

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3

Form N-Q

September 29, 2014

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: 7/31/14

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, 2014

| Principal Amount (000) | Description (1)   | Optional Call Provisions (2) | Ratings (3) | Value        |
|------------------------|---|------------------------------|-------------|--------------|
|                        | LONG-TERM INVESTMENTS – 142.7%<br>(98.9% of Total Investments)  |                              |             |              |
|                        | MUNICIPAL BONDS – 142.2% (98.5% of<br>Total Investments)  |                              |             |              |
|                        | Alabama – 0.6% (0.4% of Total Investments)  |                              |             |              |
| \$ 3,500               | Alabama Special Care Facilities Financing<br>Authority, Revenue Bonds, Ascension Health,<br>Series 2006C-2, 5.000%, 11/15/36 (UB)   | 11/16 at<br>100.00           | AA+         | \$ 3,678,570 |
|                        | Alaska – 0.1% (0.1% of Total Investments)   |                              |             |              |
| 1,000                  | Northern Tobacco Securitization Corporation,<br>Alaska, Tobacco Settlement Asset-Backed<br>Bonds,<br>Series 2006A, 5.000%, 6/01/46  | 10/14 at<br>100.00           | B2          | 747,060      |
|                        | Arizona – 2.2% (1.6% of Total Investments)  |                              |             |              |
| 3,390                  | Arizona State Transportation Board, Highway<br>Revenue Bonds, Tender Option Bond Trust<br>3151,<br>13.352%, 7/01/16 (IF)  | No Opt. Call                 | AAA         | 4,546,668    |
|                        | Phoenix Civic Improvement Corporation,<br>Arizona, Subordinate Excise Tax Revenue<br>Bonds, Civic<br>Plaza Expansion Project, Series 2005A,<br>5.000%, 7/01/30 – FGIC Insured | 7/15 at 100.00               | AA          | 5,161,750    |
|                        | Salt Verde Financial Corporation, Arizona,<br>Senior Gas Revenue Bonds, Citigroup Energy<br>Inc<br>Prepay Contract Obligations, Series 2007,<br>5.000%, 12/01/37              | No Opt. Call                 | A–          | 4,159,556    |
| 12,190                 | Total Arizona   |                              |             | 13,867,974   |
|                        | California – 14.1% (9.8% of Total Investments)  |                              |             |              |
| 1,670                  |   |                              | AA          | 1,869,598    |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |  |                 |      |            |
|--------|--|-----------------|------|------------|
|        | California Health Facilities Financing Authority, Refunding Revenue Bonds, Stanford Hospital and Clinics, Series 2008A-2. RMKT, 5.250%, 11/15/40                                 | 11/21 at 100.00 |      |            |
| 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   | 3,924,348  |
| 2,900  | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 (UB)  | 11/16 at 100.00 | AA-  | 3,055,237  |
| 5,355  | California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.529%, 5/15/40 (IF)   | 5/18 at 100.00  | AA-  | 7,405,376  |
| 20     | California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 – NCFG Insured (Alternative Minimum Tax)  | 12/14 at 100.00 | AA   | 20,035     |
| 1,560  | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 2013A: 5.750%, 1/15/46  | 1/24 at 100.00  | BBB- | 1,762,660  |
| 1,560  | 6.000%, 1/15/49  | 1/24 at 100.00  | BBB- | 1,786,418  |
| 8,820  | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 – AGC Insured                 | 6/15 at 100.00  | AA   | 9,013,334  |
| 900    | 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    | 725,049    |
| 11,865 | 5.125%, 6/01/47  | 6/17 at 100.00  | B    | 8,770,252  |
| 7,150  | Grossmont Healthcare District, California, General Obligation Bonds, Series 2011B, 6.125%, 7/15/40   | 7/21 at 100.00  | Aa2  | 8,409,473  |
| 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   | 10,870,100 |
| 2,750  | Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2012, 4.500%, | 1/22 at 100.00  | A    | 2,918,053  |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        | 1/01/27<br>(Alternative Minimum Tax)<br>Palomar Pomerado Health, California, General<br>Obligation Bonds, Convertible Capital  | 8/30 at 100.00     | A+   | 9,892,320  |
|--------|--|--------------------|------|------------|
| 12,000 | Appreciation, Election 2004 Series 2010A,<br>0.000%, 8/01/40   |                    |      |            |
| 3,850  | Placentia-Yorba Linda Unified School District,<br>Orange County, California, Certificates of<br>Participation, Series 2011, 0.000%, 10/01/28 –<br>AGM Insured            | 10/25 at<br>100.00 | AA   | 3,859,471  |
| 205    | Riverside County Transportation Commission,<br>California, Toll Revenue Senior Lien Bonds,<br>Series<br>2013A, 5.750%, 6/01/44   | 6/23 at 100.00     | BBB– | 229,762    |
| 3,550  | San Buenaventura, California, Revenue Bonds,<br>Community Memorial Health System, Series<br>2011,<br>7.500%, 12/01/41  | 12/21 at<br>100.00 | BB   | 4,094,819  |
| 3,000  | San Diego Community College District,<br>California, General Obligation Bonds, Tender<br>Option Bond<br>Trust 1005, 13.936%, 8/01/41 (IF) (6)                            | 8/21 at 100.00     | AA+  | 3,916,830  |
| 10,000 | San Joaquin Hills Transportation Corridor<br>Agency, Orange County, California, Toll Road<br>Revenue<br>Refunding Bonds, Series 1997A, 0.000%,<br>1/15/35 – NPPG Insured | No Opt. Call       | AA–  | 3,022,900  |
| 3,000  | San Mateo County Community College<br>District, California, General Obligation Bonds,<br>Series<br>2006C, 0.000%, 9/01/30 – NPPG Insured                                 | No Opt. Call       | Aaa  | 1,663,560  |
| 93,555 | Total California<br>Colorado – 4.1% (2.8% of Total Investments)  |                    |      | 87,209,595 |
| 2,650  | Colorado Educational and Cultural Facilities<br>Authority, Revenue Bonds, Montessori Peaks<br>Academy, Series 2006A, 5.400%, 5/01/26                                     | 5/16 at 102.00     | N/R  | 2,494,896  |
| 5,000  | Compark Business Campus Metropolitan<br>District, Colorado, General Obligation Limited<br>Tax Bonds,<br>Series 2007A, 5.600%, 12/01/34 – RAAI<br>Insured                 | 12/17 at<br>100.00 | N/R  | 5,086,350  |
| 5,365  | Denver City and County, Colorado, Airport<br>Revenue Bonds, Series 2006:<br>5.000%, 11/15/23 – FGIC Insured  | 11/16 at<br>100.00 | AA–  | 5,879,128  |
| 3,300  | 5.000%, 11/15/24 – FGIC Insured  | 11/16 at<br>100.00 | AA–  | 3,612,279  |
| 4,335  | 5.000%, 11/15/25 – FGIC Insured<br>Maher Ranch Metropolitan District 4,<br>Colorado, General Obligation Limited Tax  | 11/16 at<br>100.00 | AA–  | 4,740,019  |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

