

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
Form N-Q  
September 27, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT  
COMPANY

Investment Company Act file number 811-10345

Nuveen Dividend Advantage Municipal Fund 3  
(Exact name of registrant as specified in charter)

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

Kevin J. McCarthy  
Vice President and Secretary  
333 West Wacker Drive, Chicago, Illinois 60606  
(Name and address of agent for service)

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

Date of fiscal year end: 10/31

Date of reporting period: 7/31/13

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q 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 the 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. § 3507.



## Item 1. Schedule of Investments

## Portfolio of Investments (Unaudited)

Nuveen Dividend Advantage Municipal Fund 3  
(NZF)  
July 31, 2013

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Long-Term Investments – 141.1% (98.7% of Total Investments)			
	Municipal Bonds – 140.5% (98.3% of Total Investments)			
	Alabama – 0.6% (0.4% of Total Investments)			
\$ 3,500	Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006C-2, 5.000%, 11/15/36 (UB)	11/16 at 100.00	AA+ \$	3,505,005
	Alaska – 0.1% (0.1% of Total Investments)			
1,000	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46	6/14 at 100.00	B+	733,070
	Arizona – 2.2% (1.6% of Total Investments)			
3,390	Arizona State Transportation Board, Highway Revenue Bonds, Series 2008, Trust 3141, 13.352%, 7/01/16 (IF)	No Opt. Call	AAA	3,921,383
	Phoenix Civic Improvement Corporation, Arizona, Subordinate Excise Tax Revenue Bonds, Civic Plaza Expansion Project, Series 2005A, 5.000%, 7/01/30 – FGIC Insured	7/15 at 100.00	AA	5,211,600
	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc	No Opt. Call	A–	3,643,364
12,190	Prepay Contract Obligations, Series 2007, 5.000%, 12/01/37			12,776,347
	Total Arizona			
	California – 13.4% (9.3% of Total Investments)			
1,670	California Health Facilities Financing Authority, Refunding Revenue Bonds, Stanford	11/21 at 100.00	AA–	1,724,809

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	Hospital and Clinics, Series 2008A-2. RMKT, 5.250%, 11/15/40			
3,400	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2009B, 5.500%, 10/01/39	10/19 at 100.00	AA	3,662,616
2,900	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, 2007A, 5.000%, 11/15/42 (UB)	11/16 at 100.00	AA-	2,847,278
5,355	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.529%, 5/15/14 (IF)	No Opt. Call	AA-	6,315,633
20	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 – NCFG	12/13 at 100.00	AA	20,024
8,820	Insured (Alternative Minimum Tax) Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement	6/15 at 100.00	AA-	8,546,315
900	Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 – AGC Insured			
11,865	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: 5.000%, 6/01/33	6/17 at 100.00	B	733,356
	5.125%, 6/01/47	6/17 at 100.00	B	8,472,678
7,150	Grossmont Healthcare District, California, General Obligation Bonds, Series 2011B, 6.125%, 7/15/40	7/21 at 100.00	Aa2	8,058,336
10,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2011A, 5.000%, 7/01/41	1/21 at 100.00	AA	10,318,300
2,750	Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding	1/22 at 100.00	A	2,661,038
12,000	Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2012, 4.500%, 1/01/27 (Alternative Minimum Tax)			
	Palomar Pomerado Health, California, General Obligation Bonds, Convertible Capital Appreciation, Election 2004 Series 2010A, 0.000%, 8/01/40	8/30 at 100.00	A+	8,265,360
3,850	Placentia-Yorba Linda Unified School District, Orange County, California, Certificates of	10/25 at 100.00	AA-	3,468,273

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	Participation, Series 2011, 0.000%, 10/01/28 – AGM Insured Riverside County Transportation Commission, California, Toll Revenue Senior Lien Bonds, Series	6/23 at 100.00	BBB–	204,100
205	2013A, 5.750%, 6/01/44 San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series	12/21 at 100.00	BB	3,992,650
3,550	2011, 7.500%, 12/01/41 San Diego Community College District, California, General Obligation Bonds, Tender Option Bond	8/21 at 100.00	AA+	3,336,240
3,000	Trust 1005, 13.936%, 8/01/41 (IF) (5) San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue	No Opt. Call	A	2,588,100
10,000	Refunding Bonds, Series 1997A, 0.000%, 1/15/35 – NPF Insured San Mateo County Community College District, California, General Obligation Bonds, Series	No Opt. Call	Aaa	1,349,820
3,000	2006C, 0.000%, 9/01/30 – NPF Insured Total California			76,564,926
90,435	Colorado – 4.4% (3.1% of Total Investments) Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Montessori Peaks Academy, Series 2006A, 5.400%, 5/01/26	5/16 at 102.00	N/R	2,473,365
2,805	Compark Business Campus Metropolitan District, Colorado, General Obligation Limited Tax Bonds, Series 2007A, 5.600%, 12/01/34 – RAAI Insured	12/17 at 100.00	N/R	4,324,000
5,000	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006:			
5,365	5.000%, 11/15/23 – FGIC Insured	11/16 at 100.00	A+	5,860,350
3,300	5.000%, 11/15/24 – FGIC Insured	11/16 at 100.00	A+	3,555,783
4,335	5.000%, 11/15/25 – FGIC Insured Maher Ranch Metropolitan District 4, Colorado, General Obligation Limited Tax Bonds, Series 2007:	11/16 at 100.00	A+	4,585,866
950	5.125%, 12/01/27 – RAAI Insured	12/17 at 100.00	N/R	871,606
2,000	5.250%, 12/01/36 – RAAI Insured	12/17 at 100.00	N/R	1,693,200
1,000	Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds,	6/14 at 101.00	N/R (4)	1,074,230

