 5.250%, 5/15/23 - FGIC Insured | 5/14 at 100.00 |
| 3,500 | Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001A, 5.500%, 12/01/17 - AGM Insured | 12/11 at 100.00 |
| Irving, Texas, Subordinate Lien Waterworks and Sewerage Revenue Bonds, Series 2004: | | |
| 1,680 | 5.000%, 8/15/22 - AMBAC Insured | 8/14 at 100.00 |
| 1,760 | 5.000%, 8/15/23 - AMBAC Insured | 8/14 at 100.00 |
| 1,260 | Rowlett, Rockwall and Dallas Counties, Texas, Waterworks and Sewerage System Revenue Bonds, Series 2004A, 5.000%, 3/01/22 - NPPG Insured | 3/14 at 100.00 |
| 1,500 | Texas Water Development Board, Senior Lien State Revolving Fund Revenue Bonds, Series 1999A, 5.500%, 7/15/21 | 7/10 at 100.00 |
| 15,735 | Total Water and Sewer | |
| \$ 231,330 | Total Investments (cost \$202,017,964) - 147.7% | |
| ===== | | |
| Floating Rate Obligations - (2.8)% | | |
| ----- | | |
| Other Assets Less Liabilities - 1.9% | | |
| ----- | | |
| Preferred Shares, at Liquidation Value - (46.8)% (7) | | |
| ----- | | |
| Net Assets Applicable to Common Shares - 100% | | |
| ===== | | |

- (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) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement

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disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.

- (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. Such investments are normally considered to be equivalent to AAA rated securities.
 - (6) The issuer has received a formal adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it is formally determined that the interest on the bonds should be treated as taxable.
 - (7) Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.7%.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

32 Nuveen Investments

| Statement of
| Assets & Liabilities

January 31, 2010 (Unaudited)

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | ARIZONA DIVIDEND ADVANTAGE 2 (NKR) |
|---|---------------------------------------|---|---|
| ----- | | | |
| ASSETS | | | |
| Investments, at value (cost \$85,048,139, \$31,760,370, \$50,212,144, \$60,233,474 and \$202,017,964, respectively) | \$ 88,429,580 | \$ 31,555,283 | \$ 50,862,426 |
| Cash | 362,266 | 35,198 | 441,284 |
| Receivables: | | | |
| Interest | 569,165 | 255,300 | 409,681 |
| Investments sold | -- | -- | -- |
| Other assets | 11,065 | 4,958 | 8,891 |
| ----- | | | |
| Total assets | 89,372,076 | 31,850,739 | 51,722,282 |
| ----- | | | |
| LIABILITIES | | | |
| Floating rate obligations | -- | -- | -- |
| Payables: | | | |
| Common share dividends | 246,429 | 85,881 | 151,842 |
| Preferred share dividends | 731 | 508 | 612 |

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| | | | |
|--|---------------|---------------|---------------|
| Accrued expenses: | | | |
| Management fees | 53,349 | 14,506 | 24,363 |
| Other | 36,532 | 19,047 | 24,334 |
| ----- | | | |
| Total liabilities | 337,041 | 119,942 | 201,151 |
| ----- | | | |
| Preferred shares, at liquidation value | 27,875,000 | 10,600,000 | 16,625,000 |
| ----- | | | |
| Net assets applicable to Common shares | \$ 61,160,035 | \$ 21,130,797 | \$ 34,896,131 |
| ===== | | | |
| Common shares outstanding | 4,469,154 | 1,548,020 | 2,439,551 |
| ===== | | | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 13.68 | \$ 13.65 | \$ 14.30 |
| ===== | | | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | | |
| ----- | | | |
| Common shares, \$.01 par value per share | \$ 44,692 | \$ 15,480 | \$ 24,396 |
| Paid-in surplus | 62,155,941 | 21,910,005 | 34,577,972 |
| Undistributed (Over-distribution of) net investment income | 784,193 | 188,390 | 316,185 |
| Accumulated net realized gain (loss) from investments and derivative transactions | (5,206,232) | (777,991) | (672,704) |
| Net unrealized appreciation (depreciation) of investments | 3,381,441 | (205,087) | 650,282 |
| ----- | | | |
| Net assets applicable to Common shares | \$ 61,160,035 | \$ 21,130,797 | \$ 34,896,131 |
| ===== | | | |
| Authorized shares: | | | |
| Common | 200,000,000 | Unlimited | Unlimited |
| Preferred | 1,000,000 | Unlimited | Unlimited |
| ===== | | | |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 33

| Statement of
| Operations

Six Months Ended January 31, 2010
(Unaudited)

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | ARIZONA DIVIDEND ADVANTAGE 2 (NKR) |
|---------------------------------|---------------------------------------|---|---|
| ----- | | | |
| INVESTMENT INCOME | \$ 2,255,504 | \$ 770,893 | \$ 1,269,995 |
| ----- | | | |
| EXPENSES | | | |
| Management fees | 292,381 | 101,400 | 168,651 |
| Preferred shares - auction fees | 21,077 | 8,015 | 12,571 |

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| | | | |
|---|--------------|--------------|--------------|
| Preferred shares - dividend disbursing agent fees | 5,041 | 5,041 | 5,041 |
| Shareholders' servicing agent fees and expenses | 1,659 | 251 | 219 |
| Interest expense on floating rate obligations | -- | -- | -- |
| Custodian's fees and expenses | 10,704 | 6,019 | 8,046 |
| Directors'/Trustees' fees and expenses | 1,235 | 471 | 755 |
| Professional fees | 7,416 | 4,872 | 5,321 |
| Shareholders' reports - printing and mailing expenses | 12,918 | 5,930 | 8,512 |
| Stock exchange listing fees | 4,649 | 110 | 174 |
| Investor relations expense | 3,586 | 1,277 | 2,068 |
| Other expenses | 9,744 | 8,503 | 9,186 |
| ----- | | | |
| Total expenses before custodian fee credit and expense reimbursement | 370,410 | 141,889 | 220,544 |
| Custodian fee credit | (54) | (115) | (221) |
| Expense reimbursement | -- | (15,826) | (38,915) |
| ----- | | | |
| Net expenses | 370,356 | 125,948 | 181,408 |
| ----- | | | |
| Net investment income | 1,885,148 | 644,945 | 1,088,587 |
| ----- | | | |
| REALIZED AND UNREALIZED GAIN (LOSS) | | | |
| Net realized gain (loss) from investments | 159,406 | (28) | (47) |
| Change in net unrealized appreciation (depreciation) of investments | 2,954,068 | 1,412,963 | 1,905,284 |
| ----- | | | |
| Net realized and unrealized gain (loss) | 3,113,474 | 1,412,935 | 1,905,237 |
| ----- | | | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | | |
| From net investment income | (60,398) | (23,349) | (36,612) |
| From accumulated net realized gains | -- | -- | -- |
| ----- | | | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (60,398) | (23,349) | (36,612) |
| ----- | | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | \$ 4,938,224 | \$ 2,034,531 | \$ 2,957,212 |
| ===== | | | |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

34 Nuveen Investments

| Statement of
| Changes in Net Assets (Unaudited)

| ARIZONA PREMIUM INCOME (NAZ) | | ARIZONA DIVIDEND ADVANTAGE (N | |
|---------------------------------|--------------------------|----------------------------------|--------------------|
| SIX MONTHS ENDED 1/31/10 | YEAR ENDED 7/31/09 | SIX MONTHS ENDED 1/31/10 | YE END 7/31/ |
| ----- | | | |

