

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

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-CSRS
July 08, 2010

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10345

Nuveen Dividend Advantage Municipal Fund 3

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: October 31

Date of reporting period: April 30, 2010

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

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

[LOGO]
NUVEEN
INVESTMENTS

Closed-End Funds

Nuveen Investments
Municipal Closed-End Funds

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

Semi-Annual Report
April 30, 2010

NUVEEN PERFORMANCE
PLUS MUNICIPAL
FUND, INC.
NPP

NUVEEN MUNICIPAL
ADVANTAGE
FUND, INC.
NMA

NUVEEN MUNICIPAL
MARKET OPPORTUNITY
FUND, INC.
NMO

NUVEEN DIVIDEND
ADVANTAGE
MUNICIPAL FUND
NAD

NUVEEN DIVIDEND
ADVANTAGE
MUNICIPAL FUND 2
NXZ

NUVEEN DIVIDEND
ADVANTAGE
MUNICIPAL FUND 3
NZF

(APRIL 10)

LIFE IS COMPLEX.

Nuveen makes things e-simple.

It only takes a minute to sign up for e-Reports. Once enrolled, you'll receive an e-mail as soon as your Nuveen Fund information is ready. No more waiting for delivery by regular mail. Just click on the link within the e-mail to see the report and save it on your computer if you wish.

Free e-Reports right to your e-mail!

WWW.INVESTORDELIVERY.COM

If you receive your Nuveen Fund dividends and statements from your financial advisor or brokerage account.

OR

WWW.NUVEEN.COM/ACCOUNTACCESS

If you receive your Nuveen Fund dividends and statements directly from Nuveen.

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

[LOGO]
NUVEEN
INVESTMENTS

Chairman's
Letter to Shareholders

[PHOTO OF ROBERT P. BREMNER]

DEAR SHAREHOLDER,

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

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

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

Sincerely,

/s/ Robert P. Bremner

Robert P. Bremner
Chairman of the Board
June 21, 2010

Nuveen Investments 1

Portfolio Managers' Comments

Nuveen Performance Plus Municipal Fund, Inc. (NPP)
Nuveen Municipal Advantage Fund, Inc. (NMA)
Nuveen Municipal Market Opportunity Fund, Inc. (NMO)
Nuveen Dividend Advantage Municipal Fund (NAD)

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

Nuveen Dividend Advantage Municipal Fund 2 (NXZ)
Nuveen Dividend Advantage Municipal Fund 3 (NZF)

PORTFOLIO MANAGERS TOM SPALDING AND PAUL BRENNAN REVIEW KEY INVESTMENT STRATEGIES AND THE SIX-MONTH PERFORMANCE OF THESE SIX NATIONAL FUNDS. A 33-YEAR VETERAN OF NUVEEN, TOM HAS MANAGED NXZ SINCE ITS INCEPTION IN 2001 AND NPP, NMA, NMO AND NAD SINCE 2003. WITH 20 YEARS OF INDUSTRY EXPERIENCE, INCLUDING TWELVE YEARS AT NUVEEN, PAUL ASSUMED PORTFOLIO MANAGEMENT RESPONSIBILITY FOR NZF IN 2006.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE SIX-MONTH REPORTING PERIOD ENDED APRIL 30, 2010?

Municipal market conditions began to show general signs of improvement throughout most of the period. This trend was bolstered by the reduced issuance of tax-exempt municipal debt in the marketplace, due in part to the introduction of the Build America Bond program in April 2009. Build America Bonds are a new class of taxable municipal debt created as part of the February 2009 economic stimulus package. These bonds currently offer municipal issuers a federal subsidy equal to 35% of the bonds' interest payments and therefore provide issuers with an attractive alternative to traditional tax-exempt debt. For the six-month period ended April 30, 2010, taxable Build America Bond issuance totaled \$48.9 billion, accounting for almost 24% of new bonds in the municipal marketplace nationwide.

Despite the constrained issuance of tax-exempt municipal bonds, we continued to find attractive value opportunities, taking a bottom-up approach to discovering undervalued sectors and individual credits with the potential to perform relatively well over the long term. Areas of the market where we found value during this period included essential services bonds such as general obligation (GO) and other tax-supported credits, health care, education, transportation (specifically tollroads and airports) and water and sewer.

Some of the areas of investment opportunity that we discovered during this period were created by the parameters of the Build America Bond program. For example, tax-exempt supply was usually more plentiful in the health care and higher education sectors because, as 501(c)(3) (nonprofit) organizations, hospitals and private universities generally do not qualify for the Build America Bond program and must continue to issue bonds in the tax-exempt municipal market. In addition, health care entities were active

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

2 Nuveen Investments

issuers during this period, as they sought to replace variable rate issuance with fixed rates. Refunding issues also are not covered by the Build America Bond program, and this resulted in attractive opportunities in sectors such as airports and tollroads. The impact of the Build America Bond program was also evident in the area of longer-term issuance, as municipal issuers sought to take full advantage of the attractive financing terms offered by these bonds. Approximately 70% of Build America Bonds were issued with maturities of 30 years

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

or more. Even though this significantly reduced the availability of tax-exempt credits with longer maturities, we continued to find good opportunities to purchase attractive longer-term bonds for these Funds. These bonds helped us to extend the durations of Funds such as NXZ and NZF that were slightly short of our target duration range and also rewarded investors as the yield curve remained steep. In Funds with longer durations, we tended to focus more on intermediate maturity bonds with higher coupons.