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	Series 2003, 8.000%, 12/01/25 (Pre-refunded 6/01/14) Regional Transportation District, Colorado, Certificates of Participation, Series 2010A, 5.375%, 6/01/31	6/20 at 100.00	Aa3	662,269
630				
25,385	Total Colorado Connecticut – 0.3% (0.2% of Total Investments) Connecticut Health and Educational Facilities Authority, Revenue Bonds, Hartford Healthcare, Series 2011A, 5.000%, 7/01/41			25,100,669
1,500	District of Columbia – 2.0% (1.4% of Total Investments) Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Senior Lien Refunding Series 2007A, 4.500%, 10/01/30 – AMBAC Insured	7/21 at 100.00	A	1,474,440
10,000	Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Senior Lien Refunding Series 2007A, 4.500%, 10/01/30 – AMBAC Insured	10/16 at 100.00	AA+	10,028,700
1,335	Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Tender Option Bond Trust 1606, 11.776%, 10/01/30 – AMBAC Insured (IF) (5)	10/16 at 100.00	AA+	1,346,481
11,335	Total District of Columbia Florida – 4.2% (3.0% of Total Investments) Broward County, Florida, Airport System Revenue Refunding Bonds, Series 2009O, 5.375%, 10/01/29			11,375,181
4,980	Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Refunding Series 2012A, 5.000%, 10/01/31 (Alternative Minimum Tax)	10/19 at 100.00	A+	5,342,494
1,950	Miami-Dade County, Florida, Subordinate Special Obligation Refunding Bonds Series 2012B, 5.000%, 10/01/37	No Opt. Call	A	1,920,146
800	Miami-Dade County, Florida, Transit System Sales Surtax Revenue Bonds, Series 2012, 5.000%, 7/01/42	10/22 at 100.00	A+	786,720
6,850	Orange County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G:	7/22 at 100.00	AA	6,943,160
1,105	5.400%, 12/01/32 – AGM Insured	12/13 at 100.00	AA–	1,105,586
2,195	5.450%, 12/01/41 – AGM Insured South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System	12/13 at 100.00	AA–	2,195,724
5,455		8/17 at 100.00	AA	5,430,016

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70	Obligation Group, Series 2007, 5.000%, 8/15/42 (UB) (5) Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible, Capital Appreciation, Series 2012A-2, 0.000%, 5/01/39	5/17 at 100.00	N/R	51,867
200	Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible, Capital Appreciation, Series 2012A-3, 0.000%, 5/01/40	5/19 at 100.00	N/R	120,914
85	Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible, Capital Appreciation, Series 2012A-4, 0.000%, 5/01/40	5/22 at 100.00	N/R	38,111
110	Tolomato Community Development District, Florida, Special Assessment Bonds, Hope Note, Series 2007-3, 6.650%, 5/01/40 (6)	5/18 at 100.00	N/R	1
15	Tolomato Community Development District, Florida, Special Assessment Bonds, Non Performing Parcel Series 2007-1. RMKT, 6.650%, 5/01/40 (6)	5/18 at 100.00	N/R	11,085
200	Tolomato Community Development District, Florida, Special Assessment Bonds, Refunding Series 2012A-1, 6.650%, 5/01/40	5/17 at 100.00	N/R	193,088
475	Tolomato Community Development District, Florida, Special Assessment Bonds, Southern/Forbearance Parcel Series 2007-2, 6.650%, 5/01/40 (6)	5/18 at 100.00	N/R	178,733
24,490	Total Florida Georgia – 6.4% (4.5% of Total Investments)			24,317,645
15,205	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2010C, 5.250%, 1/01/30	1/21 at 100.00	A1	15,985,321
2,000	Atlanta, Georgia, Airport Passenger Facilities Charge Revenue Bonds, Series 2004J, 5.000%, 1/01/29 – AGM Insured	No Opt. Call	AA–	2,101,920
3,000	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.125%, 12/01/45	12/20 at 100.00	N/R	3,127,800
2,000	Fulton County Residential Care Facilities Authority, Georgia, Revenue Bonds, Elderly Care, Lenbrook Square Project, Series 2006A, 5.125%, 7/01/42	7/17 at 100.00	N/R	1,693,000

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5,000	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 1/01/35 (Pre-refunded 1/01/14) – FGIC Insured	1/14 at 100.00	AA– (4)	5,100,650
8,150	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%, 2/01/36	2/18 at 100.00	AAA	8,626,042
35,355	Total Georgia			36,634,733
	Illinois – 16.6% (11.6% of Total Investments)			
3,200	Chicago Transit Authority, Illinois, Sales Tax Receipts Revenue Bonds, Series 2011, 5.250%, 12/01/40	12/21 at 100.00	AA	3,266,880
8,375	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.500%, 1/01/19 – AGM Insured (Alternative Minimum Tax)	1/14 at 100.00	AA–	8,409,924
4,855	Chicago, Illinois, Sales Tax Revenue Bonds, Series 2011A, 5.000%, 1/01/41	1/22 at 100.00	AAA	4,918,018
2,220	Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A, 5.500%, 1/01/16 – NPPG Insured	No Opt. Call	A+	2,465,266
3,630	Chicago, Illinois, Third Lien General Airport Revenue Bonds, O’Hare International Airport, Series 2005A, 5.000%, 1/01/33 – FGIC Insured	1/16 at 100.00	A	3,654,793
7,500	Community Unit School District 308, Oswego, Illinois, General Obligation Bonds, Series 2004, 5.375%, 10/01/17 (Pre-refunded 10/01/14) – AGM Insured	10/14 at 100.00	Aa2 (4)	7,952,475
11,175	Cook County, Illinois, General Obligation Bonds, Refunding Series 2010A, 5.250%, 11/15/33	11/20 at 100.00	AA	11,501,198
2,415	Illinois Finance Authority, General Obligation Debt Certificates, Local Government Program – Kankakee County, Series 2005B, 5.000%, 12/01/24 (Pre-refunded 12/01/14) – AMBAC Insured	12/14 at 100.00	A2 (4)	2,568,208
1,000	Illinois Finance Authority, Revenue Bonds, Advocate Health Care Network, Series 2012, 5.000%, 6/01/42	No Opt. Call	AA	983,430
3,630	Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37	8/17 at 100.00	BBB	3,756,832
4,125	Illinois Finance Authority, Revenue Bonds, The University of Chicago, Series 2012A, 5.000%, 10/01/51	10/21 at 100.00	Aa1	4,083,049
560	Illinois Toll Highway Authority, Toll Highway Revenue Bonds, Tender Option Bond Trust 4304, 18.067%, 1/01/21 (IF) (5)	No Opt. Call	AA–	591,842