| Bonds,<br>Series 2007: |   |                    |     |            |
|------------------------|---|--------------------|-----|------------|
| 950                    | 5.125%, 12/01/27 – RAAI Insured   | 12/17 at<br>100.00 | N/R | 956,213    |
| 2,000                  | 5.250%, 12/01/36 – RAAI Insured   | 12/17 at<br>100.00 | N/R | 1,955,860  |
| 630                    | Regional Transportation District, Colorado,<br>Certificates of Participation, Series 2010A,<br>5.375%, 6/01/31  | 6/20 at 100.00     | Aa3 | 690,764    |
| 24,230                 | Total Colorado  |                    |     | 25,415,509 |
| 1,500                  | Connecticut – 0.3% (0.2% of Total Investments)<br>Connecticut Health and Educational Facilities<br>Authority, Revenue Bonds, Hartford<br>Healthcare,<br>Series 2011A, 5.000%, 7/01/41   | 7/21 at 100.00     | A   | 1,587,015  |
| 10,000                 | District of Columbia – 1.9% (1.3% of Total<br>Investments)<br>Washington Convention Center Authority,<br>District of Columbia, Dedicated Tax Revenue<br>Bonds,<br>Senior Lien Refunding Series 2007A, 4.500%,<br>10/01/30 – AMBAC Insured | 10/16 at<br>100.00 | AA+ | 10,450,200 |
| 1,335                  | Washington Convention Center Authority,<br>District of Columbia, Dedicated Tax Revenue<br>Bonds,<br>Tender Option Bond Trust 1606, 11.776%,<br>10/01/30 – AMBAC Insured (IF) (6)  | 10/16 at<br>100.00 | AA+ | 1,515,278  |
| 11,335                 | Total District of Columbia  |                    |     | 11,965,478 |
| 4,980                  | Florida – 3.3% (2.3% of Total Investments)<br>Broward County, Florida, Airport System<br>Revenue Refunding Bonds, Series 2009O,<br>5.375%, 10/01/29   | 10/19 at<br>100.00 | A+  | 5,692,040  |
| 1,950                  | Miami-Dade County, Florida, Aviation<br>Revenue Bonds, Miami International Airport,<br>Refunding<br>Series 2012A, 5.000%, 10/01/31 (Alternative<br>Minimum Tax)   | No Opt. Call       | A   | 2,100,813  |
| 2,490                  | Miami-Dade County, Florida, Subordinate<br>Special Obligation Bonds, Refunding Series<br>2012B,<br>5.000%, 10/01/37   | 10/22 at<br>100.00 | A+  | 2,700,704  |
| 3,345                  | Miami-Dade County, Florida, Transit System<br>Sales Surtax Revenue Bonds, Series 2012,<br>5.000%, 7/01/42   | 7/22 at 100.00     | AA  | 3,634,978  |
| 85                     | Palm Beach County Health Facilities<br>Authority, Florida, Revenue Bonds, Sinai<br>Residences of<br>Boca Raton Project, Series 2014A, 7.250%,<br>6/01/34  | 6/22 at 102.00     | N/R | 94,100     |
| 5,455                  | South Miami Health Facilities Authority,<br>Florida, Hospital Revenue, Baptist Health   | 8/17 at 100.00     | AA  | 5,651,435  |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |   |                    |        |            |
|--------|---|--------------------|--------|------------|
|        | System<br>Obligation Group, Series 2007, 5.000%,<br>8/15/42 (UB) (6)<br>Tolomato Community Development District,<br>Florida, Special Assessment Bonds,        |                    |        |            |
| 70     | Convertible,<br>Capital Appreciation, Series 2012A-2, 0.000%,<br>5/01/39<br>Tolomato Community Development District,<br>Florida, Special Assessment Bonds,    | 5/17 at 100.00     | N/R    | 51,369     |
| 200    | Convertible,<br>Capital Appreciation, Series 2012A-3, 0.000%,<br>5/01/40<br>Tolomato Community Development District,<br>Florida, Special Assessment Bonds,    | 5/19 at 100.00     | N/R    | 119,640    |
| 85     | Convertible,<br>Capital Appreciation, Series 2012A-4, 0.000%,<br>5/01/40<br>Tolomato Community Development District,<br>Florida, Special Assessment Bonds,    | 5/22 at 100.00     | N/R    | 37,671     |
| 110    | Note, Series<br>2007-3, 6.650%, 5/01/40 (7)<br>Tolomato Community Development District,<br>Florida, Special Assessment Bonds, Non                             | 5/18 at 100.00     | N/R    | 1          |
| 10     | Performing<br>Parcel Series 2007-1. RMKT, 6.650%, 5/01/40<br>(7)<br>Tolomato Community Development District,<br>Florida, Special Assessment Bonds, Refunding  | 5/18 at 100.00     | N/R    | 10,213     |
| 200    | Series<br>2012A-1, 6.650%, 5/01/40<br>Tolomato Community Development District,<br>Florida, Special Assessment Bonds,  | 5/17 at 100.00     | N/R    | 203,414    |
| 475    | Southern/Forbearance<br>Parcel Series 2007-2, 6.650%, 5/01/40 (7)   | 5/18 at 100.00     | N/R    | 278,839    |
| 19,455 | Total Florida<br>Georgia – 5.3% (3.7% of Total Investments)<br>Atlanta, Georgia, Airport General Revenue<br>Bonds, Refunding Series 2010C, 5.250%,<br>1/01/30 |                    |        | 20,575,217 |
| 15,205 | Atlanta, Georgia, Airport General Revenue<br>Bonds, Series 2004G, 5.000%, 1/01/26<br>(Pre-refunded<br>1/01/15) – AGM Insured                                  | 1/21 at 100.00     | Aa3    | 17,088,900 |
| 1,000  | Atlanta, Georgia, Airport Passenger Facilities<br>Charge Revenue Bonds, Series 2004J, 5.000%,<br>1/01/29 (Pre-refunded 1/01/15) – AGM Insured                 | 1/15 at 100.00     | AA (4) | 1,020,260  |
| 2,000  | Franklin County Industrial Building Authority,<br>Georgia, Revenue Bonds, Ty Cobb Regional<br>Medical Center Project, Series 2010, 8.125%,<br>12/01/45 (5)    | 12/20 at<br>100.00 | N/R    | 2,040,080  |
| 3,000  |   |                    |        | 1,733,845  |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |  |                    |          |            |
|--------|--|--------------------|----------|------------|
| 2,000  | Fulton County Residential Care Facilities<br>Elderly Authority, Georgia, First Mortgage<br>Revenue<br>Bonds, Lenbrook Project, Series 2006A,<br>5.125%, 7/01/42  | 7/17 at 100.00     | N/R      | 1,887,400  |
| 8,150  | Gwinnett County School District, Georgia,<br>General Obligation Bonds, Series 2008,<br>5.000%, 2/01/36   | 2/18 at 100.00     | AAA      | 9,076,003  |
| 31,355 | Total Georgia<br>Guam – 0.2% (0.1% of Total Investments)<br>Guam Waterworks Authority, Water and<br>Wastewater System Revenue Bonds, Series<br>2013,<br>5.500%, 7/01/43  |                    |          | 32,846,488 |
| 810    | Illinois – 16.3% (11.3% of Total Investments)<br>Chicago Transit Authority, Illinois, Sales Tax<br>Receipts Revenue Bonds, Series 2011,<br>5.250%, 12/01/40  | 7/23 at 100.00     | A–       | 889,194    |
| 3,200  | Chicago, Illinois, General Airport Revenue<br>Bonds, O’Hare International Airport, Third Lien<br>Series 2005A, 5.000%, 1/01/33 – FGIC Insured  | 12/21 at<br>100.00 | AA       | 3,472,000  |
| 3,630  | Chicago, Illinois, Sales Tax Revenue Bonds,<br>Series 2011A, 5.000%, 1/01/41   | 1/22 at 100.00     | AAA      | 5,051,482  |
| 4,855  | Chicago, Illinois, Second Lien Wastewater<br>Transmission Revenue Bonds, Series 2001A,<br>5.500%,<br>1/01/16 – NPPG Insured  | No Opt. Call       | AA–      | 2,368,474  |
| 2,220  | Community Unit School District 308, Oswego,<br>in the Counties of Kendall, Kane, and Will,<br>Illinois, General Obligation Bonds, Series<br>2004, 5.375%, 10/01/17 (Pre-refunded<br>10/01/14) –<br>AGM Insured | 10/14 at<br>100.00 | Aa2 (4)  | 7,565,625  |
| 7,500  | Cook County, Illinois, General Obligation<br>Bonds, Refunding Series 2010A, 5.250%,<br>11/15/33  | 11/20 at<br>100.00 | AA       | 12,057,043 |
| 11,175 | Illinois Finance Authority, General Obligation<br>Debt Certificates, Local Government Program<br>Kankakee County, Series 2005B, 5.000%,<br>12/01/24 (Pre-refunded 12/01/14) – AMBAC<br>Insured                 | 12/14 at<br>100.00 | Baa2 (4) | 2,454,075  |
| 2,415  | Illinois Finance Authority, Revenue Bonds,<br>Advocate Health Care Network, Series 2012,<br>5.000%, 6/01/42  | No Opt. Call       | AA       | 1,056,640  |
| 1,000  | Illinois Finance Authority, Revenue Bonds,<br>Sherman Health Systems, Series 2007A,<br>5.500%, 8/01/37   | 8/17 at 100.00     | Baa1     | 6,309,745  |
| 5,805  | Illinois Finance Authority, Revenue Bonds,<br>The University of Chicago, Series 2012A,<br>5.000%, 10/01/51   | 10/21 at<br>100.00 | AA+      | 4,361,156  |
| 4,125  |  |                    |          |            |



Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|         |  |                    |     |             |
|---------|--|--------------------|-----|-------------|
|         | Illinois State, General Obligation Bonds,<br>February Series 2014:   |                    |     |             |
| 1,600   | 5.250%, 2/01/32  | 2/24 at 100.00     | A-  | 1,678,688   |
| 1,000   | 5.250%, 2/01/33  | 2/24 at 100.00     | A-  | 1,044,480   |
| 1,130   | 5.250%, 2/01/34  | 2/24 at 100.00     | A-  | 1,179,381   |
| 1,000   | 5.000%, 2/01/39  | 2/24 at 100.00     | A-  | 1,009,410   |
| 6,000   | Illinois State, General Obligation Bonds, Series<br>2004A, 5.000%, 3/01/28   | 10/14 at<br>100.00 | A-  | 6,024,480   |
| 560     | Illinois Toll Highway Authority, Toll Highway<br>Revenue Bonds, Tender Option Bond Trust<br>4304,<br>17.828%, 1/01/21 (IF) (6)   | No Opt. Call       | AA- | 759,724     |
| 7,000   | Lombard Public Facilities Corporation, Illinois,<br>First Tier Conference Center and Hotel<br>Revenue Bonds, Series 2005A-1, 7.125%,<br>1/01/36  | 1/16 at 100.00     | N/R | 3,900,400   |
| 12,000  | Metropolitan Pier and Exposition Authority,<br>Illinois, McCormick Place Expansion Project<br>Refunding Bonds, Series 2010A, 5.500%,<br>6/15/50  | 6/20 at 100.00     | AAA | 12,962,520  |
| 45,000  | Metropolitan Pier and Exposition Authority,<br>Illinois, Revenue Bonds, McCormick Place<br>Expansion<br>Project, Capital Appreciation Refunding Series<br>2010B-1, 0.000%, 6/15/43 – AGM Insured | No Opt. Call       | AAA | 10,483,650  |
| 2,790   | Metropolitan Pier and Exposition Authority,<br>Illinois, Revenue Refunding Bonds,<br>McCormick Place<br>Expansion Project, Series 1998A, 5.500%,<br>6/15/29 – FGIC Insured                       | No Opt. Call       | AAA | 3,261,733   |
| 10,000  | Schaumburg, Illinois, General Obligation<br>Bonds, Series 2004B, 5.000%, 12/01/41<br>(Pre-refunded<br>12/01/14) – AGM Insured  | 12/14 at<br>100.00 | AAA | 10,161,500  |
| 134,005 | Total Illinois<br>Indiana – 9.3% (6.4% of Total Investments)   |                    |     | 100,939,620 |
| 4,230   | Indiana Finance Authority, Educational<br>Facilities Revenue Bonds, Tudor Park<br>Foundation, Series<br>2005B, 5.000%, 6/01/24   | 6/15 at 100.00     | Aa3 | 4,382,449   |
| 5,370   | Indiana Finance Authority, Private Activity<br>Bonds, Ohio River Bridges East End Crossing<br>Project, Series 2013A, 5.250%, 1/01/51<br>(Alternative Minimum Tax)                                | 7/23 at 100.00     | BBB | 5,635,547   |
| 810     | Indiana Finance Authority, Tax-Exempt Private<br>Activity Revenue Bonds, I-69 Section 5<br>Project,<br>Series 2014:<br>5.250%, 9/01/40 (Alternative Minimum Tax)                                 | 9/24 at 100.00     | BBB | 853,068     |
| 6,185   | 5.000%, 9/01/46 (Alternative Minimum Tax)  | 9/24 at 100.00     | BBB | 6,363,932   |
| 6,700   |  |                    | AA- | 7,107,092   |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |   |                 |         |            |
|--------|---|-----------------|---------|------------|
|        | Indiana Finance Authority, Wastewater Utility Revenue Bonds, CWA Authority Project, Series 2011B, 5.000%, 10/01/41  | 10/21 at 100.00 |         |            |
| 8,000  | Indiana Finance Authority, Water Utility Revenue Bonds, Citizens Energy Group Project, First Lien Series 2014A, 5.000%, 10/01/44  | 10/24 at 100.00 | A+      | 8,638,160  |
| 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  | N/R (4) | 11,321,578 |
| 7,000  | Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series 2004A, 5.000%, 1/01/32 – FGIC Insured   | 1/15 at 100.00  | AA–     | 7,107,940  |
| 830    | Valparaiso, Indiana, Exempt Facilities Revenue Bonds, Pratt Paper LLC Project, Series 2013, 7.000%, 1/01/44 (Alternative Minimum Tax)                                     | 1/24 at 100.00  | N/R     | 928,596    |
| 2,500  | Vigo County Hospital Authority, Indiana, Revenue Bonds, Union Hospital, Series 2007: 5.750%, 9/01/42  | 9/17 at 100.00  | N/R     | 2,474,075  |
| 2,500  | 5.800%, 9/01/47   | 9/17 at 100.00  | N/R     | 2,483,050  |
| 55,050 | Total Indiana   |                 |         | 57,295,487 |
|        | 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+      | 433,435    |
| 1,000  | 5.625%, 6/01/46   | 6/15 at 100.00  | B+      | 831,900    |
| 1,525  | Total Iowa  |                 |         | 1,265,335  |
|        | 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   | 5/15 at 102.00  | N/R     | 971,450    |
| 1,000  | 5.125%, 5/15/42   | 5/15 at 102.00  | N/R     | 958,840    |
| 2,000  | Total Kansas  |                 |         | 1,930,290  |
|        | Kentucky – 2.2% (1.5% 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 |                 |         |            |
| 1,000  | Kentucky Public Transportation Infrastructure Authority, First Tier Toll Revenue Bonds, Downtown Crossing Project, Convertible Capital Appreciation Series 2013C:         |                 |         |            |
| 1,335  | 0.000%, 7/01/43   | 7/31 at 100.00  | Baa3    | 859,633    |
| 2,295  | 0.000%, 7/01/46   | 7/31 at 100.00  | Baa3    | 1,477,796  |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |  |                 |      |            |
|--------|--|-----------------|------|------------|
|        | Kentucky Public Transportation Infrastructure Authority, First Tier Toll Revenue Bonds, Downtown Crossing Project, Series 2013A:   |                 |      |            |
| 3,080  | 5.750%, 7/01/49  | 7/23 at 100.00  | Baa3 | 3,447,998  |
| 615    | 6.000%, 7/01/53  | 7/23 at 100.00  | Baa3 | 695,350    |
| 5,400  | Lexington-Fayette Urban County Government Public Facilities Corporation, Kentucky State Lease  |                 | Aa3  | 5,988,708  |
|        | Revenue Bonds, Eastern State Hospital Project, Series 2011A, 5.250%, 6/01/29   |                 |      |            |
| 215    | Warren County, Kentucky, Hospital Revenue Bonds, Bowling Green-Warren County Community Hospital Corporation, Series 2012A, 4.000%, 10/01/29                                | 10/22 at 100.00 | A    | 217,683    |
| 13,940 | Total Kentucky   |                 |      | 13,739,578 |
|        | Louisiana – 6.1% (4.2% of Total Investments)   |                 |      |            |
| 2,000  | Jefferson Parish Hospital Service District 2, Louisiana, Hospital Revenue Bonds, East Jefferson General Hospital, Refunding Series 2011, 6.375%, 7/01/41                   | 7/21 at 100.00  | BB+  | 2,164,500  |
| 3,000  | Louisiana Local Government Environmental Facilities & Community Development Authority, Revenue Bonds, Westlake Chemical Corporation Project, Series 2007, 6.750%, 11/01/32 | 11/17 at 100.00 | BBB  | 3,341,760  |
| 10,000 | Louisiana Public Facilities Authority, Revenue Bonds, Loyola University Project, Refunding Series 2011, 5.000%, 10/01/41   | 10/21 at 100.00 | A    | 10,768,900 |
| 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 | 3,873,715  |
| 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 | 5,182,029  |
| 6,855  | Louisiana Stadium and Exposition District, Revenue Refunding Bonds, Senior Lien Series 2013A, 5.000%, 7/01/36  | 7/23 at 100.00  | A    | 7,340,745  |
| 4,560  | New Orleans, Louisiana, Sewerage Service Revenue Bonds, Refunding Series 2014, 5.000%, 6/01/44   | 6/24 at 100.00  | A    | 4,887,226  |
| 34,540 | Total Louisiana  |                 |      | 37,558,875 |