Cash for new purchases during this period was generated primarily by the proceeds from bond calls and redemptions. NZF also trimmed holdings of pre-refunded bonds through selling and redemptions. In general, selling was very limited during this period because the bonds in our portfolios offered higher yields than those available in the current marketplace.

As of April 30, 2010, all six of these Funds continued to use inverse floating rate securities.(1) We employ inverse floaters for a variety of reasons, including leverage, duration management and both income and total return enhancement.

HOW DID THE FUNDS PERFORM?

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

AVERAGE ANNUAL TOTAL RETURNS ON COMMON SHARE NET ASSET VALUE*
FOR PERIODS ENDED 4/30/10

	6-MONTH	1-YEAR	5-YEAR	10-YEAR
NPP	6.04%	16.83%	4.38%	6.81%
NMA	6.29%	19.14%	4.02%	6.83%
NMO	6.31%	17.64%	3.73%	6.09%
NAD	6.31%	20.93%	4.31%	7.45%
NXZ	6.06%	18.32%	4.82%	N/A
NZF	5.87%	18.23%	4.72%	N/A
Standard & Poor's (S&P) National Municipal Bond Index(2)	3.85%	10.04%	4.35%	5.73%
Lipper General Leveraged Municipal Debt Funds Average(3)	6.90%	22.67%	3.84%	6.38%

For the six months ended April 30, 2010, the cumulative returns on common share net asset value (NAV) for all six of these Funds exceeded the return for the Standard & Poor's (S&P) National Municipal Bond Index. For the same period, the Funds lagged the average return for the Lipper General Leveraged Municipal Debt Funds Average.

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

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

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

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

- (1) An inverse floating rate security, also known as an inverse floater, is a financial instrument designed to pay long-term tax-exempt interest at a rate that varies inversely with a short-term tax-exempt interest rate index. For the Nuveen Funds, the index typically used is the Securities Industry and Financial Markets (SIFM) Municipal Swap Index (previously referred to as the Bond Market Association Index or BMA). Inverse floaters, including those inverse floating rate securities in which the Funds invested during this reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in this Report sections of this report.
- (2) The Standard & Poor's (S&P) National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the investment-grade U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.
- (3) The Lipper General Leveraged Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 6-month, 54 funds; 1-year, 54 funds; 5-year, 52 funds; and 10-year, 38 funds. Lipper returns account for the effects of management fees and assume reinvestment of dividends, but do not reflect any applicable sales charges. The Lipper average is not available for direct investment.

Nuveen Investments 3

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

During this period, bonds with longer maturities generally outperformed credits with shorter maturities, with bonds at the longest end of the yield curve posting the strongest returns. The outperformance of longer bonds was due in part to the decline in interest rates, particularly at the longer end of the curve. The scarcity of tax-exempt bonds with longer maturities also drove up the prices of these bonds. Overall, duration and yield curve positioning were positive for the performances of all six of these Funds during this period.

Credit exposure also played a role in performance of these funds. The demand for municipal bonds increased during the period driven by a variety of factors, including concerns about potential tax increases, the need to rebalance portfolio allocations and a growing appetite for additional risk. At the same time, the supply of issuance of new tax-exempt municipal securities declined. As investors bid up municipal bond prices, bonds rated BBB or below generally outperformed those rated AAA. In this environment, the Funds' performances benefited from their allocations to lower quality credits. This was especially true in NMA, which had the heaviest weightings of bonds rated BBB or lower and non-rated bonds among these six Funds.

Holdings that generally contributed positively to the Fund's performance during this period included industrial development revenue, health care and housing bonds. Revenue bonds as a whole performed well, with transportation, leasing and special tax among the sectors outperforming the general municipal market for this period. Zero coupon bonds also were among the strongest performers, as were lower-rated tobacco bonds backed by the 1998 master tobacco settlement agreement.

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

Pre-refunded bonds, which are often backed by U.S. Treasury securities, performed relatively poorly during this period. The underperformance of these bonds can be attributed primarily to their shorter effective maturities and higher credit quality. As of April 30, 2010, NXZ and NZF had the largest exposures to pre-refunded bonds, while NAD had the smallest allocation. On the whole, general obligation (GO) bonds lagged the overall municipal market by a small margin, while water and sewer, education, electric utilities, and resource recovery bonds trailed the other revenue sectors for the six months.