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5,000	Lake County School District 38, Big Hollow, Illinois, General Obligation Bonds, Series 2005, 0.000%, 2/01/22 – AMBAC Insured	No Opt. Call	N/R	3,295,050
7,000	Lombard Public Facilities Corporation, Illinois, First Tier Conference Center and Hotel Revenue Bonds, Series 2005A-1, 7.125%, 1/01/36	1/16 at 100.00	N/R	4,307,170
12,000	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 2010A, 5.500%, 6/15/50	6/20 at 100.00	AAA	12,239,760
45,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Capital Appreciation Refunding Series 2010B-1, 0.000%, 6/15/43 – AGM Insured	No Opt. Call	AAA	7,497,450
2,790	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A, 5.500%, 6/15/29 – FGIC Insured	No Opt. Call	AAA	3,065,178
10,000	Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.000%, 12/01/41 (Pre-refunded 12/01/14) – AGM Insured	12/14 at 100.00	AAA	10,630,200
134,475	Total Illinois Indiana – 7.9% (5.5% of Total Investments)			95,186,723
4,230	Indiana Finance Authority, Educational Facilities Revenue Bonds, Tudor Park Foundation, Series 2005B, 5.000%, 6/01/24	6/15 at 100.00	Aa3	4,347,594
5,310	Indiana Finance Authority, Hospital Revenue Bonds, Community Health Network Project, Series 2012A, 5.000%, 5/01/42	5/23 at 100.00	A	5,094,680
5,370	Indiana Finance Authority, Private Activity Bonds, Ohio River Bridges East End Crossing Project, Series 2013A, 5.250%, 1/01/51 (Alternative Minimum Tax)	7/23 at 100.00	BBB	4,974,231
6,700	Indiana Finance Authority, Wastewater Utility Revenue Bonds, CWA Authority Project, Series 2011B, 5.000%, 10/01/41	10/21 at 100.00	AA–	6,717,353
10,925	Indiana Health Facility Financing Authority, Revenue Bonds, Community Hospitals of Indiana, Series 2005A, 5.000%, 5/01/35 (Pre-refunded 5/01/15) – AMBAC Insured	5/15 at 100.00	A (4)	11,806,866
7,000	Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series 2004A,	1/15 at 100.00	A+	7,215,460

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	5.000%, 1/01/32 – FGIC Insured Vigo County Hospital Authority, Indiana, Revenue Bonds, Union Hospital, Series 2007:			
2,500	5.750%, 9/01/42	9/17 at 100.00	N/R	2,475,450
2,500	5.800%, 9/01/47	9/17 at 100.00	N/R	2,480,700
44,535	Total Indiana			45,112,334
	Iowa – 0.2% (0.1% of Total Investments) Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C:			
525	5.500%, 6/01/42	6/15 at 100.00	B+	426,820
1,000	5.625%, 6/01/46	6/15 at 100.00	B+	821,800
1,525	Total Iowa			1,248,620
	Kansas – 0.3% (0.2% of Total Investments) Manhattan Health Care Facility Revenue Bonds, Kansas, Meadowlarks Hills Retirement, Series 2007B:			
1,000	5.125%, 5/15/37	5/14 at 103.00	N/R	860,160
1,000	5.125%, 5/15/42	5/14 at 103.00	N/R	842,060
2,000	Total Kansas			1,702,220
	Kentucky – 1.2% (0.8% of Total Investments) Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008-A1, 6.000%, 12/01/42 – AGC Insured Lexington-Fayette Urban County Government Public Facilities Corporation, Kentucky State Lease Revenue Bonds, Eastern State Hospital Project, Series 2011A, 5.250%, 6/01/29 Warren County, Kentucky, Hospital Revenue Bonds, Bowling Green-Warren County Community Hospital Corporation, Series 2012A, 4.000%, 10/01/29			
1,000		6/18 at 100.00	AA–	1,031,140
5,400		6/21 at 100.00	Aa3	5,682,744
215		10/22 at 100.00	A	194,560
6,615	Total Kentucky			6,908,444
	Louisiana – 5.2% (3.7% of Total Investments) Jefferson Parish Hospital Service District 2, Louisiana, Hospital Revenue Bonds, East Jefferson General Hospital, Refunding Series 2011, 6.375%, 7/01/41 Louisiana Local Government Environmental Facilities & Community Development Authority, Revenue Bonds, Westlake Chemical Corporation Project, Series 2007, 6.750%, 11/01/32 Louisiana Public Facilities Authority, Revenue Bonds, Loyola University Project, Refunding Series 2011, 5.000%, 10/01/41			
2,000		7/21 at 100.00	BBB–	2,107,700
3,000		11/17 at 100.00	BBB–	3,155,700
10,000		10/21 at 100.00	A+	10,180,500