|        | Maryland – 0.4% (0.3% of Total Investments)  |                 |      |            |
| 1,000  | Howard County, Maryland, Retirement Community Revenue Bonds, Vantage House, Series 2007B, 5.250%, 4/01/37  | 4/17 at 100.00  | N/R  | 909,370    |
| 2,000  | Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference  | 12/16 at 100.00 | N/R  | 937,180    |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |   |                    |        |            |
|--------|---|--------------------|--------|------------|
| 555    | Center, Series 2006A, 5.000%, 12/01/31 (7)<br>Maryland Health and Higher Educational<br>Facilities Authority, Revenue Bonds, Mercy<br>Ridge   | 7/17 at 100.00     | A-     | 565,417    |
| 3,555  | Retirement Community, Series 2007, 4.750%,<br>7/01/34<br>Total Maryland<br>Massachusetts – 4.2% (2.9% of Total<br>Investments)  |                    |        | 2,411,967  |
| 1,375  | Massachusetts Development Finance Agency,<br>Revenue Bonds, Orchard Cove, Series 2007,<br>5.250%, 10/01/26  | 10/14 at<br>101.00 | N/R    | 1,395,309  |
| 1,000  | Massachusetts Health and Educational<br>Facilities Authority, Revenue Bonds, Milton<br>Hospital   | 7/15 at 100.00     | BB+    | 1,006,170  |
| 1,600  | Project, Series 2005D, 5.250%, 7/01/30<br>Massachusetts Health and Educational<br>Facilities Authority, Revenue Refunding<br>Bonds, Suffolk   | 7/19 at 100.00     | BBB    | 1,730,848  |
| 400    | University Issue, Series 2009A, 5.750%,<br>7/01/39<br>Massachusetts Port Authority, Special Facilities<br>Revenue Bonds, ConRac Project, Series<br>2011A,                                 | 7/21 at 100.00     | A      | 425,328    |
| 5,000  | 5.125%, 7/01/41<br>Massachusetts Port Authority, Special Facilities<br>Revenue Bonds, Delta Air Lines Inc., Series<br>2001A, 5.500%, 1/01/18 – AMBAC Insured<br>(Alternative Minimum Tax) | 1/15 at 100.00     | N/R    | 5,005,350  |
| 1,855  | Massachusetts School Building Authority,<br>Dedicated Sales Tax Revenue Bonds, Series<br>2005A,   | 8/15 at 100.00     | AA+    | 1,936,935  |
| 3,000  | 5.000%, 8/15/30<br>Massachusetts School Building Authority,<br>Dedicated Sales Tax Revenue Bonds, Series<br>2005A,  | 8/15 at 100.00     | AA (4) | 3,151,470  |
| 3,465  | 5.000%, 8/15/30 (Pre-refunded 8/15/15)<br>Massachusetts Water Resources Authority,<br>General Revenue Bonds, Series 2007A,  | 2/17 at 100.00     | AA+    | 3,549,338  |
| 7,165  | 4.500%,<br>8/01/46 – AGM Insured (UB) (6)<br>Metropolitan Boston Transit Parking<br>Corporation, Massachusetts, Systemwide<br>Senior Lien Parking   | 7/21 at 100.00     | A+     | 7,791,078  |
| 24,860 | Revenue Bonds, Series 2011, 5.000%, 7/01/41<br>Total Massachusetts<br>Michigan – 5.9% (4.1% of Total Investments)   |                    |        | 25,991,826 |
| 15,000 | Detroit City School District, Wayne County,<br>Michigan, Unlimited Tax School Building and<br>Site  | No Opt. Call       | AA     | 17,493,750 |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |   |                    |         |            |
|--------|---|--------------------|---------|------------|
| 690    | Improvement Bonds, Series 2001A, 6.000%,<br>5/01/29 – AGM Insured (UB)<br>Detroit Water and Sewerage Department,<br>Michigan, Sewage Disposal System Revenue<br>Bonds,  | 7/22 at 100.00     | BB+     | 678,201    |
| 2,000  | Refunding Senior Lien Series 2012A, 5.250%,<br>7/01/39<br>Garden City Hospital Finance Authority,<br>Michigan, Revenue Bonds, Garden City<br>Hospital   | 8/17 at 100.00     | N/R (4) | 2,247,700  |
| 3,580  | Obligated Group, Series 2007A, 5.000%,<br>8/15/38 (Pre-refunded 8/15/17)<br>Lansing Board of Water and Light, Michigan,<br>Utility System Revenue Bonds, Series 2011A,<br>5.500%, 7/01/41                     | 7/21 at 100.00     | AA–     | 4,163,110  |
| 5,000  | Michigan Finance Authority, Revenue Bonds,<br>Trinity Health Credit Group, Refunding Series<br>2011,<br>5.000%, 12/01/39  | 12/21 at<br>100.00 | Aa2     | 5,345,950  |
| 2,250  | Michigan State Building Authority, Revenue<br>Bonds, Facilities Program, Refunding Series<br>2011-I-A, 5.375%, 10/15/41   | 10/21 at<br>100.00 | Aa3     | 2,488,590  |
| 650    | Michigan State Hospital Finance Authority,<br>Hospital Revenue Refunding Bonds, Sisters of<br>Mercy<br>Health Corporation, Series 1993P, 5.375%,<br>8/15/14 – NPPG Insured (ETM)                              | No Opt. Call       | AA– (4) | 651,326    |
| 2,865  | Michigan State Hospital Finance Authority,<br>Revenue Bonds, Trinity Health Care Group,<br>Series<br>2006A, 5.000%, 12/01/31 (UB)   | 12/16 at<br>100.00 | Aa2     | 2,958,084  |
| 635    | Michigan State Hospital Finance Authority,<br>Revenue Bonds, Trinity Health Care Group,<br>Series<br>2006A, 5.000%, 12/01/31 (Pre-refunded<br>12/01/16) (UB)  | 12/16 at<br>100.00 | Aa2 (4) | 702,139    |
| 32,670 | Total Michigan<br>Minnesota – 1.1% (0.8% of Total Investments)  |                    |         | 36,728,850 |
| 2,100  | Dakota County Community Development<br>Agency, Minnesota, GNMA Collateralized<br>Multifamily Housing<br>Revenue Bonds, Rose Apartments Project,<br>Series 2001, 6.350%, 10/20/37 (Alternative<br>Minimum Tax) | 10/14 at<br>102.00 | Aa1     | 2,165,793  |
| 3,000  | Minnesota State, General Obligation Bonds,<br>Various Purpose, Refunding Series 2010D,<br>5.000%, 8/01/18   | No Opt. Call       | AA+     | 3,480,210  |
| 1,375  | Saint Paul Port Authority, Minnesota, Lease<br>Revenue Bonds, Regions Hospital Parking<br>Ramp<br>Project, Series 2007-1, 5.000%, 8/01/36   | 8/16 at 100.00     | N/R     | 1,379,153  |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |   |                    |        |            |
|--------|---|--------------------|--------|------------|
| 6,475  | Total Minnesota<br>Mississippi – 0.8% (0.6% of Total Investments)   |                    |        | 7,025,156  |
| 2,110  | Mississippi Business Finance Corporation,<br>GNMA Collateralized Retirement Facility<br>Mortgage<br>Revenue Refunding Bonds, Aldersgate<br>Retirement Community Inc. Project, Series<br>1999A,<br>5.450%, 5/20/34 | 11/14 at<br>100.00 | AA+    | 2,113,566  |
| 3,000  | Mississippi Hospital Equipment and Facilities<br>Authority, Revenue Bonds, Baptist Memorial<br>Healthcare, Series 2004B-1, 5.000%, 9/01/24  | 9/14 at 100.00     | A      | 3,010,920  |
| 5,110  | Total Mississippi<br>Missouri – 2.9% (2.0% of Total Investments)  |                    |        | 5,124,486  |
| 1,495  | Cape Girardeau County Industrial<br>Development Authority, Missouri, Health<br>Facilities Revenue<br>Bonds, Southeast Missouri Hospital<br>Association, Series 2007, 5.000%, 6/01/36                              | 6/17 at 100.00     | BBB+   | 1,509,038  |
| 1,000  | Clinton County Industrial Development<br>Authority, Missouri, Revenue Bonds, Cameron<br>Regional<br>Medical Center, Series 2007, 5.000%, 12/01/32   | 12/17 at<br>100.00 | N/R    | 1,001,300  |
| 2,500  | Missouri Health and Educational Facilities<br>Authority, Revenue Bonds, Washington<br>University,<br>Series 2011B, 5.000%, 11/15/37   | 11/21 at<br>100.00 | AAA    | 2,799,875  |
| 12,000 | Missouri Joint Municipal Electric Utility<br>Commission, Power Project Revenue Bonds,<br>Iatan 2<br>Project Series 2006A, 5.000%, 1/01/34 –<br>AMBAC Insured  | No Opt. Call       | AA+    | 12,521,640 |
| 16,995 | Total Missouri<br>Nebraska – 0.3% (0.2% of Total Investments)   |                    |        | 17,831,853 |