OPERATIONS

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| | | | | |
|--|---------------|---------------|---------------|-----------|
| Net investment income | \$ 1,885,148 | \$ 3,812,672 | \$ 644,945 | \$ 1,299 |
| Net realized gain (loss) from: | | | | |
| Investments | 159,406 | (2,710,445) | (28) | (429) |
| Futures contracts | -- | -- | -- | |
| Change in net unrealized appreciation (depreciation) of: | | | | |
| Investments | 2,954,068 | 1,955,974 | 1,412,963 | (604) |
| Futures contracts | -- | -- | -- | |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (60,398) | (565,487) | (23,349) | (220) |
| From accumulated net realized gains | -- | -- | -- | |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | 4,938,224 | 2,492,714 | 2,034,531 | 45 |
| ----- | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (1,532,920) | (2,846,851) | (508,524) | (976) |
| From accumulated net realized gains | -- | -- | -- | |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (1,532,920) | (2,846,851) | (508,524) | (976) |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Common shares: | | | | |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | -- | 12,298 | -- | 7 |
| Repurchased | -- | -- | -- | (24) |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from capital share transactions | -- | 12,298 | -- | (16) |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | 3,405,304 | (341,839) | 1,526,007 | (947) |
| Net assets applicable to Common shares at the beginning of period | 57,754,731 | 58,096,570 | 19,604,790 | 20,552 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of period | \$ 61,160,035 | \$ 57,754,731 | \$ 21,130,797 | \$ 19,604 |
| ===== | | | | |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 784,193 | \$ 492,363 | \$ 188,390 | \$ 75 |
| ===== | | | | |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 35

| Statement of
| Changes in Net Assets (Unaudited) (continued)

ARIZONA
DIVIDEND ADVANTAGE 3 (NX)

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| | SIX MONTHS ENDED 1/31/10 | YE END 7/31/09 |
|---|--------------------------------|----------------------|
| ----- | | |
| OPERATIONS | | |
| Net investment income | \$ 1,318,175 | \$ 2,685,300 |
| Net realized gain (loss) from: | | |
| Investments | 11,761 | (323,300) |
| Futures contracts | -- | |
| Change in net unrealized appreciation (depreciation) of: | | |
| Investments | 2,749,657 | (880,000) |
| Futures contracts | -- | |
| Distributions to Preferred shareholders: | | |
| From net investment income | (40,349) | (412,400) |
| From accumulated net realized gains | -- | |
| ----- | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | 4,039,244 | 1,069,400 |
| ----- | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From net investment income | (1,089,974) | (2,005,800) |
| From accumulated net realized gains | -- | |
| ----- | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (1,089,974) | (2,005,800) |
| ----- | | |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | -- | |
| Repurchased | -- | (15,300) |
| ----- | | |
| Net increase in net assets applicable to Common shares from capital share transactions | -- | (15,300) |
| ----- | | |
| Net increase (decrease) in net assets applicable to Common shares | 2,949,270 | (951,700) |
| Net assets applicable to Common shares at the beginning of period | 39,128,820 | 40,080,500 |
| ----- | | |
| Net assets applicable to Common shares at the end of period | \$ 42,078,090 | \$ 39,128,800 |
| ===== | | |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 344,885 | \$ 157,000 |
| ===== | | |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

36 Nuveen Investments

| Notes to
| Financial Statements(Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds covered in this report and their corresponding Common share stock

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exchange symbols are Nuveen Arizona Premium Income Municipal Fund, Inc. (NAZ), Nuveen Arizona Dividend Advantage Municipal Fund (NFZ), Nuveen Arizona Dividend Advantage Municipal Fund 2 (NKR), Nuveen Arizona Dividend Advantage Municipal Fund 3 (NXE) and Nuveen Texas Quality Income Municipal Fund (NTX) (collectively, the "Funds"). Common shares of Arizona Premium Income (NAZ) and Texas Quality Income (NTX) are traded on the New York Stock Exchange (NYSE) while Common shares of Arizona Dividend Advantage (NFZ), Arizona Dividend Advantage 2 (NKR) and Arizona Dividend Advantage 3 (NXE) are traded on the NYSE Amex. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management investment companies.

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

In June 2009, the Financial Accounting Standards Board (FASB) established the FASB Accounting Standards Codification(TM) (the "Codification") as the single source of authoritative accounting principles recognized by the FASB in the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The Codification supersedes existing non-grandfathered, non-SEC accounting and reporting standards. The Codification did not change GAAP but rather organized it into a hierarchy where all guidance within the Codification carries an equal level of authority. The Codification became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Codification did not have a material effect on the Funds' financial statements.

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

INVESTMENT VALUATION

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. Futures contracts are valued using the closing settlement price, or, in the absence of such a price, at the mean of the bid and asked prices. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service or, in the absence of a pricing service for a particular investment or derivative instrument, the Board of Directors/Trustees of the Fund, or its designee, may establish fair value using a wide variety of market data including yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. Temporary investments in securities that have variable rate and demand features qualifying them as short-term investments are valued at amortized cost, which approximates value.

INVESTMENT TRANSACTIONS

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At January 31, 2010, there were no such outstanding purchase commitments in any of the Funds.

INVESTMENT INCOME

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

INCOME TAXES

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal and designated state income taxes, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

Nuveen Investments 37

| Notes to
| Financial Statements (Unaudited) (continued)

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

DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS

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

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

PREFERRED SHARES

The Funds have issued and outstanding Preferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's Preferred shares are issued in one or more Series. The dividend rate paid by the Funds on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period. As of January 31, 2010, the number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

| | | | | |
|---------|----------|----------|----------|---------|
| ARIZONA | ARIZONA | ARIZONA | ARIZONA | TEXAS |
| PREMIUM | DIVIDEND | DIVIDEND | DIVIDEND | QUALITY |

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| | INCOME (NAZ) | ADVANTAGE (NFZ) | ADVANTAGE 2 (NKR) | ADVANTAGE 3 (NXE) | INCOME (NTX) |
|-------------------|-----------------|--------------------|----------------------|----------------------|-----------------|
| ----- | | | | | |
| Number of shares: | | | | | |
| Series M | -- | -- | -- | 736 | 716 |
| Series T | -- | 424 | -- | -- | -- |
| Series W | -- | -- | 665 | -- | -- |
| Series TH | 1,115 | -- | -- | -- | 1,886 |
| ----- | | | | | |
| Total | 1,115 | 424 | 665 | 736 | 2,602 |
| ===== | | | | | |

Beginning in February 2008, more shares for sale were submitted in the regularly scheduled auctions for the Preferred shares issued by the Funds than there were offers to buy. This meant that these auctions "failed to clear," and that many Preferred shareholders who wanted to sell their shares in these auctions were unable to do so. Preferred shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions as calculated in accordance with the pre-established terms of the Preferred shares.

These developments have generally not affected the portfolio management or investment policies of the Funds. However, one continuing implication of these auction failures for Common shareholders is that the Funds' cost of leverage likely has been incrementally higher at times, than it otherwise might have been had the auctions continued to be successful. As a result, the Funds' future Common share earnings may likely have been incrementally lower than they otherwise might have been. As of January 31, 2010, the aggregate amount of outstanding Preferred shares redeemed by each Fund is as follows:

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | ARIZONA DIVIDE ADVANTAGE (NKR) |
|---|---------------------------------------|---|---|
| ----- | | | |
| Preferred shares redeemed, at liquidation value | \$2,125,000 | \$1,400,000 | \$1,875,000 |
| ===== | | | |

INVERSE FLOATING RATE SECURITIES

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

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38 Nuveen Investments

underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

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

During the six months ended January 31, 2010, each Fund invested in externally-deposited inverse floaters and/or self-deposited inverse floaters.

