NUVEEN NEW JERSEY DIVIDEND ADVANTAGE MUNICIPAL FUND
Form N-CSRS
January 07, 2016

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 811-09455

Nuveen New Jersey Dividend Advantage Municipal Fund
(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: April 30

Date of reporting period: October 31, 2015

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.

ITEM 1. REPORTS TO STOCKHOLDERS.

Table of Contents

Chairman's Letter to Shareholders

Dear Shareholders,

For better or for worse, the financial markets spent most of the past year waiting for the U.S. Federal Reserve (Fed) to end its accommodative monetary policy. The policy has propped up stock and bond markets since the Great Recession, but the question remains: how will markets behave without its influence? This uncertainty was a considerable source of volatility for stock and bond prices for much of 2015, despite the Fed carefully conveying its intention to raise rates slowly and only when the economy shows evidence of readiness.

As was widely expected, the long-awaited Fed rate hike materialized in mid-December. While the move was interpreted as a vote of confidence on the economy's underlying strength, the Fed emphasized that future rate increases will be gradual and guided by its ongoing assessment of financial conditions. How efficiently the financial markets process the confluence of rising borrowing costs, softer commodity prices, stubbornly low U.S. inflation, and a strong U.S. dollar, against a backdrop of anemic global economic growth, remains to be seen.

Nevertheless, the global recovery continues to be led by the United States. Policy makers in Europe and Japan are deploying their available tools to try to bolster their economies' fragile growth, while Chinese authorities have stepped up efforts to manage China's slowdown. With sentiment regarding China growing increasingly bearish and the Fed now working toward normalizing its interest-rate policy, the actions of the world's central banks remain under intense scrutiny.

In the meantime, asset prices could continue to churn as risks both known and unknown begin to emerge. In times like these, you can look to a professional investment manager with the experience and discipline to maintain the proper perspective on short-term events. And if the daily headlines do concern you, I encourage you to reach out to your financial advisor. Your financial advisor can help you evaluate your investment strategies in light of current events, your time horizon and risk tolerance.

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

Sincerely,

William J. Schneider
Chairman of the Board
December 21, 2015

Portfolio Manager's Comments
Nuveen New Jersey Dividend Advantage Municipal Fund (NXJ)
Nuveen New Jersey Municipal Value Fund (NJV)
Nuveen Pennsylvania Investment Quality Municipal Fund (NQP)
Nuveen Pennsylvania Municipal Value Fund (NPN)

These Funds feature portfolio management by Nuveen Asset Management, LLC, an affiliate of Nuveen Investments, Inc. Portfolio manager Paul L. Brennan, CFA, reviews key investment strategies and the six-month performance of the Nuveen New Jersey and Pennsylvania Funds. Paul assumed portfolio management responsibility for these four Funds in 2011.

What key strategies were used to manage these Funds during the six-month reporting period ended October 31, 2015?

During this six-month reporting period, municipal bonds sold off in June and July as strengthening U.S. economic data increased the probability of the U.S. Federal Reserve (Fed) raising its benchmark interest rate possibly as early as September, but then rallied late in the reporting period as weaker economic data abroad caused those expectations to be reassessed. Overall, municipal bond yields, which move inversely to prices, ended the reporting period slightly lower than where they began. In general, Pennsylvania municipal paper slightly outperformed the national market, while municipal bonds issued in New Jersey tended to lag the overall municipal market return for the reporting period. During this time, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that we believed had the potential to perform well over the long term.

National municipal supply was down 4.4% over this six-month reporting period compared to the prior six-month period (November 2014 through April 2015). Pennsylvania issuance saw an even larger drop, decreasing 18.6%, while New Jersey's supply rose 19.5% in gross issuance for the same time period comparison. State-level issuance can be volatile relative to the national level, depending on the size and frequency of deals coming to market in an individual state over a given period. In this case, New Jersey tapped the capital markets in this reporting period through the sale of two fairly large issues, which boosted the state's overall supply. In contrast, Pennsylvania's declining supply reflects the state's robust issuance in the prior six-month reporting period, with fewer deals in this current reporting period. Although municipal supply fell slightly, refunding activity continued at a robust pace, as bond issuers, prompted by low interest rates, sought to lower debt service costs by retiring older bonds from the proceeds of lower cost new bond issues.