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3,700	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47	5/17 at 100.00	Baa1	3,762,197
4,425	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2011, 6.750%, 5/15/41	5/21 at 100.00	Baa1	4,896,528
5,855	Louisiana Stadium and Exposition District, Revenue Refunding Bonds, Senior Lien Series 2013A,	7/23 at 100.00	A	5,859,274
28,980	5.000%, 7/01/36 Total Louisiana			29,961,899
	Maryland – 0.7% (0.5% of Total Investments)			
	Howard County, Maryland, Retirement Community Revenue Bonds, Vantage House, Series 2007B,	4/17 at 100.00	N/R	854,740
1,000	5.250%, 4/01/37			
	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt	12/16 at 100.00	N/R	1,319,380
2,000	Conference Center, Series 2006A, 5.000%, 12/01/31			
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge	7/17 at 100.00	A–	531,207
555	Retirement Community, Series 2007, 4.750%, 7/01/34			
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health	8/23 at 100.00	A2	1,364,137
1,675	Issue, Series 2013A, 4.000%, 8/15/41			
5,230	Total Maryland			4,069,464
	Massachusetts – 3.5% (2.4% of Total Investments)			
	Massachusetts Development Finance Agency, Revenue Bonds, Orchard Cove, Series 2007,	10/13 at 102.00	N/R	1,308,340
1,375	5.250%, 10/01/26			
	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Milton Hospital	7/15 at 100.00	BB–	1,007,290
1,000	Project, Series 2005D, 5.250%, 7/01/30			
	Massachusetts Health and Educational Facilities Authority, Revenue Refunding Bonds, Suffolk	7/19 at 100.00	BBB	1,640,160
1,600	University Issue, Series 2009A, 5.750%, 7/01/39			
	Massachusetts Port Authority, Special Facilities Revenue Bonds, ConRac Project, Series 2011A,	7/21 at 100.00	A	406,880
400	5.125%, 7/01/41			
	Massachusetts Port Authority, Special Facilities Revenue Bonds, Delta Air Lines Inc., Series	1/14 at 100.00	N/R	5,003,650
5,000				

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	2001A, 5.500%, 1/01/18 – AMBAC Insured (Alternative Minimum Tax) Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007A,			
3,465	4.500%, 8/01/46 – AGM Insured (UB) (5) Metropolitan Boston Transit Parking Corporation, Massachusetts, Systemwide	2/17 at 100.00	AA+	3,464,134
7,165	Senior Lien Parking Revenue Bonds, Series 2011, 5.000%, 7/01/41	7/21 at 100.00	A+	7,277,061
20,005	Total Massachusetts Michigan – 8.2% (5.7% of Total Investments) Detroit City School District, Wayne County, Michigan, Unlimited Tax School Building and Site			20,107,515
15,000	Improvement Bonds, Series 2001A, 6.000%, 5/01/29 – AGM Insured (UB) Detroit Water and Sewerage Department, Michigan, Sewage Disposal System Revenue Bonds, Refunding Senior Lien Series 2012A, 5.250%, 7/01/39	No Opt. Call	Aa2	15,649,800
690	Garden City Hospital Finance Authority, Michigan, Revenue Bonds, Garden City Hospital Obligated Group, Series 2007A, 5.000%, 8/15/38	7/22 at 100.00	BBB+	632,502
2,000	Lansing Board of Water and Light, Michigan, Utility System Revenue Bonds, Series 2011A, 5.500%, 7/01/41	8/17 at 100.00	N/R	1,633,560
3,580	Michigan Finance Authority, Revenue Bonds, Trinity Health Credit Group, Refunding Series 2011, 5.000%, 12/01/39	7/21 at 100.00	AA–	3,828,380
5,000	Michigan Finance Authority, Unemployment Obligation Assessment Revenue Bonds, Series 2012A, 5.000%, 7/01/14	12/21 at 100.00	AA	4,970,650
13,000	Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2011-I-A, 5.375%, 10/15/41	No Opt. Call	AAA	13,574,210
2,250	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 – NPPG Insured (ETM)	10/21 at 100.00	Aa3	2,344,478
650	Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 (UB)	No Opt. Call	A (4)	663,566
2,865		12/16 at 100.00	AA	2,891,931
635			N/R (4)	719,995

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	Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 (Pre-refunded 12/01/16) (UB)	12/16 at 100.00		
45,670	Total Michigan Minnesota – 1.2% (0.8% of Total Investments)			46,909,072
2,140	Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax)	10/13 at 103.00	Aa1	2,204,970
3,000	Minnesota State, General Obligation Bonds, Various Purpose, Refunding Series 2010D, 5.000%, 8/01/18	No Opt. Call	AA+	3,537,810
1,375	Saint Paul Port Authority, Minnesota, Lease Revenue Bonds, Regions Hospital Parking Ramp Project, Series 2007-1, 5.000%, 8/01/36	8/16 at 100.00	N/R	1,261,563
6,515	Total Minnesota Mississippi – 0.9% (0.6% of Total Investments)			7,004,343
2,155	Mississippi Business Finance Corporation, GNMA Collateralized Retirement Facility Mortgage Revenue Refunding Bonds, Aldersgate Retirement Community Inc. Project, Series 1999A, 5.450%, 5/20/34	11/13 at 100.00	AA+	2,155,517
3,000	Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 (UB)	9/14 at 100.00	AA–	3,126,240
5,155	Total Mississippi Missouri – 0.9% (0.6% of Total Investments)			5,281,757
1,495	Cape Girardeau County Industrial Development Authority, Missouri, Health Facilities Revenue Bonds, Southeast Missouri Hospital Association, Series 2007, 5.000%, 6/01/36	6/17 at 100.00	BBB+	1,434,946
1,000	Clinton County Industrial Development Authority, Missouri, Revenue Bonds, Cameron Regional Medical Center, Series 2007, 5.000%, 12/01/32	12/17 at 100.00	N/R	886,400
2,500	Missouri Health and Educational Facilities Authority, Revenue Bonds, Washington University, Series 2011B, 5.000%, 11/15/37	11/21 at 100.00	AAA	2,671,100
4,995	Total Missouri Montana – 0.9% (0.6% of Total Investments)			4,992,446