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

At January 31, 2010, the Funds were not invested in externally-deposited Recourse Trusts.

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | ARIZONA DIVIDEND ADVANTAGE 2 (NKR) |
|-------------------------------------|---------------------------------------|---|---|
| Maximum exposure to Recourse Trusts | \$ -- | \$ -- | \$ -- |

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The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the six months ended January 31, 2010, were as follows:

| | TEXAS QUALITY INCOME (NTX) |
|---|-------------------------------------|
| ----- | ----- |
| Average floating rate obligations outstanding | \$3,960,000 |
| Average annual interest rate and fees | 0.52% |
| ===== | ===== |

FUTURES CONTRACTS

Each Fund is subject to interest rate risk in the normal course of pursuing its investment objectives and is authorized to invest in futures contracts in attempt to manage such risk. Upon entering into a futures contract, a Fund is required to deposit with the broker an amount of cash or liquid securities equal to a specified percentage of the contract amount. This is known as the "initial margin." Cash held by the broker to cover initial margin requirements on open futures contracts, if any, is recognized as "Deposits with brokers for open futures contracts" on the Statement of Assets and Liabilities. Subsequent payments ("variation margin") are made or received by a Fund each day, depending on the daily fluctuation of the value of the contract. Variation margin is recognized as a receivable or payable for "Variation margin on futures contracts" on the Statement of Assets and Liabilities, when applicable.

During the period the futures contract is open, changes in the value of the contract are recorded as an unrealized gain or loss by "marking-to-market" on a daily basis to reflect the changes in market value of the contract and is recognized as "Change in net unrealized appreciation (depreciation) of futures contracts" on the Statement of Operations. When the contract is closed or expired, a Fund records a realized gain or loss equal to the difference between the value of the contract on the closing date and value of the contract when originally entered into and is recognized as "Net realized gain (loss) from futures contracts" on the Statement of Operations.

Nuveen Investments 39

| Notes to
| Financial Statements (Unaudited) (continued)

Risks of investments in futures contracts include the possible adverse movement of the securities or indices underlying the contracts, the possibility that there may not be a liquid secondary market for the contracts and/or that a change in the value of the contract may not correlate with a change in the value of the underlying securities or indices. The Funds did not invest in futures contracts during the six months ended January 31, 2010.

MARKET AND COUNTERPARTY CREDIT RISK

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions. The extent of each Fund's exposure to counterparty credit

risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts expose a Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

Each Fund helps manage counterparty credit risk by entering into agreements only with counterparties Nuveen Asset Management (the "Adviser"), a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen"), believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the predetermined threshold amount.

ZERO COUPON SECURITIES

Each Fund is authorized to invest in zero coupon securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. Such securities are included in the Portfolios of Investments with a 0.000% coupon rate in their description. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

CUSTODIAN FEE CREDIT

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

INDEMNIFICATIONS

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

USE OF ESTIMATES

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

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2. FAIR VALUE MEASUREMENTS

In determining the value of each Fund's investments, various inputs are used. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - Significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of January 31, 2010:

| ARIZONA PREMIUM INCOME (NAZ) | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOT |
|------------------------------------|---------|---------------|-------------|-------------|
| Investments: | | | | |
| Municipal Bonds* | \$ -- | \$ 86,209,605 | \$2,219,975 | \$ 88,429,5 |
| ===== | | | | |
| ARIZONA DIVIDEND ADVANTAGE (NFZ) | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOT |
| Investments: | | | | |
| Municipal Bonds* | \$ -- | \$ 30,806,646 | \$248,637 | \$ 31,055,2 |
| Short-Term Investments | -- | 500,000 | -- | 500,0 |
| Total | \$ -- | \$ 31,306,646 | \$ 248,637 | \$ 31,555,2 |
| ===== | | | | |
| ARIZONA DIVIDEND ADVANTAGE 2 (NKR) | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOT |
| Investments: | | | | |
| Municipal Bonds* | \$ -- | \$ 49,858,997 | \$1,003,429 | \$ 50,862,4 |
| ===== | | | | |
| ARIZONA DIVIDEND ADVANTAGE 3 (NXE) | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOT |
| Investments: | | | | |
| Municipal Bonds* | \$ -- | \$ 59,452,173 | \$ 612,713 | \$ 60,064,8 |
| ===== | | | | |
| TEXAS QUALITY INCOME (NTX) | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOT |
| Investments: | | | | |
| Municipal Bonds* | \$ -- | \$204,436,631 | \$ 954,353 | \$205,390,9 |
| ===== | | | | |

* Refer to the Fund's Portfolio of Investments for industry breakdown of Municipal Bonds classified as Level 3.

The following is a reconciliation of each Fund's Level 3 investments held at the beginning and end of the measurement period:

ARIZONA PREMIUM ARIZONA DIVIDEND ARIZON DIVIDEN

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| | INCOME (NAZ) LEVEL 3 MUNICIPAL BONDS | ADVANTAGE (NFZ) LEVEL 3 MUNICIPAL BONDS | ADVANTAGE (NKR) LEVEL MUNICIPAL BOND |
|--|--|---|--|
| Balance at beginning of period | \$1,978,300 | \$ 221,570 | \$ 894,19 |
| Gains (losses): | | | |
| Net realized gains (losses) | -- | -- | -- |
| Net change in unrealized appreciation (depreciation) | 241,675 | 27,067 | 109,23 |
| Net purchases at cost (sales at proceeds) | -- | -- | -- |
| Net discounts (premiums) | -- | -- | -- |
| Net transfers in to (out of) at end of period fair value | -- | -- | -- |
| Balance at end of period | \$2,219,975 | \$ 248,637 | \$1,003,42 |

"Change in net unrealized appreciation (depreciation) of investments" presented on the Statement of Operations includes net appreciation (depreciation) related to securities classified as Level 3 at period end as follows:

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | ARIZONA DIVIDEND ADVANTAGE (NKR) |
|---|---------------------------------------|---|---|
| Level 3 net appreciation (depreciation) | \$ 241,675 | \$ 27,067 | \$ 109,23 |

Nuveen Investments 41

| Notes to
| Financial Statements (Unaudited) (continued)

3. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are considered to be non-hedge transactions for financial reporting purposes. The Funds did not invest in derivative instruments during the six months ended January 31, 2010.

4. FUND SHARES

COMMON SHARES

Transactions in Common shares were as follows:

| ARIZONA PREMIUM INCOME (NAZ) | ARIZONA ADVANTAGE |
|---------------------------------|----------------------|
|---------------------------------|----------------------|

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| | SIX MONTHS ENDED 1/31/10 | YEAR ENDED 7/31/09 | SIX MONTH ENDED 1/31/10 |
|--|--------------------------------|--------------------------|-------------------------------|
| ----- | | | |
| Common shares: | | | |
| Issued to shareholders due to reinvestment of distributions | -- | 944 | -- |
| Repurchased | -- | -- | -- |
| ----- | | | |
| Weighted average Common share: | | | |
| Price per share repurchased | -- | -- | -- |
| Discount per share repurchased | -- | -- | -- |
| ===== | | | |

| | ARIZONA ADVANTA | | |
|--|-------------------------------|--------------------------|-------------------------------|
| | ----- | | |
| | SIX MONTH ENDED 1/31/10 | YEAR ENDED 7/31/09 | SIX MONTH ENDED 1/31/10 |
| ----- | | | |
| Common shares: | | | |
| Issued to shareholders due to reinvestment of distributions | | | |
| Repurchased | | | |
| ----- | | | |
| Weighted average Common share: | | | |
| Price per share repurchased | | | |
| Discount per share repurchased | | | |
| ===== | | | |