Much of our investment activity focus was on reinvesting the cash generated by current calls into bonds with intermediate and longer maturities that could help us offset the decline in rates and maintain investment performance potential. We also boosted the Funds' exposure to credits with lower investment grade ratings, including A, BBB and BB rated bonds. These Funds were well positioned coming into the reporting period, so we could be selective in looking for opportunities to purchase bonds that added value and continued to help us achieve our goals for the 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 manager 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.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc., (Moody's) or Fitch, Inc. (Fitch). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Bond insurance guarantees only the payment of principal and interest on the bond when due, and not the value of the bonds themselves, which will fluctuate with the bond market and the financial success of the issuer and the insurer. Insurance relates specifically to the bonds in the portfolio and not to the share prices of a Fund. No representation is made as to the insurers' ability to meet their commitments.

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

Portfolio Manager's Comments (continued)

For the New Jersey Funds, given the State of New Jersey's ongoing fiscal challenges, we continued to limit exposure to state-supported obligations and instead emphasized opportunities at the local (county and city/township) level, where many higher rated borrowers were issuing debt that we found attractive. Although the higher ratings of these local bonds offered lower yields, we believed the trade-off was worthwhile given the State's recent credit downgrade, the relative underperformance of state-supported bonds and our goal to keep the Funds fully invested. For those opportunities that did have a state-backed component, we tried to mitigate that exposure where possible. For example, in the education sector, we bought some credits issued for New Jersey public colleges that not only receive support from the state but also charge tuition, providing a more diverse revenue stream and the ability to raise tuition if needed. Also within the education sector, we added some New Jersey Higher Education Student Loan revenue bonds.

Another notable purchase for the New Jersey Funds during this reporting period was one of the two large issues New Jersey sold in late August, a bond issued for the New Jersey Economic Development Authority (EDA). Prior to the bond's issuance, New Jersey's municipal market sold off and yield spreads widened, as investors continued to worry about the state's fiscal health and downgraded credit situation (as described in the performance section). We bought a position in the EDA credits and remain watchful of the situation. Another area of caution in the New Jersey municipal market has been Atlantic City, which has been mired in financial crisis. However, the New Jersey Funds have no exposure to the city's debt and we remained more focused on the concerns at the state level.

The overall positioning in the Pennsylvania Funds also remained relatively unchanged over this reporting period. As in the New Jersey Funds, NQP and NPN also tilted slightly toward lower rated credits as the period progressed. From a sector standpoint, the Pennsylvania Funds' U.S. guaranteed sector allocation rose during the reporting period, due to a number of advance refundings (which are typically escrowed in U.S. Treasury securities) rather than an active trading strategy. Additions to NQP and NPN included bonds issued for Albert Einstein Medical Center, a hospital in the Philadelphia suburbs and some utility projects. We continued to minimize exposure to Pennsylvania's state government-backed bonds, as its fiscal situation is hampered by an aging population, a lagging jobs recovery and pension legacy issues, to name a few concerns.

Cash for purchases was generated primarily by proceeds from called and matured bonds, which we worked to redeploy to keep the Funds fully invested and support their income streams. As previously mentioned, call activity was elevated during the reporting period, providing ample cash and driving much of our trading. In NXJ and NJV, we continued to carefully manage exposure to New Jersey State-backed bonds in favor of county and municipality issuers. Furthermore, as the fundamentals and the outlook for the Commonwealth of Puerto Rico continued to deteriorate, all four Funds further reduced their allocations to Puerto Rico holdings, with NJV and NPN selling all of their remaining exposure before the end of the reporting period. NXJ sold some bonds issued for schools on the Island. Although the schools had no direct ties to the government, we believed their bonds faced ratings pressure due to a declining fundamental backdrop, as the population has continued to decline and college-age students have been leaving the Island.