4 Nuveen Investments

IMPACT OF THE FUNDS' CAPITAL STRUCTURES AND LEVERAGE STRATEGIES ON PERFORMANCE

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

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

RECENT DEVELOPMENTS REGARDING THE FUNDS' LEVERAGED CAPITAL STRUCTURE

Shortly after their inceptions, each of the Funds issued auction rate preferred shares (ARPS) to create financial leverage. As noted in past shareholder reports, the ARPS issued by many closed-end funds, including these Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more ARPS have been submitted for sale in each of their regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely non-existent since late February 2008. This means that these auctions have "failed to clear," and that many, or all, of the ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in ARPS did not lower the credit quality of these shares, and ARPS shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the ARPS. In the recent market, with short-term rates at multi-generational lows, those maximum rates also have been low.

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

Nuveen Investments 5

As noted in past shareholder reports, the Nuveen funds' Board of Directors/Trustees authorized several methods to refinance a portion of the Nuveen funds' outstanding ARPS. Some funds have utilized tender option bonds (TOBs), also known as floating rate securities, for leverage purposes. The amount of TOBs that a fund may use varies according to the composition of each fund's portfolio. Some funds have a greater ability to use TOBs than others.

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

Some funds have issued Variable Rate Demand Preferred Shares (VRDP), but these issuances have been limited since it has been difficult to find liquidity providers on economically viable terms given the constrained credit environment. Some funds have issued MuniFund Term Preferred Shares (MTP), a fixed rate form of preferred stock with a mandatory redemption period of five years.

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

On April 9, 2010, twenty-six Nuveen leveraged closed-end funds, including NAD, NXZ and NZF, received a demand letter from a law firm on behalf of each fund's common shareholders, alleging that Nuveen and the fund's officers and Board of Directors/Trustees breached their fiduciary duties related to the redemption at par of the fund's ARPS. The funds' independent Board is evaluating the demand letter for each fund.

As of April 30, 2010, the amounts of ARPS redeemed at par by the following Funds are as shown in the accompanying table.

FUND	AUCTION RATE PREFERRED SHARES REDEEMED	% OF ORIGINAL AUCTION RATE PREFERRED SHARES
NPP	\$ 59,100,000	12.3%
NMA	\$ 358,000,000	100.0%
NMO	\$ 380,000,000	100.0%
NAD	\$ 174,925,000	59.3%
NXZ	\$ 222,000,000	100.0%
NZF	\$ 75,050,000	24.1%

As of April 30, 2010, NAD had issued and outstanding \$144.3 million of MTP, and NMA, NMO and NXZ had issued and outstanding \$296.8, \$350.9 and \$196.0 million of VRDP, respectively. (Refer to Notes to Financial Statements, Footnote 1 - General Information and Significant Accounting Policies and Footnote 4 - Fund Shares for further details on MTP and VRDP.)

During this six-month reporting period, NZF filed with the Securities and Exchange Commission (SEC) a registration statement seeking to register MTP. This registration statement, declared effective by the SEC, enables the Fund to issue to the public shares of MTP to refinance all or a portion of its outstanding ARPS. The issuance of MTP by the Fund is subject to market conditions. There is no assurance that these MTP shares will be issued.

6 Nuveen Investments

As of April 30, 2010, 83 out of the 84 Nuveen closed-end municipal funds that had issued ARPS have redeemed at par all or a portion of these shares. These redemptions bring the total amount of Nuveen's municipal closed-end funds' ARPS redemptions to approximately \$4.4 billion of the approximately \$11.0 billion originally outstanding.

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

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

Common Share Dividend and Share Price Information

During the six-month reporting period ended April 30, 2010, all six of the Funds in this report each had one monthly dividend increase.

Due to normal portfolio activity, common shareholders of the following Funds received capital gains and/or net ordinary income distributions at the end of December 2009 as follows:

FUND	LONG-TERM CAPITAL GAINS (PER SHARE)	SHORT-TERM CAPITAL GAINS AND/OR ORDINARY INCOME (PER SHARE)
NPP	\$0.0136	\$0.0004
NMA	\$0.0654	\$0.0014
NXZ	-	\$0.0139
NZF	\$0.0449	\$0.0196

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of April 30, 2010, all six Funds in this report had positive UNII balances, based upon our best estimate, for tax purposes and positive UNII balances for financial reporting purposes.

COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

Since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding common shares.

8 Nuveen Investments

As of April 30, 2010, the Funds' common share prices were trading at (-) discounts to their common share NAVs as shown in the accompanying table.