PREFERRED SHARES

Transactions in Preferred shares were as follows:

| | ARIZONA PREMIUM INCOME (NAZ) | | | | |
|----------------------------|--------------------------------|--------------------------|--------------------------------|--------------------------|-------------------------------|
| | ----- | | ----- | | ----- |
| | SIX MONTHS ENDED 1/31/10 | YEAR ENDED 7/31/09 | SIX MONTHS ENDED 1/31/10 | YEAR ENDED 7/31/09 | SIX MONTH ENDED 1/31/10 |
| | SHARES | AMOUNT | SHARES | AMOUNT | SHARES |
| ----- | | | | | |
| Preferred shares redeemed: | | | | | |
| Series T | -- | \$ -- | -- | \$ -- | -- |

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| | | | | |
|-----------|----|-------|----|-------------|
| Series TH | -- | -- | 85 | 2,125,000 |
| Total | -- | \$ -- | 85 | \$2,125,000 |

42 Nuveen Investments

| | ARIZONA DIVIDEND ADVANTAGE 2 (NKR) | | | | SHA |
|----------------------------|---------------------------------------|--------|--------------------------|-------------|-----|
| | SIX MONTHS ENDED 1/31/10 | | YEAR ENDED 7/31/09 | | |
| | SHARES | AMOUNT | SHARES | AMOUNT | |
| Preferred shares redeemed: | | | | | |
| Series M | -- | \$-- | -- | \$ -- | |
| Series W | -- | -- | 75 | 1,875,000 | |
| Total | -- | \$-- | 75 | \$1,875,000 | |

Preferred shares redeemed:

Series M
Series TH

Total

5. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments) during the six months ended January 31, 2010, were as follows:

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | D ADVA |
|--|---------------------------------------|---|-----------|
|--|---------------------------------------|---|-----------|

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| | | | |
|----------------------|-------------|-------------|------|
| Purchases | \$3,866,010 | \$2,260,457 | \$1, |
| Sales and maturities | 3,370,410 | 27,060 | |

6. INCOME TAX INFORMATION

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

At January 31, 2010, the cost of investments was as follows:

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | AR DIV ADVANT |
|---------------------|---------------------------------------|---|---------------------|
| Cost of investments | \$84,992,286 | \$31,747,766 | \$50,19 |

Nuveen Investments 43

| Notes to
| Financial Statements (Unaudited) (continued)

Gross unrealized appreciation and gross unrealized depreciation of investments at January 31, 2010, were as follows:

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | A DI ADVAN |
|---|---------------------------------------|---|------------------|
| Gross unrealized: | | | |
| Appreciation | \$ 4,534,006 | \$ 951,837 | \$ 2,1 |
| Depreciation | (1,096,712) | (1,144,320) | (1,4 |
| Net unrealized appreciation (depreciation) of investments | \$ 3,437,294 | \$ (192,483) | \$ 6 |

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at July 31, 2009, the Funds' last tax year end,

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were as follows:

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | A DI ADVAN |
|---|---------------------------------------|---|------------------|
| Undistributed net tax-exempt income * | \$670,156 | \$147,439 | \$2 |
| Undistributed net ordinary income ** | -- | 11 | |
| Undistributed net long-term capital gains | -- | -- | |

* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on July 1, 2009, paid on August 3, 2009.

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

The tax character of distributions paid during the Funds' last tax year ended July 31, 2009, was designated for purposes of the dividends paid deduction as follows:

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | A DI ADVAN |
|--|---------------------------------------|---|------------------|
| Distributions from net tax-exempt income | \$3,419,031 | \$1,198,865 | \$2,0 |
| Distributions from net ordinary income** | -- | -- | |
| Distributions from net long-term capital gains | -- | -- | |

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

At July 31, 2009, the Funds' last tax year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| Expiration: | ARIZONA PREMIUM INCOME (NAZ) | A DI ADV |
|---------------|---------------------------------------|----------------|
| July 31, 2011 | \$ 359,724 | \$ |
| July 31, 2012 | 1,553,627 | |
| July 31, 2013 | -- | |
| July 31, 2014 | -- | |
| July 31, 2016 | 562,384 | 2 |

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| | | |
|---------------|-------------|-----|
| July 31, 2017 | 323,876 | 2 |
| Total | \$2,799,611 | \$4 |

The Funds have elected to defer net realized losses from investments incurred from November 1, 2008 through July 31, 2009, the Funds' last tax year end, ("post-October losses") in accordance with federal income tax regulations. Post-October losses are treated as having arisen on the first day of the current fiscal year:

| | ARIZONA PREMIUM INCOME (NAZ) | ARIZONA DIVIDEND ADVANTAGE (NFZ) | A DI ADVAN |
|-----------------------------|---------------------------------------|---|------------------|
| Post-October capital losses | \$2,566,026 | \$321,087 | \$2 |

44 Nuveen Investments

7. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

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

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

| AVERAGE DAILY NET ASSETS* | ARIZONA PREMIUM INCOME (NAZ) TEXAS QUALITY INCOME (NTX) FUND-LEVEL FEE RATE |
|---------------------------------|---|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For the next \$3 billion | .3875 |
| For net assets over \$5 billion | .3750 |

| AVERAGE DAILY NET ASSETS* | ARIZONA DIVIDEND ADVANTAGE (NFZ) ARIZONA DIVIDEND ADVANTAGE 2 (NKR) ARIZONA DIVIDEND ADVANTAGE 3 (NXE) FUND-LEVEL FEE RATE |
|-----------------------------|---|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |

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| | |
|---------------------------------|-------|
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For net assets over \$2 billion | .3750 |

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

| COMPLEX-LEVEL ASSET BREAKPOINT LEVEL* | EFFECTIVE RATE AT BREAKPOINT LEVEL |
|---------------------------------------|------------------------------------|
| \$55 billion | .2000% |
| \$56 billion | .1996 |
| \$57 billion | .1989 |
| \$60 billion | .1961 |
| \$63 billion | .1931 |
| \$66 billion | .1900 |
| \$71 billion | .1851 |
| \$76 billion | .1806 |
| \$80 billion | .1773 |
| \$91 billion | .1691 |
| \$125 billion | .1599 |
| \$200 billion | .1505 |
| \$250 billion | .1469 |
| \$300 billion | .1445 |

* The complex-level fee component of the management fee for the funds is calculated based upon the aggregate daily managed assets of all Nuveen funds, with such daily managed assets defined separately for each fund in its management agreement, but excluding assets attributable to investments in other Nuveen funds. For the complex-level and fund-level fees, daily managed assets include assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds' use of preferred stock and borrowings and investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser to limit the amount of such assets for determining managed assets in certain circumstances. As of January 31, 2010, the complex-level fee rate was .1881%.

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

Nuveen Investments 45

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

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

* From the commencement of operations.

The Adviser has not agreed to reimburse Arizona Dividend Advantage (NFZ) for any portion of its fees and expenses beyond January 31, 2011.

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

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

* From the commencement of operations.

The Adviser has not agreed to reimburse Arizona Dividend Advantage 2 (NKR) for any portion of its fees and expenses beyond March 31, 2012.

For the first eight years of Arizona Dividend Advantage 3's (NXE) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets, for fees and expenses in the amounts and for the time periods set forth below:

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

* From the commencement of operations.

The Adviser has not agreed to reimburse Arizona Dividend Advantage 3 (NXE) for any portion of its fees and expenses beyond September 30, 2010.