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5,000	Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax) Nebraska – 0.3% (0.2% of Total Investments)	1/14 at 100.00	B+	5,013,050
1,005	Omaha Public Power District, Nebraska, Separate Electric System Revenue Bonds, Nebraska City 2, Series 2008A, Trust 11673, 20.414%, 8/01/40 – AMBAC Insured (IF) Nevada – 5.7% (4.0% of Total Investments)	2/17 at 100.00	AA+	1,506,736
10,000	Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2010B, 5.750%, 7/01/42	1/20 at 100.00	A+	10,882,300
6,000	Clark County, Nevada, Passenger Facility Charge Revenue Bonds, Las Vegas-McCarran International Airport, Series 2010A, 5.250%, 7/01/42	1/20 at 100.00	A+	6,197,520
5,000	Henderson, Nevada, General Obligation Bonds, Sewer Series 2004, 5.000%, 6/01/34 (Pre-refunded 12/01/14) – FGIC Insured	12/14 at 100.00	AA (4)	5,315,100
10,000	Las Vegas Valley Water District, Nevada, Limited Tax General Obligation Bonds, Water & Refunding Series 2011C, 5.000%, 6/01/38	6/21 at 100.00	AA+	10,194,100
31,000	Total Nevada New Jersey – 5.5% (3.9% of Total Investments)			32,589,020
2,850	New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004, 5.500%, 6/15/31 (Pre-refunded 6/15/14)	6/14 at 100.00	Aaa	2,981,186
200	New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Somerset Medical Center, Series 2003: 5.500%, 7/01/23	1/14 at 100.00	Ba2	200,180
955	5.500%, 7/01/33	1/14 at 100.00	Ba2	955,497
4,125	New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 – AMBAC Insured	No Opt. Call	A1	4,151,194
12,970	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Capital Appreciation Series 2010A, 0.000%, 12/15/33	No Opt. Call	A+	4,201,761
20,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/33 – AGM Insured	No Opt. Call	AA–	6,428,000

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7,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2012AA, 5.000%, 6/15/38	No Opt. Call	A+	7,135,240
7,670	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 4.750%, 6/01/34	6/17 at 100.00	B2	5,598,103
55,770	Total New Jersey			31,651,161
900	New York – 8.0% (5.6% of Total Investments) Albany Industrial Development Agency, New York, Revenue Bonds, Brighter Choice Charter Schools, Series 2007A, 5.000%, 4/01/32	4/17 at 100.00	BB+	811,836
1,275	Brooklyn Arena Local Development Corporation, New York, Payment in Lieu of Taxes Revenue Bonds, Barclays Center Project, Series 2009: 6.000%, 7/15/30	1/20 at 100.00	BBB–	1,413,440
3,400	0.000%, 7/15/44	No Opt. Call	BBB–	542,130
4,675	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, General Purpose Series 2011C, 5.000%, 3/15/41	3/21 at 100.00	AAA	4,824,179
2,100	Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Senior Fiscal 2012 Series 2011A, 5.750%, 2/15/47	2/21 at 100.00	A	2,233,686
4,945	Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 – NPPG Insured	2/17 at 100.00	A	4,484,373
1,200	Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2011A, 5.000%, 5/01/36 – AGM Insured	5/21 at 100.00	AA–	1,216,848
5,000	Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2012A, 5.000%, 9/01/42	9/22 at 100.00	A	4,969,450
750	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2011A, 5.000%, 11/15/41	11/21 at 100.00	A	753,990
8,000	New York City Industrial Development Agency, New York, American Airlines-JFK International Airport Special Facility Revenue Bonds, Series 2005, 7.750%, 8/01/31 (Alternative Minimum Tax)	8/16 at 101.00	N/R	8,794,000
3,125	New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue	12/20 at 100.00	AA+	3,312,875

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	Bonds, Second Generation Resolution, Fiscal 2011 Series EE, 5.375%, 6/15/43 New York City Sales Tax Asset Receivable Corporation, New York, Dedicated Revenue Bonds, Local	10/14 at 100.00	AAA	8,424,480
8,000				
	Government Assistance Corporation, Series 2004A, 5.000%, 10/15/21 – NPFG Insured New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 – NPFG Insured	8/14 at 100.00	AA	60,220
60				
	New York State Power Authority, General Revenue Bonds, Series 2011A, 5.000%, 11/15/38	11/21 at 100.00	Aa2	3,149,220
3,000				
	Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Refunding Subordinate Lien Series 2013A, 5.000%, 11/15/28	No Opt. Call	A+	628,044
585				
47,015	Total New York North Carolina – 0.8% (0.6% of Total Investments)			45,618,771
	Charlotte-Mecklenburg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008, Trust 1149, 15.159%, 7/15/32 (IF) (5)	1/18 at 100.00	AA–	1,638,146
1,710				
	Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care System Revenue Bonds, Carolinas Health Care, Series 2007A, 5.000%, 1/15/31	1/17 at 100.00	AA–	1,212,852
1,200				
	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 4.875%, 1/15/32 (Pre-refunded 1/15/15)	1/15 at 100.00	AA+ (4)	1,864,625
1,750				
4,660	Total North Carolina Ohio – 3.3% (2.3% of Total Investments)			4,715,623
	Allen County, Ohio, Hospital Facilities Revenue Bonds, Catholic Health Partners, Refunding and Improvement Series 2012A:			
650	5.000%, 5/01/33	5/22 at 100.00	AA–	655,454
970	4.000%, 5/01/33	5/22 at 100.00	AA–	832,677
800	5.000%, 5/01/42	5/22 at 100.00	AA–	784,392
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:			
4,735	5.125%, 6/01/24	6/17 at 100.00	B–	3,950,693
710	5.875%, 6/01/30	6/17 at 100.00	B	567,226