| 1,005  | Omaha Public Power District, Nebraska,<br>Separate Electric System Revenue Bonds,<br>Nebraska City 2,<br>Tender Option Bond Trust 11673, 20.414%,<br>8/01/40 – AMBAC Insured (IF)                                 | 2/17 at 100.00     | AA+    | 1,756,428  |
| 10,000 | Nevada – 5.5% (3.8% of Total Investments)<br>Clark County, Nevada, Airport Revenue<br>Bonds, Subordinate Lien Series 2010B,<br>5.750%, 7/01/42  | 1/20 at 100.00     | A+     | 11,602,000 |
| 6,000  | Clark County, Nevada, Passenger Facility<br>Charge Revenue Bonds, Las Vegas-McCarran<br>International Airport, Series 2010A, 5.250%,<br>7/01/42   | 1/20 at 100.00     | A+     | 6,472,380  |
| 5,000  | Henderson, Nevada, General Obligation Bonds,<br>Sewer Series 2004, 5.000%, 6/01/34<br>(Pre-refunded<br>12/01/14) – FGIC Insured   | 12/14 at<br>100.00 | AA (4) | 5,081,400  |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |   |                |      |            |
|--------|---|----------------|------|------------|
| 10,000 | Las Vegas Valley Water District, Nevada,<br>General Obligation Bonds, Water & Refunding<br>Series                                   | 6/21 at 100.00 | AA+  | 10,856,700 |
|        | 2011C, 5.000%, 6/01/38  |                |      |            |
| 31,000 | Total Nevada  |                |      | 34,012,480 |
|        | New Jersey – 4.2% (2.9% of Total Investments)   |                |      |            |
|        | New Jersey Transportation Trust Fund<br>Authority, Transportation System Bonds,<br>Capital  | No Opt. Call   | A    | 5,020,298  |
| 12,970 | Appreciation Series 2010A, 0.000%, 12/15/33   |                |      |            |
|        | New Jersey Transportation Trust Fund<br>Authority, Transportation System Bonds,<br>Series 2006C,                                    | No Opt. Call   | AA   | 7,889,200  |
| 20,000 | 0.000%, 12/15/33 – AGM Insured  |                |      |            |
|        | New Jersey Transportation Trust Fund<br>Authority, Transportation System Bonds,<br>Series 2012AA,                                   | No Opt. Call   | A    | 7,427,140  |
| 7,000  | 5.000%, 6/15/38   |                |      |            |
|        | Tobacco Settlement Financing Corporation,<br>New Jersey, Tobacco Settlement Asset-Backed<br>Bonds,                                  | 6/17 at 100.00 | B2   | 5,747,054  |
| 7,670  | Series 2007-1A, 4.750%, 6/01/34   |                |      |            |
| 47,640 | Total New Jersey  |                |      | 26,083,692 |
|        | New York – 8.4% (5.8% of Total Investments)   |                |      |            |
|        | Albany Industrial Development Agency, New<br>York, Revenue Bonds, Brighter Choice Charter<br>Schools, Series 2007A, 5.000%, 4/01/32 | 4/17 at 100.00 | BB+  | 872,217    |
| 900    | Brooklyn Arena Local Development<br>Corporation, New York, Payment in Lieu of<br>Taxes Revenue                                      |                |      |            |
|        | Bonds, Barclays Center Project, Series 2009:<br>6.000%, 7/15/30   | 1/20 at 100.00 | BBB– | 1,417,647  |
| 1,275  | 0.000%, 7/15/44   | No Opt. Call   | BBB– | 720,970    |
| 3,400  | Dormitory Authority of the State of New York,<br>State Personal Income Tax Revenue Bonds,<br>General                                | 3/21 at 100.00 | AAA  | 5,119,359  |
| 4,675  | Purpose Series 2011C, 5.000%, 3/15/41   |                |      |            |
|        | Hudson Yards Infrastructure Corporation, New<br>York, Revenue Bonds, Senior Fiscal 2012<br>Series                                   | 2/21 at 100.00 | A    | 2,392,320  |
| 2,100  | 2011A, 5.750%, 2/15/47  |                |      |            |
|        | Hudson Yards Infrastructure Corporation, New<br>York, Revenue Bonds, Series 2006A, 4.500%,<br>2/15/47 – NPMG Insured                | 2/17 at 100.00 | AA–  | 5,025,505  |
| 4,945  | Long Island Power Authority, New York,<br>Electric System General Revenue Bonds,<br>Series 2006C,                                   | 9/16 at 100.00 | AA–  | 3,195,060  |
| 3,000  | 5.000%, 9/01/35 – NPMG Insured  |                |      |            |
|        | Long Island Power Authority, New York,<br>Electric System Revenue Bonds, Series 2011A,<br>5.000%,                                   | 5/21 at 100.00 | AA   | 1,285,332  |
| 1,200  |   |                |      |            |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |  |  |         |            |
|--------|--|--|---------|------------|
|        | 5/01/36 – AGM Insured  |  |         |            |
| 6,000  | Long Island Power Authority, New York,<br>Electric System Revenue Bonds, Series 2012A, 9/22 at 100.00<br>5.000%, 9/01/42               |  | A–      | 6,421,440  |
| 750    | Metropolitan Transportation Authority, New<br>York, Transportation Revenue Bonds, Series<br>2011A, 11/21 at<br>5.000%, 11/15/41 100.00 |  | AA–     | 806,048    |
| 8,000  | New York City Industrial Development<br>Agency, New York, American Airlines-JFK<br>International 8/16 at 101.00                        |  | N/R     | 8,837,760  |
|        | Airport Special Facility Revenue Bonds, Series<br>2005, 7.750%, 8/01/31 (Alternative Minimum<br>Tax)                                   |  |         |            |
| 3,125  | New York City Municipal Water Finance<br>Authority, New York, Water and Sewer System<br>Revenue 12/20 at<br>100.00                     |  | AA+     | 3,659,000  |
|        | Bonds, Second Generation Resolution, Fiscal<br>2011 Series EE, 5.375%, 6/15/43   |  |         |            |
| 8,000  | New York City Sales Tax Asset Receivable<br>Corporation, New York, Dedicated Revenue<br>Bonds, Local 10/14 at<br>100.00                |  | AAA     | 8,079,120  |
|        | Government Assistance Corporation, Series<br>2004A, 5.000%, 10/15/21 – NPFG Insured  |  |         |            |
| 10     | New York City, New York, General Obligation<br>Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 – 8/14 at 100.00                            |  | AA      | 10,044     |
|        | NPFG Insured   |  |         |            |
| 3,000  | New York State Power Authority, General<br>Revenue Bonds, Series 2011A, 5.000%,<br>11/15/38 11/21 at<br>100.00                         |  | Aa2     | 3,335,070  |
| 585    | Triborough Bridge and Tunnel Authority, New<br>York, General Purpose Revenue Bonds,<br>Refunding No Opt. Call                          |  | A+      | 675,634    |
|        | Subordinate Lien Series 2013A, 5.000%,<br>11/15/28   |  |         |            |
| 50,065 | Total New York   |  |         | 51,852,526 |
|        | North Carolina – 0.8% (0.6% of Total<br>Investments)   |  |         |            |
| 1,710  | Charlotte-Mecklenberg Hospital Authority,<br>North Carolina, Carolinas HealthCare System<br>Revenue 1/18 at 100.00                     |  | AA–     | 1,913,747  |
|        | Bonds, Series 2008, Trust 1149, 15.119%,<br>7/15/32 (IF) (6)   |  |         |            |
| 1,200  | Charlotte-Mecklenburg Hospital Authority,<br>North Carolina, Health Care System Revenue<br>Bonds, 1/17 at 100.00                       |  | AA–     | 1,249,308  |
|        | Carolinas Health Care, Series 2007A, 5.000%,<br>1/15/31  |  |         |            |
| 1,750  | Charlotte-Mecklenburg Hospital Authority,<br>North Carolina, Healthcare System Revenue<br>Bonds, DBA 1/15 at 100.00                    |  | AA+ (4) | 1,787,765  |



Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |  |                    |         |            |
|--------|--|--------------------|---------|------------|
|        | Carolinas Healthcare System, Series 2005A,<br>4.875%, 1/15/32 (Pre-refunded 1/15/15)   |                    |         |            |
| 4,660  | Total North Carolina   |                    |         | 4,950,820  |
|        | Ohio – 3.2% (2.2% of Total Investments)  |                    |         |            |
|        | Allen County, Ohio, Hospital Facilities<br>Revenue Bonds, Catholic Health Partners,<br>Refunding and<br>Improvement Series 2012A:          |                    |         |            |
| 650    | 5.000%, 5/01/33  | 5/22 at 100.00     | AA–     | 703,034    |
| 970    | 4.000%, 5/01/33  | 5/22 at 100.00     | AA–     | 982,552    |
| 800    | 5.000%, 5/01/42  | 5/22 at 100.00     | AA–     | 850,344    |
|        | Buckeye Tobacco Settlement Financing<br>Authority, Ohio, Tobacco Settlement<br>Asset-Backed Revenue<br>Bonds, Senior Lien, Series 2007A-2: |                    |         |            |
| 4,735  | 5.125%, 6/01/24  | 6/17 at 100.00     | B–      | 3,967,835  |
| 710    | 5.875%, 6/01/30  | 6/17 at 100.00     | B       | 577,976    |
| 3,705  | 5.750%, 6/01/34  | 6/17 at 100.00     | B       | 2,956,590  |
| 1,670  | 5.875%, 6/01/47  | 6/17 at 100.00     | B       | 1,306,458  |
|        | Chagrin Falls Exempt Village School District,<br>Ohio, General Obligation Bonds, Refunding<br>Series                                       |                    |         |            |
| 1,915  | 2005, 5.250%, 12/01/19 (Pre-refunded<br>12/01/14) – NPPG Insured   | 12/14 at<br>100.00 | Aa1 (4) | 1,947,766  |
|        | Franklin County, Ohio, Hospital Revenue<br>Bonds, OhioHealth Corporation, Series 2011A,<br>5.000%, 11/15/41                                |                    |         |            |
| 5,800  |  | 11/21 at<br>100.00 | AA+     | 6,218,180  |
| 20,955 | Total Ohio   |                    |         | 19,510,735 |
|        | Oklahoma – 2.1% (1.4% of Total Investments)  |                    |         |            |
|        | Oklahoma Development Finance Authority,<br>Revenue Bonds, Saint John Health System,<br>Series 2007:  |                    |         |            |
| 4,535  | 5.000%, 2/15/37  | 2/17 at 100.00     | AA      | 4,661,572  |
| 1,145  | 5.000%, 2/15/42  | 2/17 at 100.00     | AA      | 1,174,449  |
|        | Tulsa County Industrial Authority, Oklahoma,<br>Health Care Revenue Bonds, Saint Francis<br>Health   |                    |         |            |
| 6,305  |  | 12/16 at<br>100.00 | AA+     | 6,746,287  |
|        | System, Series 2006, 5.000%, 12/15/36 (UB)   |                    |         |            |
|        | Tulsa County Industrial Authority, Oklahoma,<br>Health Care Revenue Bonds, Saint Francis<br>Health   |                    |         |            |
| 88     |  | 12/16 at<br>100.00 | AA+     | 99,198     |
|        | System, Tender Option Bond Trust 3500,<br>8.513%, 6/15/30 (IF)   |                    |         |            |
| 12,073 | Total Oklahoma   |                    |         | 12,681,506 |
|        | Oregon – 0.2% (0.2% of Total Investments)  |                    |         |            |
|        | Oregon State Department of Transportation,<br>Highway User Tax Revenue Bonds, Series<br>2004B,   |                    |         |            |
| 1,435  |  | 11/14 at<br>100.00 | AAA     | 1,456,209  |
|        | 5.250%, 11/15/16 (Pre-refunded 11/15/14)   |                    |         |            |
|        | Pennsylvania – 1.4% (1.0% of Total<br>Investments)   |                    |         |            |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |   |                 |      |            |
|--------|---|-----------------|------|------------|
| 500    | Bucks County Industrial Development Authority, Pennsylvania, Charter School Revenue Bonds,<br>School Lane Charter School, Series 2007A, 5.000%, 3/15/37   | 3/17 at 100.00  | BBB  | 502,910    |
| 2,206  | Northampton County Industrial Development Authority, Pennsylvania, Recovery Revenue Bonds,<br>Northampton Generating Project, Senior Lien Series 2013A0 & AE2, 5.000%, 12/01/23   | 10/14 at 100.00 | N/R  | 1,928,045  |
| 5,605  | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Senior Lien Series 2012A, 5.000%, 12/01/42  | 12/22 at 100.00 | A+   | 6,066,740  |
| 8,311  | Total Pennsylvania Rhode Island – 1.4% (1.0% of Total Investments)<br>Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds,<br>Series 2002A:  |                 |      | 8,497,695  |
| 5      | 6.000%, 6/01/23   | 10/14 at 100.00 | A2   | 5,036      |
| 8,730  | 6.250%, 6/01/42   | 10/14 at 100.00 | BBB– | 8,729,564  |
| 8,735  | Total Rhode Island South Carolina – 2.9% (2.0% of Total Investments)<br>Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2006, 5.000%, 12/01/24                                      |                 |      | 8,734,600  |
| 10,600 | South Carolina Public Service Authority, Santee Cooper Revenue Obligations, Series 2014A, 5.500%, 12/01/54  | 12/16 at 100.00 | AA   | 11,594,704 |
| 5,700  | Total South Carolina Tennessee – 1.3% (0.9% of Total Investments)<br>Chattanooga Health, Educational and Housing Facility Board, Tennessee, Hospital Revenue Bonds,<br>Catholic Health Initiatives, Series 2013A, 5.250%, 1/01/45 | 6/24 at 100.00  | AA–  | 6,323,067  |
| 16,300 | Harpeth Valley Utilities District, Davidson and Williamson Counties, Tennessee, Utilities Revenue Bonds, Series 2012A, 4.000%, 9/01/42  |                 |      | 17,917,771 |
| 4,885  | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2006, 0.000%, 1/01/41  | 1/23 at 100.00  | A+   | 5,317,567  |
| 1,595  |   | 9/22 at 100.00  | AA   | 1,638,799  |
| 3,680  |   | 1/17 at 30.07   | A    | 845,885    |
| 415    |   | 9/16 at 100.00  | BBB+ | 432,812    |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |  |                    |         |  |            |
|--------|--|--------------------|---------|--|------------|
|        | Sullivan County Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds,<br>Wellmont Health System, Series 2006C,<br>5.250%, 9/01/36                               |                    |         |  |            |
| 10,575 | Total Tennessee  |                    |         |  | 8,235,063  |
|        | Texas – 18.7% (13.0% of Total Investments)   |                    |         |  |            |
|        | Board of Regents, University of Texas System,<br>Financing System Revenue Bonds, Series<br>2006F,<br>4.250%, 8/15/36 (UB)  | 2/17 at 100.00     | AAA     |  | 5,555,915  |
| 5,445  |  |                    |         |  |            |
|        | Central Texas Regional Mobility Authority,<br>Revenue Bonds, Senior Lien Series 2011,<br>6.250%, 1/01/46   | 1/21 at 100.00     | Baa2    |  | 3,038,283  |
| 2,700  |  |                    |         |  |            |
|        | Colorado River Municipal Water District,<br>Texas, Water System Revenue Bonds, Series<br>2011,<br>5.000%, 1/01/36  | 1/21 at 100.00     | AA–     |  | 4,821,975  |
| 4,500  |  |                    |         |  |            |
|        | Decatur Hospital Authority, Texas, Revenue<br>Bonds, Wise Regional Health System, Series<br>2004A,<br>7.000%, 9/01/25 (Pre-refunded 9/01/14)   | 9/14 at 100.00     | N/R (4) |  | 5,028,000  |
| 5,000  |  |                    |         |  |            |
|        | Grand Parkway Transportation Corporation,<br>Texas, System Toll Revenue Bonds, Tender<br>Option Bond   | 10/23 at<br>100.00 | AA+     |  | 1,456,190  |
| 1,140  |  |                    |         |  |            |
|        | Trust 2013- 9A, 18.003%, 4/01/53 (IF)  |                    |         |  |            |
|        | Houston, Texas, Airport System Special<br>Facilities Revenue Bonds, United Airlines, Inc.<br>Terminal E Project, Refunding Series 2014,<br>5.000%, 7/01/29 (Alternative Minimum Tax) | 7/24 at 100.00     | B       |  | 238,090    |
| 235    |  |                    |         |  |            |
|        | Houston, Texas, First Lien Combined Utility<br>System Revenue Bonds, Series 2011D,<br>5.000%, 11/15/40   | 11/21 at<br>100.00 | AA      |  | 11,011,900 |
| 10,000 |  |                    |         |  |            |
|        | Houston, Texas, Hotel Occupancy Tax and<br>Special Revenue Bonds, Convention and<br>Entertainment<br>Facilities Department, Refunding Series<br>2011B, 5.250%, 9/01/27               | 9/16 at 100.00     | A2      |  | 5,348,248  |
| 4,965  |  |                    |         |  |            |
|        | Houston, Texas, Junior Lien Water and<br>Sewerage System Revenue Refunding Bonds,<br>Series 2001B,<br>5.500%, 12/01/29 – NPMFG Insured (ETM)   | No Opt. Call       | AA+ (4) |  | 7,985,820  |