8. NEW ACCOUNTING PRONOUNCEMENTS

ACCOUNTING FOR TRANSFERS OF FINANCIAL ASSETS

During June 2009, the FASB issued changes to the authoritative guidance under GAAP on accounting for transfers of financial assets. The objective of this guidance is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and transferor's continuing involvement, if any, in transferred financial assets.

This guidance is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. The recognition and measurement provisions of this guidance must be applied to transfers occurring on or after the effective date. Additionally, the disclosure provisions of this guidance should be applied to transfers that occurred both before and after the effective date of this guidance. At this time, management is evaluating the implications of this guidance and the impact it will have on the financial statement amounts and disclosures, if any.

FAIR VALUE MEASUREMENTS

On January 21, 2010, FASB issued changes to the authoritative guidance under GAAP for fair value measurements. The objective of which is to provide guidance on how investment assets and liabilities are to be valued and disclosed. Specifically, the amendment requires reporting entities to disclose i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for both Level 2 and Level 3 positions, ii) transfers between all levels (including Level 1 and Level 2) on a gross basis (i.e., transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer and iii) purchases, sales, issuances and settlements in the Level 3 rollforward must be shown

46 Nuveen Investments

on a gross basis rather than as one net number. The effective date of the amendment is for interim and annual periods beginning after December 15, 2009, however, the requirement to provide the Level 3 activity for purchases, sales, issuances and settlements on a gross basis will be effective for interim and annual periods beginning after December 15, 2010. At this time the Funds are evaluating the implications of this guidance and the impact it will have to the financial statement amounts and footnote disclosures, if any.

9. SUBSEQUENT EVENTS

DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on March 1, 2010, to shareholders of record on February 15, 2010, as follows:

| | | | | |
|---------|-----------|-------------|-------------|------|
| ARIZONA | ARIZONA | ARIZONA | ARIZONA | TE |
| PREMIUM | DIVIDEND | DIVIDEND | DIVIDEND | QUAL |
| INCOME | ADVANTAGE | ADVANTAGE 2 | ADVANTAGE 3 | INC |

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| | (NAZ) | (NFZ) | (NKR) | (NXE) | () |
|--------------------|---------|----------|----------|----------|-------|
| Dividend per share | \$0.059 | \$ 0.057 | \$ 0.064 | \$ 0.062 | \$ 0. |

MUNIFUND TERM PREFERRED SHARES

Subsequent to the reporting period, Arizona Dividend Advantage (NFZ), Arizona Dividend Advantage 2 (NKR) and Arizona Dividend Advantage 3 (NXE) filed with the Securities and Exchange Commission (the "SEC") registration statements seeking to register MuniFund Term Preferred shares ("MTP"). These registration statements, declared effective by the SEC, enables the Funds to issue to the public shares of MTP to refinance all or a portion of their Preferred shares. The issuance of MTP by Arizona Dividend Advantage (NFZ), Arizona Dividend Advantage 2 (NKR) and Arizona Dividend Advantage 3 (NXE) is subject to market conditions. There is no assurance that MTP will be issued.

Nuveen Investments 47

| Financial
| Highlights(Unaudited)

Selected data for a Common share outstanding throughout each period:

| INVESTMENT OPERATIONS | | | | | | |
|--|-----------------------------|---|---|---|-------|-------|
| BEGINNING COMMON SHARE NET ASSET VALUE | NET INVESTMENT INCOME | NET REALIZED/ UNREALIZED GAIN (LOSS) | DISTRIBUTIONS FROM NET INVESTMENT INCOME TO PREFERRED SHARE- HOLDERS+ | DISTRIBUTIONS FROM CAPITAL GAINS TO PREFERRED SHARE- HOLDERS+ | TOTAL | |
| ARIZONA PREMIUM INCOME (NAZ) | | | | | | |
| Year Ended 7/31: | | | | | | |
| 2010 (b) | \$12.92 | \$.42 | \$.69 | \$ (.01) | \$ -- | \$1.1 |
| 2009 | 13.00 | .85 | (.16) | (.13) | -- | .5 |
| 2008 | 14.00 | .88 | (1.05) | (.22) | -- | (.3 |
| 2007 | 14.10 | .83 | (.10) | (.22) | -- | .5 |
| 2006 | 14.53 | .83 | (.39) | (.18) | -- | .2 |
| 2005 | 14.04 | .86 | .56 | (.09) | -- | 1.3 |
| ARIZONA DIVIDEND ADVANTAGE (NFZ) | | | | | | |
| Year Ended 7/31: | | | | | | |
| 2010 (b) | 12.66 | .42 | .92 | (.02) | -- | 1.3 |
| 2009 | 13.26 | .84 | (.67) | (.14) | -- | .0 |
| 2008 | 14.48 | .91 | (1.23) | (.25) | --*** | (.5 |
| 2007 | 14.77 | .91 | (.17) | (.24) | (.02) | .4 |
| 2006 | 15.37 | .93 | (.40) | (.20) | (.01) | .3 |
| 2005 | 15.00 | .97 | .46 | (.10) | -- | 1.3 |

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| | PREFERRED SHARES AT END OF PERIOD | | | | |
|----------------------------------|-----------------------------------|---------------------|------------------------------------|--|--------------------------|
| | ENDING COMMON | | AGGREGATE AMOUNT OUTSTANDING (000) | LIQUIDATION AND MARKET VALUE PER SHARE | ASSET COVERAGE PER SHARE |
| | SHARE NET VALUE | ENDING MARKET VALUE | | | |
| ===== | | | | | |
| ARIZONA PREMIUM INCOME (NAZ) | | | | | |
| ----- | | | | | |
| Year Ended 7/31: | | | | | |
| 2010 (b) | \$13.68 | \$13.84 | \$27,875 | \$25,000 | \$79,852 |
| 2009 | 12.92 | 12.29 | 27,875 | 25,000 | 76,798 |
| 2008 | 13.00 | 13.35 | 30,000 | 25,000 | 73,414 |
| 2007 | 14.00 | 13.07 | 30,000 | 25,000 | 77,111 |
| 2006 | 14.10 | 13.69 | 30,000 | 25,000 | 77,520 |
| 2005 | 14.53 | 15.22 | 30,000 | 25,000 | 79,019 |
| ===== | | | | | |
| ARIZONA DIVIDEND ADVANTAGE (NFZ) | | | | | |
| ----- | | | | | |
| Year Ended 7/31: | | | | | |
| 2010 (b) | 13.65 | 12.27 | 10,600 | 25,000 | 74,837 |
| 2009 | 12.66 | 12.14 | 10,600 | 25,000 | 71,238 |
| 2008 | 13.26 | 13.70 | 12,000 | 25,000 | 67,817 |
| 2007 | 14.48 | 13.35 | 12,000 | 25,000 | 71,748 |
| 2006 | 14.77 | 15.90 | 12,000 | 25,000 | 72,628 |
| 2005 | 15.37 | 16.08 | 12,000 | 25,000 | 74,485 |
| ===== | | | | | |