FUND	4/30/10 (+) PREMIUM/(-) DISCOUNT	SIX-MONTH AVERAGE (-) DISCOUNT
NPP	-4.29%	-4.51%
NMA	-0.56%	-0.07%
NMO	0.00%	-0.37%
NAD	-1.47%	-3.43%
NXZ	-1.82%	-2.01%
NZF	-2.62%	-3.71%

Nuveen Investments 9

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

FUND SNAPSHOT

Common Share Price	\$ 14.28
Common Share Net Asset Value	\$ 14.92
Premium/(Discount) to NAV	-4.29%
Market Yield	6.39%
Taxable-Equivalent Yield(1)	8.88%
Net Assets Applicable to Common Shares (\$000)	\$893,854
Average Effective Maturity on Securities (Years)	15.76
Leverage-Adjusted Duration	9.91

AVERAGE ANNUAL TOTAL RETURN (Inception 6/22/89)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	9.49%	6.04%
1-Year	22.58%	16.83%
5-Year	6.04%	4.38%
10-Year	8.38%	6.81%

STATES

(as a % of total investments)

Illinois	16.8%
California	10.7%
Colorado	5.5%
Florida	5.4%
New Jersey	5.0%
Texas	4.6%
Massachusetts	4.1%
Ohio	3.9%
Indiana	3.7%
Nevada	3.6%
Washington	3.3%
New York	3.1%
Michigan	3.0%

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

Louisiana	2.2%
Utah	2.1%
Minnesota	1.9%
South Carolina	1.8%
Iowa	1.6%
Wisconsin	1.5%
Pennsylvania	1.5%
Other	14.7%

PORTFOLIO COMPOSITION
(as a % of total investments)

U.S. Guaranteed	19.2%
Tax Obligation/Limited	16.9%
Transportation	15.0%
Tax Obligation/General	12.8%
Health Care	11.4%
Utilities	8.6%
Consumer Staples	6.5%
Other	9.6%

CREDIT QUALITY (AS A % OF TOTAL INVESTMENTS) (3)

[PIE CHART]

AAA/U.S. Guaranteed	42%
AA	18%
A	25%
BBB	12%
BB or Lower	1%
N/R	2%

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

[BAR CHART]

May	\$	0.0680
Jun		0.0680
Jul		0.0680
Aug		0.0680
Sep		0.0720
Oct		0.0720
Nov		0.0720
Dec		0.0136
Dec		0.0004

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

Dec	0.0760
Jan	0.0760
Feb	0.0760
Mar	0.0760
Apr	0.0760

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

5/01/09	\$	12.52
		12.88
		12.84
		12.84
		12.82
		12.78
		12.35
		12.32
		12.70
		12.80
		12.95
		12.99
		13.06
		13.07
		13.22
		13.12
		13.28
		13.38
		13.67
		13.90
		14.02
		14.14
		14.30
		14.02
		13.48
		13.70
		13.48
		13.68
		13.58
		13.63
		13.63
		13.93
		13.95
		13.76
		13.92
		14.06
		14.05
		14.05
		14.09
		14.12
		14.23
		14.26
		14.02
		14.19
		14.26
		14.23
		14.35
		14.33
		14.25
		14.25
		14.22
		14.29

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

4/30/10

14.28

- (1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (2) The Fund paid shareholders a capital gain and net ordinary income distribution in December 2009 of \$0.014 per share.
- (3) Ratings shown are the highest rating given by one or more national rating agencies. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated N/R are not rated by a national rating agency.

10 Nuveen Investments

NMA Performance OVERVIEW | Nuveen Municipal Advantage Fund, Inc.
| as of April 30, 2010

CREDIT QUALITY (AS A % OF TOTAL INVESTMENTS) (3)

[PIE CHART]

AAA/U.S. Guaranteed	26%
AA	29%
A	22%
BBB	18%
BB or Lower	4%
N/R	1%

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

[BAR CHART]

May	\$	0.0715
Jun		0.0715
Jul		0.0715
Aug		0.0715
Sep		0.0760
Oct		0.0760
Nov		0.0760
Dec		0.0654
Dec		0.0014
Dec		0.0810
Jan		0.0810
Feb		0.0810
Mar		0.0810
Apr		0.0810

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

5/01/09	\$	12.32
		12.62
		12.80

12.91
 12.79
 12.95
 12.69
 12.80
 12.64
 12.79
 13.00
 13.18
 13.21
 13.38
 12.89
 12.83
 13.17
 13.24
 13.67
 13.81
 14.23
 14.24
 14.37
 14.30
 13.53
 13.80
 13.41
 13.59
 13.29
 13.38
 13.84
 14.10
 14.04
 13.96
 13.98
 14.25
 14.25
 14.29
 14.35
 14.26
 14.35
 14.26
 14.20
 14.23
 14.37
 14.33
 14.29
 14.37
 14.54
 14.38
 14.34
 14.48
 14.32

4/30/10

- (1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (2) The Fund paid shareholders a capital gain and net ordinary income distribution in December 2009 of \$0.0668 per share.
- (3) Ratings shown are the highest rating given by one or more national rating agencies. AAA includes bonds with an implied AAA rating since they are

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

backed by U.S. Government or agency securities. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated N/R are not rated by a national rating agency.