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3,705	5.750%, 6/01/34	6/17 at 100.00	B	2,820,061
1,670	5.875%, 6/01/47	6/17 at 100.00	B	1,249,811
1,915	Chagrin Falls Exempt Village School District, Ohio, General Obligation Bonds, Refunding Series 2005, 5.250%, 12/01/19 (Pre-refunded 12/01/14) – NPFG Insured	12/14 at 100.00	Aa1 (4)	2,043,879
5,800	Franklin County, Ohio, Hospital Revenue Bonds, OhioHealth Corporation, Series 2011A, 5.000%,11/15/41	11/21 at 100.00	AA+	5,773,435
20,955	Total Ohio Oklahoma – 2.1% (1.5% of Total Investments)			18,677,628
4,535	Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007: 5.000%, 2/15/37	2/17 at 100.00	A+	4,597,220
1,145	5.000%, 2/15/42	2/17 at 100.00	A+	1,158,099
6,305	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health System, Series 2006, 5.000%, 12/15/36 (UB)	12/16 at 100.00	AA+	6,314,331
88	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health System, Series 2008, Trust 3500, 8.530%, 6/15/30 (IF)	12/16 at 100.00	AA+	88,237
12,073	Total Oklahoma Oregon – 0.8% (0.6% of Total Investments)			12,157,887
4,700	Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, PeaceHealth Project, Series 2001, 5.250%, 11/15/21 – AMBAC Insured	11/13 at 100.00	AA–	4,716,027
500	Pennsylvania – 1.4% (1.0% of Total Investments) Bucks County Industrial Development Authority, Pennsylvania, Charter School Revenue Bonds, School Lane Charter School, Series 2007A, 5.000%, 3/15/37	3/17 at 100.00	BBB	457,265
2,451	Northampton County Industrial Development Authority, Pennsylvania, Recovery Revenue Bonds, Northampton Generating Project, Senior Lien Series 2013A0 & AE2, 5.000%, 12/01/23	10/13 at 100.00	N/R	2,079,755
5,605	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Senior Lien Series 2012A, 5.000%, 12/01/42	12/22 at 100.00	A+	5,688,178
8,556	Total Pennsylvania Puerto Rico – 0.4% (0.3% of Total Investments)			8,225,198
2,500	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A,	8/17 at 100.00	AA–	2,364,100

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	5.250%, 8/01/57			
	Rhode Island – 1.5% (1.1% of Total Investments)			
	Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2002A:			
25	6.000%, 6/01/23	5/14 at 100.00	Baa1	25,022
8,730	6.250%, 6/01/42	6/14 at 100.00	BBB–	8,737,682
8,755	Total Rhode Island			8,762,704
	South Carolina – 1.7% (1.2% of Total Investments)			
	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2006, 5.000%, 12/01/24	12/16 at 100.00	AA	9,601,728
8,600	Tennessee – 0.5% (0.3% of Total Investments)			
	Harpeth Valley Utilities District, Davidson and Williamson Counties, Tennessee, Utilities Revenue Bonds, Series 2012A, 4.000%, 9/01/42	9/22 at 100.00	AA	1,435,723
1,595	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2006, 0.000%, 1/01/41	1/17 at 30.07	A	741,373
3,680	Sullivan County Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds, Wellmont Health System, Series 2006C, 5.250%, 9/01/36	9/16 at 100.00	BBB+	413,058
415	Sumner County Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding Bonds, Sumner Regional Health System Inc., Series 2007:			
		11/17 at 100.00	N/R	1,992
800	5.500%, 11/01/37 (6)			
		11/17 at 100.00	N/R	6,972
2,800	5.500%, 11/01/46 (6)			
9,290	Total Tennessee			2,599,118
	Texas – 18.8% (13.2% of Total Investments)			
	Board of Regents, University of Texas System, Financing System Revenue Bonds, Series 2006F, 4.250%, 8/15/36 (UB)	2/17 at 100.00	AAA	5,350,638
5,445	Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2011, 6.250%, 1/01/46	1/21 at 100.00	Baa2	2,903,418
2,700	Colorado River Municipal Water District, Texas, Water System Revenue Bonds, Series 2011,	1/21 at 100.00	AA–	4,617,540
4,500				

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5,000	5.000%, 1/01/36 Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A,	9/14 at 100.00	N/R	5,179,350
1,140	7.000%, 9/01/25 Grand Parkway Transportation Corporation, Texas, System Toll Revenue Bonds, Tender Option Bond	10/23 at 100.00	AA	1,009,493
10,000	Trust 2013-9A, 18.033%, 4/01/53 (WI/DD, Settling 8/01/13) (IF) Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2011D,	11/21 at 100.00	AA	10,272,400
4,965	5.000%, 11/15/40 Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Facilities Department, Refunding Series 2011B, 5.250%, 9/01/27	9/16 at 100.00	A2	5,295,917
6,000	Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001B,	No Opt. Call	AA+ (4)	7,277,580
14,200	5.500%, 12/01/29 – NPMFG Insured (ETM) Hutto Independent School District, Williamson County, Texas, General Obligation Bonds, Series 2007A, 4.750%, 8/01/43 (UB)	8/16 at 100.00	AAA	13,998,786
8,000	Lower Colorado River Authority, Texas, Transmission Contract Refunding Revenue Bonds, LCRA	5/20 at 100.00	A+	8,095,838
1,750	Transmission Services Corporation Project, Refunding & Improvement Series 2010, 5.000%, 5/15/40 Martin County Hospital District, Texas, Combination Limited Tax and Revenue Bonds, Series 2011A, 7.250%, 4/01/36	4/21 at 100.00	BBB	1,838,270
2,500	Matagorda County Navigation District 1, Texas, Collateralized Revenue Refunding Bonds, Houston Light and Power Company, Series 1997, 5.125%, 11/01/28 – AMBAC Insured (Alternative Minimum Tax)	No Opt. Call	A	2,606,250
3,500	North Texas Municipal Water District, Water System Revenue Bonds, Series 2004, 5.000%, 9/01/24 (Pre-refunded 9/01/14) – NPMFG Insured	9/14 at 100.00	AAA	3,682,035
5,935	North Texas Tollway Authority, Second Tier System Revenue Refunding Bonds, Series 2008F, 5.750%, 1/01/38	1/18 at 100.00	A3	6,238,635