| 6,000  |  |                    |         |  |            |
|        | Hutto Independent School District, Williamson<br>County, Texas, General Obligation Bonds,<br>Series<br>2007A, 4.750%, 8/01/43 (UB)   | 8/16 at 100.00     | AAA     |  | 14,826,078 |
| 14,200 |  |                    |         |  |            |
|        | Lower Colorado River Authority, Texas,<br>Transmission Contract Refunding Revenue<br>Bonds, LCRA   | 5/20 at 100.00     | A+      |  | 8,432,560  |
| 8,000  |  |                    |         |  |            |
|        | Transmission Services Corporation Project,<br>Refunding & Improvement Series 2010,   |                    |         |  |            |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|       |   |                    |         |           |
|-------|---|--------------------|---------|-----------|
|       | 5.000%, 5/15/40<br>Martin County Hospital District, Texas,<br>Combination Limited Tax and Revenue Bonds,<br>Series  | 4/21 at 100.00     | BBB     | 1,919,330 |
| 1,750 | 2011A, 7.250%, 4/01/36<br>Matagorda County Navigation District 1,<br>Texas, Collateralized Revenue Refunding<br>Bonds, Houston  | No Opt. Call       | A1      | 2,808,875 |
| 2,500 | Light and Power Company, Series 1997,<br>5.125%, 11/01/28 – AMBAC Insured<br>(Alternative<br>Minimum Tax)<br>North Texas Municipal Water District, Water<br>System Revenue Bonds, Series 2004, 5.000%,<br>9/01/24 | 9/14 at 100.00     | AAA     | 3,514,280 |
| 3,500 | (Pre-refunded 9/01/14) – NPMFG Insured<br>North Texas Tollway Authority, Second Tier<br>System Revenue Refunding Bonds, Series<br>2008F,<br>5.750%, 1/01/38   | 1/18 at 100.00     | A3      | 7,106,958 |
| 6,390 | North Texas Tollway Authority, Special<br>Projects System Revenue Bonds, Series 2011A:<br>0.000%, 9/01/43   | 9/31 at 100.00     | AA+     | 3,589,037 |
| 4,370 | 0.000%, 9/01/45   | 9/31 at 100.00     | AA+     | 8,243,386 |
| 9,130 | Southwest Higher Education Authority Inc,<br>Texas, Revenue Bonds, Southern Methodist<br>University,<br>Series 2010, 5.000%, 10/01/41   | 10/20 at<br>100.00 | AA-     | 3,895,430 |
| 3,500 | Tarrant County Cultural Education Facilities<br>Finance Corporation, Texas, Revenue Bonds,<br>Texas<br>Health Resources, Series 2007A, 5.000%,<br>2/15/36 (UB)  | 2/17 at 100.00     | AA      | 8,013,313 |
| 7,700 | Texas Municipal Gas Acquisition and Supply<br>Corporation III, Gas Supply Revenue Bonds,<br>Series<br>2012, 5.000%, 12/15/32  | No Opt. Call       | A3      | 457,446   |
| 435   | Texas Transportation Commission, Central<br>Texas Turnpike System Revenue Bonds, First<br>Tier<br>Refunding Series 2012A, 5.000%, 8/15/41   | 8/22 at 100.00     | A-      | 1,768,480 |
| 1,665 | White Settlement Independent School District,<br>Tarrant County, Texas, General Obligation<br>Bonds,<br>Series 2006:<br>0.000%, 8/15/37   | 8/15 at 31.98      | AAA     | 442,987   |
| 1,440 | 0.000%, 8/15/40   | 8/15 at 27.11      | AAA     | 374,184   |
| 1,440 | 0.000%, 8/15/44   | 8/15 at 21.88      | AAA     | 234,685   |
| 1,120 | White Settlement Independent School District,<br>Tarrant County, Texas, General Obligation<br>Bonds,<br>Series 2006:<br>0.000%, 8/15/37   | 8/15 at 21.88      | N/R (4) | 1,092     |
| 5     |   |                    |         |           |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|         |  |                    |         |             |
|---------|--|--------------------|---------|-------------|
|         | Series 2006, 0.000%, 8/15/44 (Pre-refunded 8/15/15)  |                    |         |             |
|         | White Settlement Independent School District,<br>Tarrant County, Texas, General Obligation<br>Bonds,<br>Series 2006:   |                    |         |             |
| 5       | 0.000%, 8/15/37 (Pre-refunded 8/15/15)   | 8/15 at 31.98      | N/R (4) | 1,596       |
| 7,665   | 0.000%, 8/15/37 (Pre-refunded 8/15/15)   | 8/15 at 31.98      | N/R (4) | 2,446,668   |
| 5       | 0.000%, 8/15/40 (Pre-refunded 8/15/15)   | 8/15 at 27.11      | N/R (4) | 1,353       |
| 7,665   | 0.000%, 8/15/40 (Pre-refunded 8/15/15)   | 8/15 at 27.11      | N/R (4) | 2,074,072   |
| 5,985   | 0.000%, 8/15/44 (Pre-refunded 8/15/15)   | 8/15 at 21.88      | N/R (4) | 1,306,825   |
| 128,455 | Total Texas  |                    |         | 115,943,056 |
|         | Utah – 1.0% (0.7% of Total Investments)  |                    |         |             |
|         | Utah Housing Corporation, Single Family<br>Mortgage Bonds, Series 2001E:   |                    |         |             |
| 305     | 5.200%, 1/01/18 (Alternative Minimum Tax)  | 1/15 at 100.00     | AA–     | 305,720     |
| 160     | 5.500%, 1/01/23 (Alternative Minimum Tax)  | 1/15 at 100.00     | Aaa     | 162,280     |
|         | Utah Housing Corporation, Single Family<br>Mortgage Bonds, Series 2001F-1:   |                    |         |             |
| 485     | 4.950%, 7/01/18 (Alternative Minimum Tax)  | 1/15 at 100.00     | AA–     | 486,048     |
| 215     | 5.300%, 7/01/23 (Alternative Minimum Tax)  | 1/15 at 100.00     | Aaa     | 217,804     |
|         | Utah Transit Authority, Sales Tax Revenue and<br>Refunding Bonds, Series 2012, 5.000%,<br>6/15/42  |                    |         |             |
| 4,935   |  | 6/22 at 100.00     | A1      | 5,273,837   |
| 6,100   | Total Utah   |                    |         | 6,445,689   |
|         | Vermont – 1.5% (1.0% of Total Investments)   |                    |         |             |
| 9,000   | University of Vermont and State Agricultural<br>College, Revenue Bonds, Series 2005, 5.000%,<br>10/01/35 – NPMFG Insured   | 10/15 at<br>100.00 | AA–     | 9,383,130   |
|         | Virginia – 0.9% (0.6% of Total Investments)  |                    |         |             |
|         | Chesterfield County Health Center<br>Commission, Virginia, Mortgage Revenue<br>Bonds, Lucy Corr  |                    |         |             |
| 1,000   |  | 12/15 at<br>100.00 | N/R     | 749,460     |
|         | Village, Series 2005, 5.375%, 12/01/28   |                    |         |             |
| 3,390   | Metropolitan Washington Airports Authority,<br>Virginia, Dulles Toll Road Revenue Bonds,<br>Dulles<br>Metrorail & Capital Improvement Project,<br>Refunding Second Senior Lien Series 2014A,<br>5.000%, 10/01/53 | 4/22 at 100.00     | BBB+    | 3,492,853   |
| 1,000   | Virginia Commonwealth University Health<br>System Authority, General Revenue Bonds,<br>Series 2011,<br>4.750%, 7/01/41   | 7/21 at 100.00     | AA–     | 1,056,340   |
| 5,390   | Total Virginia   |                    |         | 5,298,653   |
|         | Washington – 4.9% (3.4% of Total Investments)  |                    |         |             |
| 2,500   | King County, Washington, Sewer Revenue<br>Bonds, Series 2009, 5.250%, 1/01/42  | 1/19 at 100.00     | AA+     | 2,802,975   |
| 1,820   | Port of Seattle, Washington, Revenue Bonds,<br>Intermediate Lien Refunding Series 2012A,<br>5.000%, 8/01/30  | 8/22 at 100.00     | A+      | 2,033,959   |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|            |   |                 |      |             |
|------------|---|-----------------|------|-------------|
| 5,205      | Port of Seattle, Washington, Revenue Bonds, Intermediate Lien Series 2005A, 5.000%, 3/01/35 – NPMG Insured  | 3/15 at 100.00  | AA–  | 5,309,930   |
| 10,000     | Washington Health Care Facilities Authority, Revenue Bonds, Catholic Health, Series 2011A, 5.000%, 2/01/41  | 2/21 at 100.00  | A+   | 10,549,900  |
| 3,410      | Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research Center, Series 2011A, 5.625%, 1/01/35                               | 1/21 at 100.00  | A    | 3,670,794   |
| 3,005      | Washington State Health Care Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001: 5.375%, 12/01/17 – AMBAC Insured        | 12/14 at 100.00 | BBB  | 3,011,912   |
| 2,915      | 5.375%, 12/01/18 – AMBAC Insured  | 12/14 at 100.00 | BBB  | 2,920,830   |
| 28,855     | Total Washington Wisconsin – 1.7% (1.1% of Total Investments)   |                 |      | 30,300,300  |
| 1,000      | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Charity HealthCare Ministry, Series 2007, 5.000%, 9/01/33 | 9/17 at 100.00  | BBB+ | 1,019,400   |
| 7,790      | Wisconsin State, General Fund Annual Appropriation Revenue Bonds, Refunding Series 2009A, 6.000%, 5/01/36   | 5/19 at 100.00  | AA–  | 9,201,000   |
| 8,790      | Total Wisconsin   |                 |      | 10,220,400  |
| \$ 929,899 | Total Municipal Bonds (cost \$830,788,489)  |                 |      | 879,906,176 |