As of October 31, 2015, all of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement. As part of our duration management strategies, NXJ also invested in forward interest rates swap contracts to help reduce price volatility risk to movements in U.S. interest rates relative to the Fund's benchmark. Since interest rates generally decrease during the reporting periods, the swaps had a negative impact on performance.

How did the Funds perform during the six-month reporting period ended October 31, 2015?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide the Funds' total returns for the six-month, one-year, five-year, ten-year and since inception periods ended October 31, 2015. Each Fund's total returns at common share net asset value (NAV) are compared with the performance of corresponding market indexes and Lipper classification averages. For the six months ended October 31, 2015, the total returns at common share NAV for NXJ and NQP exceeded the returns for their respective state's S&P Municipal Bond Index as well as the national S&P Municipal Bond Index, while NJV and NPN trailed their respective state's S&P Municipal Bond Index and the national S&P Municipal Bond Index. For the same period, NXJ outpaced the average return for the Lipper New Jersey Municipal Debt Funds Classification Average, but NJV lagged the average. NQP outperformed the Lipper Pennsylvania Municipal Debt Funds Classification Average, while NPN underperformed this Lipper average for the six-month reporting period.

Key management factors that influenced the Funds' returns included duration and yield curve positioning, credit exposure and sector allocation. Keeping the Funds fully invested throughout the reporting period also was beneficial for performance. In addition, the use of regulatory leverage was an important positive factor affecting the performance of NXJ and NQP. The main reason that NJV and NPN trailed the other corresponding state Funds in this report for the six-month reporting period was that these two Funds do not use regulatory leverage and had in place only modest effective leverage. Leverage is discussed in more detail later in the Fund Leverage section of this report.

Municipal bonds with intermediate and longer maturities generally outperformed those with shorter maturities. In general, the Funds' durations and yield curve positioning were positive for performance. Consistent with our long term strategy, these Funds tended to have longer durations than their respective states' municipal markets, with overweightings in the longer parts of the yield curve that performed well and underweightings in the underperforming shorter end of the curve. This was especially true in NXJ, which had the longest duration among the four Funds and its greater sensitivity to changes in interest rates benefited NXJ's performance.

During this reporting period, lower rated bonds generally outperformed higher quality bonds. Investors have been more willing to accept risk, as credit fundamentals have broadly continued to improve (with notable exceptions, such as State of New Jersey and to a lesser extent Commonwealth of Pennsylvania) and demand for higher yielding assets remained robust in the low interest rate environment. These Funds tended to have overweights in A rated and BBB rated bonds and underweights in the AAA rated and AA rated categories relative to their benchmark. Credit exposure was a positive contributor to the two Pennsylvania Funds' performance, but had less impact on the two New Jersey Funds' returns.

The performance of NXJ and NJV was primarily driven by the overall weakening in issues tied to the State of New Jersey during this reporting period. New Jersey state general obligation bonds (GOs) underperformed as the market continued to penalize these bonds for credit downgrades by all three major rating agencies. As of April 2015, New Jersey state GO debt ratings were A2/A/A by Moody's S&P and Fitch (with negative outlooks by Moody's and Fitch) and New Jersey appropriation-backed debt was rated A3/A-/A- by Moody's, S&P and Fitch, respectively, also with negative outlooks by Moody's and Fitch. Relative to the state benchmark index, the New Jersey Funds have underweight exposure to the State of New Jersey, which was generally advantageous to relative performance. However, on absolute terms, gains in NXJ and NJV were tempered by the lagging performance of bond issues tied to the State of New Jersey.

Pennsylvania faces some of the same budgetary and pension issues as New Jersey although to a lesser degree. Pennsylvania's budget was due July 1st, but legislators remained at an impasse as of the close of this reporting period. In mid-October, Moody's issued a negative outlook, citing concerns about the state's fiscal imbalances and its political gridlock, and signaled the potential for another credit downgrade. Pennsylvania already saw the ratings on its GO debt lowered in 2014, from Aa2/AA/AA to Aa3/AA-/AA-as of October 2014. The Pennsylvania Funds have less exposure to their state GOs than the New Jersey Funds have to New Jersey GOs, as Pennsylvania's municipal bond market offers a broader range of non-GO opportunities than New Jersey's market.