FUND SNAPSHOT

Common Share Price	\$ 14.32
Common Share Net Asset Value	\$ 14.40
Premium/(Discount) to NAV	-0.56%
Market Yield	6.79%
Taxable-Equivalent Yield(1)	9.43%
Net Assets Applicable to Common Shares (\$000)	\$624,075
Average Effective Maturity on Securities (Years)	18.33
Leverage-Adjusted Duration	10.71

AVERAGE ANNUAL TOTAL RETURN (Inception 12/19/89)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	10.99%	6.29%
1-Year	25.65%	19.14%
5-Year	5.13%	4.02%
10-Year	8.50%	6.83%

STATES

(as a % of total investments)

California	12.3%
Illinois	10.9%
Texas	9.2%
Louisiana	8.9%
Washington	6.1%
Colorado	5.4%
Puerto Rico	4.3%
Ohio	4.2%
Nevada	4.1%
Florida	2.9%

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

Tennessee	2.6%
-----	-----
New York	2.5%
-----	-----
New Jersey	2.3%
-----	-----
Indiana	2.2%
-----	-----
South Carolina	2.1%
-----	-----
North Carolina	1.9%
-----	-----
Massachusetts	1.6%
-----	-----
Wisconsin	1.6%
-----	-----
Oklahoma	1.6%
-----	-----
Other	13.3%
-----	-----

PORTFOLIO COMPOSITION
(as a % of total investments)

Health Care	19.0%
-----	-----
U.S. Guaranteed	16.2%
-----	-----
Utilities	16.1%
-----	-----
Tax Obligation/Limited	13.3%
-----	-----
Tax Obligation/General	9.9%
-----	-----
Transportation	9.9%
-----	-----
Consumer Staples	6.1%
-----	-----
Other	9.5%
-----	-----

Nuveen Investments 11

NMO Performance OVERVIEW | Nuveen Municipal Market Opportunity Fund, Inc.
| as of April 30, 2010

FUND SNAPSHOT

Common Share Price	\$ 13.96
-----	-----
Common Share Net Asset Value	\$ 13.96
-----	-----
Premium/(Discount) to NAV	0.00%
-----	-----
Market Yield	6.88%
-----	-----
Taxable-Equivalent Yield(1)	9.56%
-----	-----
Net Assets Applicable to Common Shares (\$000)	\$636,756

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

Average Effective Maturity on Securities (Years)	16.74
Leverage-Adjusted Duration	11.15

AVERAGE ANNUAL TOTAL RETURN
(Inception 3/21/90)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	8.49%	6.31%
1-Year	27.46%	17.64%
5-Year	6.19%	3.73%
10-Year	7.69%	6.09%

STATES
(as a % of total investments)

California	10.5%
Washington	9.5%
Illinois	6.8%
Texas	5.8%
Minnesota	5.0%
Ohio	4.6%
Colorado	4.5%
Puerto Rico	4.3%
New Jersey	4.3%
Nevada	4.0%
South Carolina	3.8%
North Carolina	3.7%
Pennsylvania	2.8%
North Dakota	2.8%
Massachusetts	2.7%
New York	2.7%
Georgia	2.6%
Louisiana	2.0%
Indiana	1.7%
Michigan	1.6%

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

 Other 14.3%

PORTFOLIO COMPOSITION
 (as a % of total investments)

 U.S. Guaranteed 20.8%

 Transportation 16.8%

 Health Care 13.3%

 Tax Obligation/General 13.1%

 Tax Obligation/Limited 10.0%

 Utilities 8.1%

 Consumer Staples 7.0%

 Other 10.9%

CREDIT QUALITY (AS A % OF TOTAL INVESTMENTS) (2)

[PIE CHART]

AAA/U.S. Guaranteed	39%
AA	22%
A	25%
BBB	10%
BB or Lower	3%
N/R	1%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

May	\$ 0.06900
Jun	0.06900
Jul	0.06900
Aug	0.06900
Sep	0.07400
Oct	0.07400
Nov	0.07400
Dec	0.08000
Jan	0.08000
Feb	0.08000
Mar	0.08000
Apr	0.08000

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

5/01/09	\$ 11.79
	11.97
	12.10
	12.26
	12.22
	12.10

	11.84
	11.84
	11.89
	11.90
	11.99
	12.11
	12.37
	12.56
	12.79
	12.84
	12.82
	12.84
	13.25
	13.30
	13.40
	13.32
	13.54
	13.63
	12.92
	13.38
	13.32
	13.30
	12.97
	12.85
	13.12
	13.51
	13.41
	13.29
	13.44
	13.35
	13.42
	13.63
	13.66
	13.73
	13.98
	14.01
	13.79
	13.96
	13.98
	14.07
	14.08
	14.19
	14.08
	14.05
	13.90
	14.12
4/30/10	13.96

- (1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (2) Ratings shown are the highest rating given by one or more national rating agencies. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated N/R are not rated by a national rating agency.