48 Nuveen Investments

| | RATIOS/SUPPLEMENTAL DATA | | | | | |
|------------------------------|--------------------------|--|---|---|-----------------------------|-------------------|
| | TOTAL RETURNS | | | RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT++ | | |
| | BASED ON MARKET VALUE* | BASED ON COMMON SHARE NET ASSET VALUE* | ENDING NET ASSETS APPLICABLE TO COMMON SHARES (000) | EXPENSES INCLUDING INTEREST (a) | EXPENSES EXCLUDING INTEREST | INVESTMENT INCOME |
| ===== | | | | | | |
| ARIZONA PREMIUM INCOME (NAZ) | | | | | | |
| ----- | | | | | | |
| Year Ended 7/31: | | | | | | |
| 2010 (b) | 15.57% | 8.56% | \$61,160 | 1.21%**** | 1.21%**** | 6 |
| 2009 | (2.61) | 4.73 | 57,755 | 1.33 | 1.33 | 7 |
| 2008 | 7.10 | (2.87) | 58,097 | 1.40 | 1.26 | 6 |
| 2007 | (.22) | 3.62 | 62,534 | 1.32 | 1.24 | 5 |
| 2006 | (5.62) | 1.84 | 63,024 | 1.21 | 1.21 | 5 |
| 2005 | 5.17 | 9.69 | 64,822 | 1.20 | 1.20 | 5 |
| ===== | | | | | | |

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ARIZONA DIVIDEND ADVANTAGE (NFZ)

Year Ended 7/31:

| | | | | | | |
|----------|---------|--------|--------|----------|----------|---|
| 2010 (b) | 3.74 | 10.46 | 21,131 | 1.35**** | 1.35**** | 6 |
| 2009 | (6.12) | .58 | 19,605 | 1.51 | 1.51 | 6 |
| 2008 | 7.72 | (4.09) | 20,552 | 1.58 | 1.44 | 6 |
| 2007 | (11.63) | 3.24 | 22,439 | 1.48 | 1.38 | 5 |
| 2006 | 4.54 | 2.14 | 22,862 | 1.36 | 1.36 | 5 |
| 2005 | 10.88 | 9.04 | 23,753 | 1.34 | 1.34 | 5 |

RATIOS/SUPPLEMENTAL DATA

RATIOS TO AVERAGE NET ASSETS
APPLICABLE TO COMMON SHARES
AFTER REIMBURSEMENT***

| EXPENSES INCLUDING INTEREST (a) | EXPENSES EXCLUDING INTEREST | NET INVESTMENT INCOME | PORTFOLIO TURNOVER RATE |
|---------------------------------------|-----------------------------------|-----------------------------|-------------------------------|
|---------------------------------------|-----------------------------------|-----------------------------|-------------------------------|

ARIZONA PREMIUM INCOME (NAZ)

Year Ended 7/31:

| | | | | |
|----------|-----------|-----------|-----------|----|
| 2010 (b) | 1.21%**** | 1.21%**** | 6.14%**** | 4% |
| 2009 | 1.34 | 1.34 | 7.00 | 25 |
| 2008 | 1.40 | 1.26 | 6.42 | 21 |
| 2007 | 1.32 | 1.23 | 5.82 | 13 |
| 2006 | 1.21 | 1.21 | 5.82 | 22 |
| 2005 | 1.20 | 1.20 | 5.91 | 17 |

ARIZONA DIVIDEND ADVANTAGE (NFZ)

Year Ended 7/31:

| | | | | |
|----------|----------|----------|----------|---------|
| 2010 (b) | 1.20**** | 1.20**** | 6.15**** | ---**** |
| 2009 | 1.30 | 1.30 | 6.91 | 6 |
| 2008 | 1.31 | 1.16 | 6.42 | 10 |
| 2007 | 1.14 | 1.04 | 6.08 | 19 |
| 2006 | .94 | .94 | 6.21 | 24 |
| 2005 | .89 | .89 | 6.26 | 18 |

* Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be

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

** After expense reimbursement from the Adviser, where applicable. Expense ratios do not reflect the reduction of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.

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

**** Annualized.

***** Calculates to less than 1%.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Preferred shares.

(a) The expense ratios in the above table reflect, among other things, the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, as described in Footnote 1 - Inverse Floating Rate Securities.

(b) For the six months ended January 31, 2010.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 49

| Financial
| Highlights (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

| | INVESTMENT OPERATIONS | | | | | | TOTAL |
|------------------------------------|--|-----------------------|--------------------------------------|--|--|--|-------|
| | BEGINNING COMMON SHARE NET ASSET VALUE | NET INVESTMENT INCOME | NET REALIZED/ UNREALIZED GAIN (LOSS) | DISTRIBUTIONS FROM NET INVESTMENT INCOME TO PREFERRED SHARE-HOLDERS+ | DISTRIBUTIONS FROM CAPITAL GAINS TO PREFERRED SHARE-HOLDERS+ | | |
| ===== | | | | | | | |
| ARIZONA DIVIDEND ADVANTAGE 2 (NKR) | | | | | | | |
| ----- | | | | | | | |
| Year Ended 7/31: | | | | | | | |
| 2010 (b) | \$13.46 | \$.45 | \$.78 | \$ (.02) | \$ -- | | \$1.2 |
| 2009 | 13.66 | .93 | (.29) | (.14) | -- | | .5 |
| 2008 | 14.76 | .96 | (1.03) | (.24) | (.02) | | (.3) |
| 2007 | 15.00 | .97 | (.18) | (.24) | (.01) | | .5 |
| 2006 | 15.56 | .96 | (.37) | (.20) | (.01) | | .3 |
| 2005 | 15.10 | .97 | .59 | (.11) | (.01) | | 1.4 |

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ARIZONA DIVIDEND ADVANTAGE 3 (NXE)

Year Ended 7/31:

| | | | | | | |
|----------|-------|-----|--------|-------|----|-----|
| 2010 (b) | 12.76 | .43 | .90 | (.01) | -- | 1.3 |
| 2009 | 13.07 | .88 | (.41) | (.13) | -- | .3 |
| 2008 | 14.20 | .91 | (1.15) | (.24) | -- | (.4 |
| 2007 | 14.32 | .90 | (.10) | (.25) | -- | .5 |
| 2006 | 14.62 | .88 | (.26) | (.19) | -- | .4 |
| 2005 | 14.01 | .89 | .62 | (.10) | -- | 1.4 |

PREFERRED SHARES AT END OF PERIOD

| ENDING COMMON SHARE NET ASSET VALUE | ENDING MARKET VALUE | AGGREGATE AMOUNT OUTSTANDING (000) | LIQUIDATION AND MARKET VALUE PER SHARE | ASSET COVERAGE PER SHARE |
|-------------------------------------|---------------------|------------------------------------|--|--------------------------|
|-------------------------------------|---------------------|------------------------------------|--|--------------------------|

ARIZONA DIVIDEND ADVANTAGE 2 (NKR)

Year Ended 7/31:

| | | | | | |
|----------|---------|---------|----------|----------|----------|
| 2010 (b) | \$14.30 | \$13.18 | \$16,625 | \$25,000 | \$77,475 |
| 2009 | 13.46 | 12.52 | 16,625 | 25,000 | 74,367 |
| 2008 | 13.66 | 14.00 | 18,500 | 25,000 | 70,015 |
| 2007 | 14.76 | 15.27 | 18,500 | 25,000 | 73,616 |
| 2006 | 15.00 | 15.37 | 18,500 | 25,000 | 74,277 |
| 2005 | 15.56 | 16.19 | 18,500 | 25,000 | 75,952 |

ARIZONA DIVIDEND ADVANTAGE 3 (NXE)

Year Ended 7/31:

| | | | | | |
|----------|-------|-------|--------|--------|--------|
| 2010 (b) | 13.72 | 12.65 | 18,400 | 25,000 | 82,171 |
| 2009 | 12.76 | 11.73 | 18,400 | 25,000 | 78,164 |
| 2008 | 13.07 | 13.30 | 22,000 | 25,000 | 70,546 |
| 2007 | 14.20 | 13.44 | 22,000 | 25,000 | 74,490 |
| 2006 | 14.32 | 13.52 | 22,000 | 25,000 | 74,902 |
| 2005 | 14.62 | 14.48 | 22,000 | 25,000 | 75,942 |