Principal Amount

| (000)   | Description (1)  | Coupon | Maturity | Ratings (3) | Value     |
|---------|--|--------|----------|-------------|-----------|
|         | CORPORATE BONDS – 0.0% (0.0% of Total Investments)         |        |          |             |           |
|         | Transportation – 0.0% (0.0% of Total Investments)          |        |          |             |           |
| \$ 44   | (8) Las Vegas Monorail Company, Senior Interest Bonds (5), | 5.500% | 7/15/19  | N/R         | \$ 7,913  |
| 12      | (8) Las Vegas Monorail Company, Senior Interest Bonds (5), | 3.000% | 7/15/55  | N/R         | 1,607     |
| \$ 56   | Total Corporate Bonds (cost \$3,909)                       |        |          |             | 9,520     |
| Shares  | Description (1), (9)                                       |        |          |             | Value     |
|         | INVESTMENT COMPANIES – 0.5% (0.4% of Total Investments)    |        |          |             |           |
| 6,266   | BlackRock MuniHoldings Fund Inc.                           |        |          |             | \$ 99,128 |
| 131,278 | Deutsche Municipal Income Trust                            |        |          |             | 1,735,495 |

Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

|        |  |             |
|--------|--|-------------|
| 26,880 | Dreyfus Strategic Municipal Fund                 | 222,298     |
| 43,020 | Invesco VK Investment Grade Municipal Trust      | 549,796     |
| 30,000 | Invesco VK Municipal Opportunity Trust           | 366,300     |
| 43,420 | PIMCO Municipal Income Fund II                   | 503,238     |
|        | Total Investment Companies (cost \$3,325,133)    | 3,476,255   |
|        | Total Long-Term Investments (cost \$834,144,530) | 883,391,951 |

| Principal Amount (000) | Description (1)   | Optional Call Provisions (2) | Ratings (3) | Value                    |
|------------------------|---|------------------------------|-------------|--------------------------|
|                        | SHORT-TERM INVESTMENTS – 1.5% (1.1% of Total Investments)   |                              |             |                          |
|                        | Iowa – 0.2% (0.2% of Total Investments)   |                              |             |                          |
| \$ 1,500               | Iowa State, Special Obligation Bonds, I-Jobs Program, Variable Rate Demand Obligations, Tender Option Bond Trust 13B-A, 0.080%, 6/01/25 (9)                               | 6/19 at 100.00               | AA          | \$ 1,500,000             |
|                        | New York – 1.3% (0.9% of Total Investments)   |                              |             |                          |
| 7,914                  | Liberty Development Corporation, New York, Goldman Sachs Headquarter Revenue Bonds, Variable Rate Demand Obligations, Tender Option Bond Trust 1251, 0.350%, 10/01/35 (9) | No Opt. Call                 | Baa1        | 7,914,000                |
| \$ 9,414               | Total Short-Term Investments (cost \$9,414,000)   |                              |             | 9,414,000                |
|                        | Total Investments (cost \$843,558,530) – 144.2%   |                              |             | 892,805,951 (42,412,000) |
|                        | Floating Rate Obligations – (6.9)%  |                              |             | (150,000,000)            |
|                        | Institutional MuniFund Term Preferred Shares, at Liquidation Value – (24.2)% (10)   |                              |             | (91,000,000)             |
|                        | Variable Rate MuniFund Term Preferred Shares, at Liquidation Value – (14.7)% (10)   |                              |             | 9,569,249                |
|                        | Other Assets Less Liabilities – 1.6%  |                              |             |                          |
|                        | Net Assets Applicable to Common Shares – 100%   |                              |             | \$ 618,963,200           |

## Fair Value Measurements

Fair value is defined as the price that the Fund 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         | \$ —        | \$878,172,331 | \$1,733,845 | \$879,906,176 |
| Corporate Bonds         | —           | —             | 9,520       | 9,520         |
| Investment Companies    | 3,476,255   | —             | —           | 3,476,255     |
| Short-Term Investments  |             |               |             |               |
| Municipal Bonds         | —           | 9,414,000     | —           | 9,414,000     |
| Total                   | \$3,476,255 | \$887,586,331 | \$1,743,365 | \$892,805,951 |

## 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, 2014, the cost of investments was \$800,659,074.

Gross unrealized appreciation and gross unrealized depreciation of investments as of July 31, 2014, were as follows:



Edgar Filing: NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3 - Form N-Q

Gross unrealized:

|   |               |
|---|---------------|
| Appreciation  | \$ 63,245,673 |
| Depreciation  | (13,451,242)  |
| Net unrealized appreciation (depreciation) of investments | \$ 49,794,431 |

- (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. 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.
  - (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.
  - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
  - (5) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Nuveen Funds' Board of Directors/Trustees. For fair value disclosure purposes, investment classified as Level 3.
  - (6) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
  - (7) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing security, 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.
  - (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) 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.
  - (10) Institutional MuniFund Term Preferred Shares and Variable Rate MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments are 16.8% and 10.2%, respectively.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction.



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.

---

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 29, 2014

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 29, 2014

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

Date: September 29, 2014