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	North Texas Tollway Authority, Special Projects System Revenue Bonds, Series 2011A:			
4,370	0.000%, 9/01/43	9/31 at 100.00	AA	2,909,721
9,130	0.000%, 9/01/45	9/31 at 100.00	AA	6,682,430
	Southwest Higher Education Authority Inc, Texas, Revenue Bonds, Southern Methodist University,			
3,500	Series 2010, 5.000%, 10/01/41	10/20 at 100.00	AA-	3,667,125
	Tarrant County Cultural Education Facilities Finance Corporation, Texas, Revenue Bonds, Texas			
7,700	Health Resources, Series 2007A, 5.000%, 2/15/36 (UB)	2/17 at 100.00	AA-	7,712,166
	Texas Municipal Gas Acquisition and Supply Corporation III, Gas Supply Revenue Bonds, Series			
435	2012, 5.000%, 12/15/32	No Opt. Call	A3	412,706
	Texas Transportation Commission, Central Texas Turnpike System Revenue Bonds, First Tier			
1,665	Refunding Series 2012A, 5.000%, 8/15/41	8/22 at 100.00	A-	1,601,847
	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds,			
	Series 2006:			
1,445	0.000%, 8/15/37	8/15 at 31.98	AAA	369,862
1,445	0.000%, 8/15/40	8/15 at 27.11	AAA	307,944
1,125	0.000%, 8/15/44	8/15 at 21.88	AAA	179,033
	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds,			
	Series 2006:			
7,665	0.000%, 8/15/37 (Pre-refunded 8/15/15)	8/15 at 31.98	N/R (4)	2,413,325
7,665	0.000%, 8/15/40 (Pre-refunded 8/15/15)	8/15 at 27.11	N/R (4)	2,045,789
5,985	0.000%, 8/15/44 (Pre-refunded 8/15/15)	8/15 at 21.88	N/R (4)	1,288,989
127,765	Total Texas			107,957,087
	Utah – 1.1% (0.8% of Total Investments)			
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E:			
415	5.200%, 1/01/18 (Alternative Minimum Tax)	1/14 at 100.00	AA-	416,145
175	5.500%, 1/01/23 (Alternative Minimum Tax)	1/14 at 100.00	Aaa	179,664
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1:			
685	4.950%, 7/01/18 (Alternative Minimum Tax)	1/14 at 100.00	AA-	686,199
280	5.300%, 7/01/23 (Alternative Minimum Tax)	1/14 at 100.00	Aaa	286,731
	Utah Transit Authority, Sales Tax Revenue and Refunding Bonds, Series 2012, 5.000%,			
4,935	6/15/42	6/22 at 100.00	A1	5,012,478
6,490	Total Utah			6,581,217
	Vermont – 1.6% (1.1% of Total Investments)			
9,000			Aa3	9,235,710

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	University of Vermont and State Agricultural College, Revenue Bonds, Series 2005, 5.000%, 10/01/35 – NPFG Insured	10/15 at 100.00		
	Virginia – 0.3% (0.2% of Total Investments)			
	Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr	12/15 at 100.00	N/R	704,430
1,000	Village, Series 2005, 5.375%, 12/01/28			
	Virginia Commonwealth University Health System Authority, General Revenue Bonds, Series 2011,	7/21 at 100.00	AA–	965,470
1,000	4.750%, 7/01/41			
2,000	Total Virginia			1,669,900
	Washington – 5.2% (3.6% of Total Investments)			
	King County, Washington, Sewer Revenue Bonds, Series 2009, 5.250%, 1/01/42	1/19 at 100.00	AA+	2,665,050
2,500	Port of Seattle, Washington, Revenue Bonds, Intermediate Lien Refunding Series 2012A,	8/22 at 100.00	Aa3	1,896,313
1,820	5.000%, 8/01/30			
	Port of Seattle, Washington, Revenue Bonds, Series 2005A, 5.000%, 3/01/35 – NPFG Insured	3/15 at 100.00	Aa3	5,275,632
5,205	Washington Health Care Facilities Authority, Revenue Bonds, Catholic Health, Series			
	2011A,	2/21 at 100.00	AA–	9,896,800
10,000	5.000%, 2/01/41			
	Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer			
	Research	1/21 at 100.00	A	3,494,909
3,410	Center, Series 2011A, 5.625%, 1/01/35			
	Washington State Health Care Facilities Authority, Revenue Bonds, Group Health Cooperative of			
	Puget Sound, Series 2001:			
		12/13 at 100.00		
3,005	5.375%, 12/01/17 – AMBAC Insured		BBB–	3,008,576
		12/13 at 100.00		
2,915	5.375%, 12/01/18 – AMBAC Insured		BBB–	2,918,032
	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds,			
	Series 2002:			
205	6.500%, 6/01/26	6/14 at 100.00	A3	207,224
335	6.625%, 6/01/32	6/14 at 100.00	Baa1	339,077
29,395	Total Washington			29,701,613
	Wisconsin – 0.2% (0.1% of Total Investments)			
	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of			
	Christian Charity HealthCare Ministry, Series	9/17 at 100.00	BBB+	962,550
1,000	2007, 5.000%, 9/01/33			
\$ 906,419	Total Municipal Bonds (cost \$801,248,021)			805,273,681