50 Nuveen Investments

RATIOS/SUPPLEMENTAL DATA

| TOTAL RETURNS | | | RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT++ | | | |
|-----------------|--------------------------|---------------------------------|---|--------------------|--------------------|------------|
| BASED ON MARKET | BASED ON SHARE NET ASSET | BASED ON COMMON SHARE NET ASSET | ENDING NET ASSETS APPLICABLE TO COMMON | EXPENSES INCLUDING | EXPENSES EXCLUDING | INVESTMENT |

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| | VALUE* | VALUE* | SHARES (000) | INTEREST (a) | INTEREST | INC |
|------------------------------------|--------|--------|--------------|--------------|----------|-----|
| ===== | | | | | | |
| ARIZONA DIVIDEND ADVANTAGE 2 (NKR) | | | | | | |
| ----- | | | | | | |
| Year Ended 7/31: | | | | | | |
| 2010 (b) | 8.22% | 9.00% | \$34,896 | 1.27%*** | 1.27%*** | 6 |
| 2009 | (4.99) | 4.09 | 32,829 | 1.40 | 1.40 | 6 |
| 2008 | (3.16) | (2.38) | 33,311 | 1.49 | 1.34 | 6 |
| 2007 | 4.52 | 3.59 | 35,976 | 1.39 | 1.29 | 5 |
| 2006 | .82 | 2.49 | 36,465 | 1.28 | 1.28 | 5 |
| 2005 | 16.30 | 9.74 | 37,704 | 1.27 | 1.27 | 5 |

| | | | | | | |
|------------------------------------|--------|--------|--------|---------|---------|---|
| ===== | | | | | | |
| ARIZONA DIVIDEND ADVANTAGE 3 (NXE) | | | | | | |
| ----- | | | | | | |
| Year Ended 7/31: | | | | | | |
| 2010 (b) | 10.90 | 10.35 | 42,078 | 1.22*** | 1.22*** | 6 |
| 2009 | (6.18) | 3.08 | 39,129 | 1.37 | 1.37 | 6 |
| 2008 | 3.96 | (3.48) | 40,081 | 1.46 | 1.30 | 6 |
| 2007 | 4.21 | 3.81 | 43,552 | 1.36 | 1.26 | 5 |
| 2006 | (1.80) | 3.03 | 43,913 | 1.26 | 1.26 | 5 |
| 2005 | 15.11 | 10.21 | 44,829 | 1.25 | 1.25 | 5 |

RATIOS/SUPPLEMENTAL DATA

RATIOS TO AVERAGE NET ASSETS
 APPLICABLE TO COMMON SHARES
 AFTER REIMBURSEMENT***

| | EXPENSES INCLUDING INTEREST (a) | EXPENSES EXCLUDING INTEREST | NET INVESTMENT INCOME | PORTFOLIO TURNOVER RATE |
|-------|---------------------------------------|-----------------------------------|-----------------------------|-------------------------------|
| ===== | | | | |

| | | | | |
|------------------------------------|----------|----------|----------|---------|
| ARIZONA DIVIDEND ADVANTAGE 2 (NKR) | | | | |
| ----- | | | | |
| Year Ended 7/31: | | | | |
| 2010 (b) | 1.05%*** | 1.05%*** | 6.26%*** | --%**** |
| 2009 | 1.11 | 1.11 | 7.22 | 5 |
| 2008 | 1.13 | .98 | 6.68 | 15 |
| 2007 | .96 | .86 | 6.35 | 14 |
| 2006 | .83 | .83 | 6.33 | 11 |
| 2005 | .83 | .83 | 6.21 | 11 |

| | | | | |
|------------------------------------|---------|---------|---------|----|
| ARIZONA DIVIDEND ADVANTAGE 3 (NXE) | | | | |
| ----- | | | | |
| Year Ended 7/31: | | | | |
| 2010 (b) | 1.07*** | 1.07*** | 6.30*** | 2 |
| 2009 | 1.09 | 1.09 | 7.25 | 9 |
| 2008 | 1.08 | .92 | 6.55 | 16 |
| 2007 | .88 | .78 | 6.16 | 15 |
| 2006 | .79 | .79 | 6.11 | 12 |
| 2005 | .78 | .78 | 6.10 | 15 |

* Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and

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reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

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

** After expense reimbursement from the Adviser, where applicable. Expense ratios do not reflect the reduction of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.

*** Annualized.

**** Calculates to less than 1%.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Preferred shares.

(a) The expense ratios in the above table reflect, among other things, the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, as described in Footnote 1 - Inverse Floating Rate Securities.

(b) For the six months ended January 31, 2010.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 51

| Financial
| Highlights (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

| INVESTMENT OPERATIONS | | | | | |
|---|-------------------|--------------------------------|---|---|--|
| BEGINNING COMMON SHARE NET ASSET | NET INVESTMENT | NET REALIZED/ UNREALIZED | DISTRIBUTIONS FROM NET INVESTMENT INCOME TO PREFERRED SHARE- | DISTRIBUTIONS FROM CAPITAL GAINS TO PREFERRED SHARE- | |

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| | VALUE | INCOME | GAIN (LOSS) | HOLDERS+ | HOLDERS+ | TOTAL |
|----------------------------|---------|--------|-------------|----------|-----------|--------|
| ===== | | | | | | |
| TEXAS QUALITY INCOME (NTX) | | | | | | |
| ----- | | | | | | |
| Year Ended 7/31: | | | | | | |
| 2010 (b) | \$13.84 | \$.47 | \$.72 | \$(.01) | \$ ---*** | \$1.18 |
| 2009 | 13.98 | .94 | (.17) | (.13) | (.02) | .62 |
| 2008 | 14.87 | .94 | (.83) | (.23) | (.02) | (.14) |
| 2007 | 15.06 | .95 | (.11) | (.25) | (.01) | .58 |
| 2006 | 15.46 | .96 | (.32) | (.22) | -- | .42 |
| 2005 | 15.12 | 1.00 | .41 | (.13) | -- | 1.28 |

| | PREFERRED SHARES AT END OF PERIOD | | | | |
|--|-----------------------------------|---------------------|------------------------------------|--|--------------------------|
| | ENDING COMMON SHARE | | AGGREGATE AMOUNT OUTSTANDING (000) | LIQUIDATION AND MARKET VALUE PER SHARE | ASSET COVERAGE PER SHARE |
| | NET ASSET VALUE | ENDING MARKET VALUE | | | |
| | VALUE | VALUE | | | |

| | | | | | |
|----------------------------|---------|---------|----------|----------|----------|
| ===== | | | | | |
| TEXAS QUALITY INCOME (NTX) | | | | | |
| ----- | | | | | |
| Year Ended 7/31: | | | | | |
| 2010 (b) | \$14.61 | \$15.23 | \$65,050 | \$25,000 | \$78,434 |
| 2009 | 13.84 | 14.78 | 65,050 | 25,000 | 75,543 |
| 2008 | 13.98 | 12.46 | 69,000 | 25,000 | 73,084 |
| 2007 | 14.87 | 13.89 | 69,000 | 25,000 | 76,173 |
| 2006 | 15.06 | 14.71 | 69,000 | 25,000 | 76,815 |
| 2005 | 15.46 | 16.19 | 69,000 | 25,000 | 78,159 |