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

NAD Performance OVERVIEW | Nuveen Dividend Advantage Municipal Fund
 | as of April 30, 2010

CREDIT QUALITY (AS A % OF TOTAL MUNICIPAL BONDS) (2)

[PIE CHART]

AAA/U.S. Guaranteed	26%
AA	32%
A	24%
BBB	11%
BB or Lower	5%
N/R	2%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

May	\$ 0.07150
Jun	0.07150
Jul	0.07150
Aug	0.07150
Sep	0.07400
Oct	0.07400
Nov	0.07400
Dec	0.07600
Jan	0.07600
Feb	0.07600
Mar	0.07600
Apr	0.07600

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

5/01/09	\$ 11.80
	12.11
	12.20
	12.50
	12.50
	12.44
	12.13
	12.28
	12.24
	12.32
	12.50
	12.58
	12.67
	12.64
	12.73
	12.54
	12.75
	12.84
	13.41
	13.63
	13.96
	13.89
	13.94
	13.65

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

13.04
 13.19
 12.89
 13.15
 12.82
 13.04
 13.13
 13.19
 13.29
 13.23
 13.39
 13.50
 13.45
 13.48
 13.62
 13.77
 13.77
 13.58
 13.40
 13.70
 13.86
 13.84
 13.94
 13.94
 14.04
 14.01
 13.95
 14.07
 14.09

4/30/10

- (1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (2) Ratings shown are the highest rating given by one or more national rating agencies. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated N/R are not rated by a national rating agency.

FUND SNAPSHOT

Common Share Price	\$ 14.09
Common Share Net Asset Value	\$ 14.30
Premium/(Discount) to NAV	-1.47%
Market Yield	6.47%
Taxable-Equivalent Yield(1)	8.99%
Net Assets Applicable to Common Shares (\$000)	\$561,828
Average Effective Maturity on Securities (Years)	17.28
Leverage-Adjusted Duration	10.87

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

AVERAGE ANNUAL TOTAL RETURN
(Inception 5/26/99)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	12.97%	6.31%
1-Year	28.39%	20.93%
5-Year	5.65%	4.31%
10-Year	7.96%	7.45%

STATES
(as a % of total municipal bonds)

Illinois	20.7%
Washington	7.4%
Florida	7.1%
New York	5.3%
Louisiana	4.7%
New Jersey	4.5%
Texas	4.5%
Pennsylvania	4.5%
Wisconsin	4.4%
California	4.4%
Colorado	3.8%
Nevada	3.5%
Indiana	3.4%
Puerto Rico	3.3%
Michigan	2.7%
Ohio	2.1%
Other	13.7%

PORTFOLIO COMPOSITION
(as a % of total investments)

Health Care	20.5%
Tax Obligation/Limited	18.7%
Transportation	15.8%

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

Tax Obligation/General	15.1%
Consumer Staples	6.1%
U.S. Guaranteed	5.7%
Utilities	5.0%
Investment Companies	0.1%
Other	13.0%

Nuveen Investments 13

NXZ Performance OVERVIEW | Nuveen Dividend Advantage Municipal Fund 2
| as of April 30, 2010

FUND SNAPSHOT

Common Share Price	\$ 14.55
Common Share Net Asset Value	\$ 14.82
Premium/(Discount) to NAV	-1.82%
Market Yield	6.60%
Taxable-Equivalent Yield(1)	9.17%
Net Assets Applicable to Common Shares (\$000)	\$436,377
Average Effective Maturity on Securities (Years)	15.81
Leverage-Adjusted Duration	7.33

AVERAGE ANNUAL TOTAL RETURN (Inception 3/27/01)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	6.46%	6.06%
1-Year	21.48%	18.32%
5-Year	5.36%	4.82%
Since Inception	6.21%	6.87%

STATES

(as a % of total investments)

Texas	18.0%
Illinois	9.1%

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

California	8.4%
-----	-----
Michigan	7.6%
-----	-----
Colorado	6.7%
-----	-----
New York	6.5%
-----	-----
New Mexico	3.8%
-----	-----
Louisiana	3.4%
-----	-----
Minnesota	3.1%
-----	-----
Alabama	3.1%
-----	-----
Florida	2.9%
-----	-----
Washington	2.8%
-----	-----
Kansas	2.7%
-----	-----
Massachusetts	2.5%
-----	-----
Pennsylvania	2.2%
-----	-----
Indiana	2.2%
-----	-----
Oregon	2.1%
-----	-----
Other	12.9%
-----	-----

PORTFOLIO COMPOSITION
(as a % of total investments)

U.S. Guaranteed	31.2%
-----	-----
Tax Obligation/Limited	19.2%
-----	-----
Health Care	13.4%
-----	-----
Transportation	13.2%
-----	-----
Consumer Staples	6.8%
-----	-----
Utilities	4.5%
-----	-----
Other	11.7%
-----	-----

CREDIT QUALITY (AS A % OF TOTAL INVESTMENTS) (3)

[PIE CHART]

AAA/U.S. Guaranteed	46%
AA	10%
A	24%
BBB	10%
BB or Lower	8%
N/R	2%

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

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

[BAR CHART]