Although state GOs were an underperforming segment of the market and a detractor from the performance of these four Funds, sector positioning was generally beneficial to relative performance. The health care sector was a positive contributor to all four Funds, especially for NXJ and NJV. The health care sector has been an attractive source of ideas for us. The advent of the Affordable Health Care Act has encouraged health care providers to increase the scale of their businesses through affiliations and consolidations. Consolidation activity has been particularly strong in New Jersey, to the benefit of the New Jersey Funds' health care holdings. Tobacco settlement bonds also provided relative gains for the New Jersey Funds. Tobacco settlement bonds, which are repaid from the money U.S. tobacco companies owe to states under the 1998 Master Settlement Agreement, performed well during this reporting period. Several positive developments drove the rally, including a potential rise in tobacco shipments after a decade of declines, as well as a favorable litigation outcome for the State of New York that bodes well for the other states still in dispute with tobacco companies. In the Pennsylvania Funds, toll roads were another standout performer, with strong results from bonds issued for the Pennsylvania State Turnpike Commission and two toll bridge projects that connect New Jersey, Delaware and Pennsylvania. The projects are managed by bi-state agencies, the Delaware River Port Authority and the Delaware River Joint Toll Bridge, and the bonds they issue are tax-exempt in both of their respective states. Additionally, good performance from a retirement facility credit added value to NQP and NPN during this reporting period.

The poorest performing market segment for the reporting period was pre-refunded bonds, which are often backed by U.S. Treasury securities. The underperformance of these bonds relative to the market can be attributed primarily to their shorter effective maturities and higher credit quality. All of these Funds had allocations of pre-refunded bonds, with the two Pennsylvania Funds having the heaviest weightings.

An Update Involving Puerto Rico

As noted in the Funds' previous shareholder reports, we continue to monitor situations in the broader municipal market for any impact on the Funds' holdings and performance: the ongoing economic problems of Puerto Rico is one such case. Puerto Rico's continued economic weakening, escalating debt service obligations, and long-standing inability to deliver a balanced budget led to multiple downgrades on its debt over the past two years. Puerto Rico has warned investors since 2014 that the island's debt burden may be unsustainable and the Commonwealth has been exploring various strategies to deal with this burden, including Chapter 9 bankruptcy, which is currently not available by law.

In terms of Puerto Rico holdings, shareholders should note that, as of the end of this reporting period, NXJ and NQP had limited exposure to Puerto Rico debt, 0.60% and 0.67%, respectively, at the end of the reporting period, while NJV and NPN did not hold any Puerto Rico bonds at period-end. The Puerto Rico credits offered higher yields, added diversification and triple exemption (i.e., exemption from most federal, state and local taxes). Puerto Rico general obligation debt is currently rated Caa2/CC/CC (below investment grade) by Moody's, S&P and Fitch, respectively, with negative outlooks.

Fund Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of the Funds relative to their comparative benchmarks was the Funds' use of leverage through their issuance of preferred shares and/or investments in inverse floating rate securities, which represent leveraged investments in underlying bonds. As mentioned previously, NJV and NPN do not use regulatory leverage. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income, particularly in the recent market environment where short-term market rates are at or near historical lows, meaning that the short-term rates the Fund has been paying on its leveraging instruments have been much lower than the interest the Fund has been earning on its portfolio of long-term bonds that it has bought with the proceeds of that leverage. However, use of leverage also can expose the Fund to additional price volatility. When a Fund uses leverage, the Fund will experience a greater increase in its net asset value if the municipal bonds acquired through the use of leverage increase in value, but it will also experience a correspondingly larger decline in its net asset value if the bonds acquired through leverage decline in value, which will make the Fund's net asset value more volatile, and its total return performance more variable over time. In addition, income in levered funds will typically decrease in comparison to unlevered funds when short-term interest rates increase and increase when short-term interest rates decrease. Leverage made a positive contribution to the performance of these Funds over this reporting period.