52 Nuveen Investments

| RATIOS/SUPPLEMENTAL DATA | | | | | | |
|---|--|--|---|---------------------------------|-----------------------------|------|
| ----- | | | | | | |
| RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT++ | | | | | | |
| TOTAL RETURNS | | | | | | |
| BASED ON MARKET VALUE* | | BASED ON COMMON SHARE NET ASSET VALUE* | ENDING NET ASSETS APPLICABLE TO COMMON SHARES (000) | EXPENSES INCLUDING INTEREST (a) | EXPENSES EXCLUDING INTEREST | INVE |

| | | | | | | |
|----------------------------|-------|-------|-----------|-----------|-----------|--|
| ===== | | | | | | |
| TEXAS QUALITY INCOME (NTX) | | | | | | |
| ----- | | | | | | |
| Year Ended 7/31: | | | | | | |
| 2010 (b) | 5.97% | 8.58% | \$139,034 | 1.18%**** | 1.17%**** | |
| 2009 | 25.98 | 4.80 | 131,513 | 1.27 | 1.26 | |

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| | | | | | |
|------|--------|--------|---------|------|------|
| 2008 | (5.16) | (1.04) | 132,713 | 1.26 | 1.21 |
| 2007 | (.52) | 3.82 | 141,238 | 1.24 | 1.18 |
| 2006 | (4.03) | 2.77 | 143,009 | 1.19 | 1.19 |
| 2005 | 17.83 | 8.61 | 146,718 | 1.18 | 1.18 |

RATIOS/SUPPLEMENTAL DATA

RATIOS TO AVERAGE NET ASSETS
 APPLICABLE TO COMMON SHARES
 AFTER REIMBURSEMENT+***

| EXPENSES INCLUDING INTEREST (a) | EXPENSES EXCLUDING INTEREST | NET INVESTMENT INCOME | PORTFOLIO TURNOVER RATE |
|---------------------------------------|-----------------------------------|-----------------------------|-------------------------------|
|---------------------------------------|-----------------------------------|-----------------------------|-------------------------------|

TEXAS QUALITY INCOME (NTX)

Year Ended 7/31:

| | | | | |
|----------|-----------|-----------|-----------|----|
| 2010 (b) | 1.18%**** | 1.17%**** | 6.45%**** | 3% |
| 2009 | 1.26 | 1.26 | 7.07 | 10 |
| 2008 | 1.26 | 1.21 | 6.46 | 8 |
| 2007 | 1.24 | 1.18 | 6.24 | 9 |
| 2006 | 1.20 | 1.20 | 6.31 | 13 |
| 2005 | 1.18 | 1.18 | 6.42 | 14 |

* Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

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

** After expense reimbursement from the Adviser, where applicable. Expense ratios do not reflect the reduction of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.

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

**** Annualized.

+ The amounts shown are based on Common share equivalents.

- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Preferred shares.
- (a) The expense ratios in the above table reflect, among other things, the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, as described in Footnote 1 - Inverse Floating Rate Securities.
- (b) For the six months ended January 31, 2010.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 53

Reinvest Automatically,
Easily and Conveniently

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

NUVEEN CLOSED-END FUNDS AUTOMATIC REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the shares may increase

before purchases are completed, the average purchase price

54 Nuveen Investments

per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBLE

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

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

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

CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS

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

Nuveen Investments 55

Glossary of Terms Used in this Report

- o AUCTION RATE BOND: An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have "failed," with current holders receiving a formula-based interest rate until the next scheduled auction.
- o AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.
- o AVERAGE EFFECTIVE MATURITY: The average of the number of years to maturity of the bonds in a Fund's portfolio, computed by weighting each bond's time to maturity (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions unless an escrow account has been established

to redeem the bond before maturity. The market value weighting for an investment in an inverse floating rate security is the value of the portfolio's residual interest in the inverse floating rate trust, and does not include the value of the floating rate securities issued by the trust.

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

56 Nuveen Investments

- o LEVERAGE-ADJUSTED DURATION: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.
- o MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.
- o NET ASSET VALUE (NAV): A Fund's NAV per common share is calculated by subtracting the liabilities of the Fund (including any Preferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of common shares outstanding. Fund NAVs are calculated at the end of each business day.
- o PRE-REFUNDING: Pre-refunding, also known as advanced refundings or refinancings, is a procedure used by state and local governments to refinance municipal bonds to lower interest expenses. The issuer sells new bonds with a lower yield and uses the proceeds to buy U.S. Treasury securities, the interest from which is used to make payments on the higher-yielding bonds. Because of this collateral, pre-refunding generally raises a bond's credit rating and thus its value.
- o TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.
- o ZERO COUPON BOND: A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Tax-exempt income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pay interest periodically.

Notes

58 Nuveen Investments

Notes

Notes

60 Nuveen Investments

Other Useful Information

BOARD OF
DIRECTORS/TRUSTEES
John P. Amboian
Robert P. Bremner
Jack B. Evans
William C. Hunter
David J. Kundert
William J. Schneider
Judith M. Stockdale
Carole E. Stone
Terence J. Toth

FUND MANAGER
Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN
State Street Bank & Trust
Company
Boston, MA

TRANSFER AGENT AND
SHAREHOLDER SERVICES
State Street Bank & Trust
Company
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071
(800) 257-8787

LEGAL COUNSEL
Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

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Ernst & Young LLP
Chicago, IL

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

You may obtain (i) each Fund's quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the twelve-month period ended June 30, 2009, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at (202) 942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public References Section at 100 F Street NE, Washington, D.C. 20549.

CEO CERTIFICATION DISCLOSURE

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

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

COMMON AND PREFERRED SHARE INFORMATION

Each Fund intends to repurchase and/or redeem shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Funds did not repurchase and/or redeemed shares of their common and/or preferred stock. Any future repurchases and/or redemptions will be reported to shareholders in the next annual or semi-annual report.

Nuveen Investments 61

Nuveen Investments:
Serving Investors for Generations

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

FOCUSED ON MEETING INVESTOR NEEDS.

Nuveen Investments is a global investment management firm that seeks to help secure the long-term goals of institutions and high net worth investors as well as the consultants and financial advisors who serve them. We market our growing range of specialized investment solutions under the high-quality brands of HydePark, NWQ, Nuveen, Santa Barbara, Symphony, Tradewinds and Winslow Capital. In total, Nuveen Investments managed approximately \$145 billion of assets on December 31, 2009.

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FIND OUT HOW WE CAN HELP YOU.

To learn more about how the products and services of Nuveen Investments may be able to help you meet your financial goals, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain a prospectus, which contains this and other relevant information. To obtain a prospectus, please contact your securities representative or NUVEEN INVESTMENTS, 333 W. WACKER DR., CHICAGO, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at: WWW.NUVEEN.COM/CEF

- o Share prices
- o Fund details
- o Daily financial news
- o Investor education
- o Interactive planning tools

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

ESA-A-0110D

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) See Portfolio of Investments in Item 1.

(b) Not applicable.

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

Not applicable to this filing.

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

Not applicable to this filing.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board of Directors or Trustees implemented after the registrant last provided disclosure in response to this Item.

ITEM 11. CONTROLS AND PROCEDURES.

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

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable to this filing.

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: See Ex-99.CERT attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons: Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of

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that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: See Ex-99.906 CERT attached hereto.

SIGNATURES

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

(Registrant) Nuveen Arizona Premium Income Municipal Fund, Inc.

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

Kevin J. McCarthy
(Vice President and Secretary)

Date: April 9, 2010

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

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

Gifford R. Zimmerman
Chief Administrative Officer
(principal executive officer)

Date: April 9, 2010

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

Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: April 9, 2010