May	\$ 0.0730
Jun	0.0730
Jul	0.0730
Aug	0.0730
Sep	0.0780
Oct	0.0780
Nov	0.0780
Dec	0.0139
Dec	0.0800
Jan	0.0800
Feb	0.0800
Mar	0.0800
Apr	0.0800

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

5/01/09	\$ 12.76
	12.96
	13.08
	12.91
	12.98
	13.15
	12.85
	12.66
	12.67
	12.76
	12.75
	12.86
	12.96
	13.13
	13.13
	12.89
	13.24
	13.43
	13.79
	14.09
	14.25
	14.19
	14.37
	14.30
	13.75
	14.45
	14.14
	14.20
	13.70
	13.67
	13.76
	14.00
	13.91
	13.90
	13.78
	14.38
	14.43
	14.41
	14.50
	14.53

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

	14.62
	14.66
	14.30
	14.21
	14.44
	14.30
	14.47
	14.50
	14.50
	14.67
	14.50
	14.55
4/30/10	14.55

- (1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (2) The Fund paid shareholders a net ordinary income distribution in December 2009 of \$0.0139 per share.
- (3) Ratings shown are the highest rating given by one or more national rating agencies. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated N/R are not rated by a national rating agency.

14 Nuveen Investments

NZF Performance OVERVIEW | Nuveen Dividend Advantage Municipal Fund 3
| as of April 30, 2010

CREDIT QUALITY (AS A % OF TOTAL MUNICIPAL BONDS) (3)

[PIE CHART]

AAA/U.S. Guaranteed	40%
AA	21%
A	20%
BBB	8%
BB or Lower	2%
N/R	9%

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

[BAR CHART]

May	\$ 0.0735
Jun	0.0735
Jul	0.0735
Aug	0.0735
Sep	0.0745
Oct	0.0745
Nov	0.0745
Dec	0.0449
Dec	0.0196
Dec	0.0780

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

Jan	0.0780
Feb	0.0780
Mar	0.0780
Apr	0.0780

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

5/01/09	\$	12.25
		12.46
		12.50
		12.70
		12.61
		12.66
		12.29
		12.42
		12.52
		12.51
		12.60
		12.67
		12.80
		13.04
		12.99
		12.99
		13.16
		13.44
		13.59
		13.83
		13.86
		13.78
		13.97
		13.74
		13.26
		13.54
		13.38
		13.51
		13.09
		13.17
		13.33
		13.48
		13.39
		13.33
		13.40
		13.45
		13.67
		13.63
		13.70
		13.96
		14.14
		14.16
		13.99
		14.02
		14.07
		13.91
		14.04
		14.01
		14.07
		14.15
		14.02
		14.20
4/30/10		14.10

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

- (1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (2) The Fund paid shareholders a capital gain and net ordinary income distribution in December 2009 of \$0.0645 per share.
- (3) Ratings shown are the highest rating given by one or more national rating agencies. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Holdings designated N/R are not rated by a national rating agency.

FUND SNAPSHOT

Common Share Price	\$ 14.10
Common Share Net Asset Value	\$ 14.48
Premium/(Discount) to NAV	-2.62%
Market Yield	6.64%
Taxable-Equivalent Yield(1)	9.22%
Net Assets Applicable to Common Shares (\$000)	\$584,560
Average Effective Maturity on Securities (Years)	14.79
Leverage-Adjusted Duration	7.97

AVERAGE ANNUAL TOTAL RETURN (Inception 9/25/01)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	9.47%	5.87%
1-Year	24.87%	18.23%
5-Year	6.17%	4.72%
Since Inception	5.81%	6.40%

STATES

(as a % of total municipal bonds)

Texas	14.1%
Washington	10.5%
Illinois	9.7%
California	8.7%

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

Michigan	6.3%
-----	-----
Colorado	4.3%
-----	-----
Iowa	4.0%
-----	-----
Indiana	3.9%
-----	-----
New Jersey	3.0%
-----	-----
New York	3.0%
-----	-----
Wisconsin	2.9%
-----	-----
Louisiana	2.9%
-----	-----
Kentucky	2.3%
-----	-----
Missouri	2.0%
-----	-----
Massachusetts	1.9%
-----	-----
Nevada	1.8%
-----	-----
Maryland	1.7%
-----	-----
Oregon	1.7%
-----	-----
Georgia	1.5%
-----	-----
Other	13.8%
-----	-----

PORTFOLIO COMPOSITION
(as a % of total investments)

U.S. Guaranteed	23.4%
-----	-----
Transportation	17.5%
-----	-----
Tax Obligation/Limited	16.6%
-----	-----
Health Care	15.3%
-----	-----
Utilities	5.3%
-----	-----
Water and Sewer	4.5%
-----	-----
Consumer Staples	4.0%
-----	-----
Investment Companies	0.4%
-----	-----
Other	13.0%
-----	-----