As of October 31, 2015, the Funds' percentages of leverage are as shown in the accompanying table.

	NXJ	NJV	NQP	NPN
Effective Leverage*	38.78%	9.14%	36.72%	2.65%
Regulatory Leverage*	32.39%	N/A	31.15%	N/A

* Effective Leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values, in addition to any regulatory leverage. Regulatory leverage consists of preferred shares issued or borrowings of a Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

N/A The Fund does not use Regulatory leverage.

Fund Leverage (continued)

THE FUNDS' REGULATORY LEVERAGE

As of October 31, 2015, NXJ and NQP have issued and outstanding, Variable Rate MuniFund Term Preferred (VMTP) Shares and Variable Rate Demand Preferred (VRDP) Shares as shown in the accompanying table. As mentioned previously, NJV and NPN do not use regulatory leverage.

	VMTP Shares		VRDP Shares		
	Series	Shares Issued at Liquidation Value	Series	Shares Issued at Liquidation Value	Total
NXJ	—	—	1	$81,000,000	
	—	—	2	$144,300,000	
	—	—	3	$88,600,000	
				$313,900,000	$313,900,000
NQP	2017	$48,000,000	2	$112,500,000	
	—	—	3	$105,000,000	
		$48,000,000		$217,500,000	$265,500,000

Refer to Notes to Financial Statements, Note – 4 Fund Shares, Preferred Shares for further details on VMTP and VRDP Shares and each Fund's respective transactions.

Common Share Information

COMMON SHARE DISTRIBUTION INFORMATION

The following information regarding the Funds' distributions is current as of October 31, 2015. Each Fund's distribution levels may vary over time based on each Fund's investment activity and portfolio investments value changes.

During the current reporting period, each Fund's distributions to common shareholders were as shown in the accompanying table.

	Per Common Share Amounts			
Ex-Dividend Date	NXJ	NJV	NQP	NPN
May 2015	$0.0680	$0.0500	$0.0690	$0.0520
June	0.0680	0.0490	0.0690	0.0520
July	0.0680	0.0490	0.0690	0.0520
August	0.0680	0.0490	0.0690	0.0520
September	0.0680	0.0490	0.0690	0.0520
October 2015	0.0680	0.0490	0.0690	0.0520
Market Yield*	6.18 %	4.07 %	6.19 %	4.19 %
Taxable-Equivalent Yield*	9.17 %	6.04 %	8.87 %	6.00 %

* Market Yield is based on the Fund's current annualized monthly dividend divided by the Fund's current market price as of the end of the reporting period. Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.6% and 30.2% for New Jersey and Pennsylvania, respectively. When comparing a Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

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

As of October 31, 2015, the Funds had positive UNII balances, based upon our best estimate, for tax purposes and positive UNII balances for financial reporting purposes.

All monthly dividends paid by each Fund during the current reporting period were paid from net investment income. If a portion of the Fund's monthly distributions was sourced from or comprised of elements other than net investment income, including capital gains and/or a return of capital, shareholders would have received a notice to that effect. For financial reporting purposes, the composition and per share amounts of each Fund's dividends for the reporting period are presented in this report's Statement of Changes in Net Assets and Financial Highlights, respectively. For income tax purposes, distribution information for each Fund as of its most recent tax year end is presented in Note 6 — Income Tax Information within the Notes to Financial Statements of this report.

Common Share Information (continued)

COMMON SHARE REPURCHASES

During August 2015, the Funds' Board of Trustees reauthorized an open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding shares.

As of October 31, 2015, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired their outstanding common shares as shown in the accompanying table.

	NXJ	NJV	NQP	NPN
Common shares cumulatively repurchased and retired	569,400	15,000	363,400	0
Common shares authorized for repurchase	4,285,000	155,000	3,780,000	120,000

During the current reporting period, the following Funds repurchased and retired their common shares at a weighted average price per common share and a weighted average discount per common share as shown in the accompanying table.

	NXJ	NQP
Common shares repurchased and retired	434,400	121,000
Weighted average price per common share repurchased and retired	$12.84	$13.12
Weighted average discount per common share repurchased and retired		