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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (3)	Value
	Corporate Bonds – 0.0% (0.0% of Total Investments)				
	Nevada – 0.0% (0.0% of Total Investments)				
\$ 42	Las Vegas Monorail Company, Senior Interest Bonds (7), (8)	5.500%	7/15/19	N/R	\$ 10,406
12	Las Vegas Monorail Company, Senior Interest Bonds (7), (8)	3.000%	7/15/55	N/R	2,403
\$ 54	Total Corporate Bonds (cost \$1,573)				12,809
Shares	Description (1), (9)				Value
	Investment Companies – 0.6% (0.4% of Total Investments)				
6,266	BlackRock MuniHoldings Fund Inc.				\$ 97,687
26,880	Dreyfus Strategic Municipal Fund				214,502
131,278	DWS Municipal Income Trust				1,592,402
43,020	Invesco VK Investment Grade Municipal Trust				531,727
30,000	Invesco VK Municipal Opportunity Trust				351,300
43,420	PIMCO Municipal Income Fund II				491,949
	Total Investment Companies (cost \$3,325,133)				3,279,567
	Total Long-Term Investments (cost \$804,574,727)				808,566,057
Principal Amount (000)	Description (1)		Optional Call Provisions	Ratings (3)	Value
	Short-Term Investments – 1.9% (1.3% of Total Investments)				
	Arizona – 0.9% (0.6% of total Investments)				
\$ 5,000	Arizona School Facilities Board, Certificates of Participation, Variable Rate Demand Obligations, Tender Option Bond Trust 3199X, 0.110%, 9/01/21 – AGC Insured (10)		No Opt. Call	A-1	\$ 5,000,000

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	Iowa – 1.0% (0.7% of Total Investments)			
1,500	Iowa State, Special Obligation Bonds, I-Jobs Program, Variable Rate Demand Obligations, Tender Option Bond Trust 13B-A REG D, 0.080%, 6/01/25 (10)	6/19 at 100.00	A-1	1,500,000
4,500	Iowa State, Special Obligation Bonds, I-Jobs Program, Variable Rate Demand Obligations, Tender Option Bond Trust 13B-B REG D, 0.080%, 6/01/26 (10)	6/19 at 100.00	A-1	4,500,000
6,000	Total Iowa			6,000,000
\$ 11,000	Total Short-Term Investments (cost \$11,000,000)			11,000,000
	Total Investments (cost \$815,574,727) – 143.0%			819,566,057
	Floating Rate Obligations – (7.8%)			(44,412,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (12.2%) (11)			(70,000,000)
	Variable Rate MuniFund Term Preferred Shares, at Liquidation Value – (29.5%) (11)			(169,200,000)
	Other Assets Less Liabilities – 6.5%			37,082,584
	Net Assets Applicable to Common Shares – 100%			\$ 573,036,641

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## Fair Value Measurements

Fair value is defined as the price that the Funds would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 – Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 – Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities.

The following is a summary of the Fund's fair value measurements as of the end of the reporting period:

	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Municipal Bonds	\$ —	\$805,273,681	\$ —	\$805,273,681
Corporate Bonds	—	—	12,809	12,809
Investments Companies	3,279,567	—	—	3,279,567
Short-Term Investments:				
Municipal Bonds	—	11,000,000	—	11,000,000
Total	\$3,279,567	\$816,273,681	\$12,809	\$819,566,057

## 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 value of the Fund.

As of July 31, 2013, the cost of investments was \$772,197,987.



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Gross unrealized appreciation and gross unrealized depreciation of investments as of July 31, 2013, were as follows:

Gross unrealized:

Appreciation	\$ 28,425,246
Depreciation	(25,412,682)
Net unrealized appreciation (depreciation) of investments	\$ 3,012,564

- (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 highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.  
Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities,
- (4) which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (6) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has directed the Fund's custodian to cease accruing additional income on the Fund's records.
- (7) 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 classified as Level 3.
- (8) During January 2010, Las Vegas Monorail Company ("Las Vegas Monorail") filed for federal bankruptcy protection. During March 2012, Las Vegas Monorail emerged from federal bankruptcy with the acceptance of a reorganization plan assigned by the Federal Bankruptcy Court. Under the reorganization plan, the Fund surrendered its Las Vegas Monorail Project Revenue Bonds, First Tier, Series 2000 and in turn received two senior interest corporate bonds: the first with an annual coupon rate of 5.500% maturing on July 15, 2019 and the second with an annual coupon rate of 3.000% (5.500% after December 31, 2015) maturing on July 15, 2055. The Fund's custodian is not accruing income on the Fund's records for either senior interest corporate bond.
- (9) A copy of the most recent financial statements for the investment companies in which the Fund invests can be obtained directly from the Securities and Exchange Commission on its website at <http://www.sec.gov>.
- (10) Investment has a maturity of more than a 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.  
MuniFund Term Preferred Shares and Variable Rate MuniFund Term Preferred Shares, at Liquidation
- (11) Value

as a percentage of Total Investments are 8.5% and 20.6%, respectively.

- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
  - (ETM) Escrowed to maturity.
  - (IF) Inverse floating rate investment.
  - (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction.
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Item 2. 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 Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
  
- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form 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)), exactly as set forth below: See EX-99 CERT attached hereto.

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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 Dividend Advantage Municipal Fund 3

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

Date: September 27, 2013

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: September 27, 2013

By (Signature and Title) /s/ Stephen D. Foy  
Stephen D. Foy  
Vice President and Controller (principal financial officer)

Date: September 27, 2013