Nuveen Investments 15

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

April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ALABAMA - 0.1% (0.1% OF TOTAL INVESTMENTS)		
Jefferson County, Alabama, Sewer Revenue Refunding Warrants, Series 1997A:		
\$ 1,435	5.625%, 2/01/22 - FGIC Insured	7/10 at 100.00
1,505	5.375%, 2/01/27 - FGIC Insured	7/10 at 100.00
2,940	Total Alabama	
ALASKA - 0.2% (0.1% OF TOTAL INVESTMENTS)		
2,465	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46	6/14 at 100.00
ARIZONA - 1.3% (0.9% OF TOTAL INVESTMENTS)		
1,000	Arizona State Transportation Board, Highway Revenue Bonds, Series 2002B, 5.250%, 7/01/22 (Pre-refunded 7/01/12)	7/12 at 100.00
Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B:		
5,365	5.750%, 7/01/15 - FGIC Insured (Alternative Minimum Tax)	7/12 at 100.00
5,055	5.750%, 7/01/16 - FGIC Insured (Alternative Minimum Tax)	7/12 at 100.00
11,420	Total Arizona	
ARKANSAS - 0.5% (0.4% OF TOTAL INVESTMENTS)		
5,080	Independence County, Arkansas, Hydroelectric Power Revenue Bonds, Series 2003, 5.350%, 5/01/28 - ACA Insured	5/13 at 100.00
1,000	Washington County, Arkansas, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2005A, 5.000%, 2/01/35	2/15 at 100.00
6,080	Total Arkansas	
CALIFORNIA - 15.8% (10.7% OF TOTAL INVESTMENTS)		
3,500	Alameda Corridor Transportation Authority, California, Subordinate Lien Revenue Bonds, Series 2004A, 0.000%, 10/01/25 - AMBAC Insured	10/17 at 100.00
11,000	Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/20 - AGM Insured	No Opt. Call
California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A:		
4,000	6.000%, 5/01/15 (Pre-refunded 5/01/12)	5/12 at 101.00
3,175	5.375%, 5/01/22 (Pre-refunded 5/01/12)	5/12 at 101.00

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

3,365	California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33	3/13 at 100.00
	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006:	
5,000	5.000%, 4/01/37	4/16 at 100.00
7,000	5.250%, 4/01/39	4/16 at 100.00
2,380	California Infrastructure Economic Development Bank, Revenue Bonds, J. David Gladstone Institutes, Series 2001, 5.250%, 10/01/34	10/11 at 101.00
3,500	California Pollution Control Financing Authority, Revenue Bonds, Pacific Gas and Electric Company, Series 2004C, 4.750%, 12/01/23 - FGIC Insured (Alternative Minimum Tax)	6/17 at 100.00
5,000	California, General Obligation Bonds, Series 2005, 5.000%, 3/01/31	3/16 at 100.00
6,435	California, General Obligation Refunding Bonds, Series 2002, 6.000%, 4/01/16 - AMBAC Insured	No Opt. Call
16,000	California, Various Purpose General Obligation Bonds, Series 2007, 5.000%, 6/01/37	6/17 at 100.00
5,000	Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/32 - AGM Insured	8/18 at 100.00
10,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 (Pre-refunded 6/01/13)	6/13 at 100.00
1,500	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47	6/17 at 100.00
10,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	6/22 at 100.00

16 Nuveen Investments

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

	CALIFORNIA (continued)	
\$ 5,500	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2003A, 5.125%, 7/01/40 - FGIC Insured	7/12 at 100.00
3,300	M-S-R Energy Authority, California, Gas Revenue Bonds, Citigroup Prepay Contracts, Series 2009B, 6.500%, 11/01/39	No Opt. Call

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

1,000	Mt. Diablo Hospital District, California, Insured Hospital Revenue Bonds, Series 1993A, 5.125%, 12/01/23 - AMBAC Insured (ETM)	6/10 at 100.00
13,450	Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Refunding Bonds, Redevelopment Project 1, Series 1995, 7.200%, 8/01/17 - NPFPG Insured	No Opt. Call
2,325	Palmdale Community Redevelopment Agency, California, Restructured Single Family Mortgage Revenue Bonds, Series 1986D, 8.000%, 4/01/16 (Alternative Minimum Tax) (ETM)	No Opt. Call
1,830	San Diego Public Facilities Financing Authority, California, Water Utility Revenue Bonds, Tender Option Bond Trust 3504, 19.460%, 8/01/39 (IF)	8/19 at 100.00
2,000	San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2001, Issue 27B, 5.125%, 5/01/26 - FGIC Insured	5/11 at 100.00
3,000	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 - NPFPG Insured	No Opt. Call
2,885	Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1, 4.750%, 6/01/23	6/15 at 100.00
13,780	Walnut Valley Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 7.200%, 2/01/16 - NPFPG Insured	8/11 at 103.00
145,925	Total California	

COLORADO - 8.1% (5.5% OF TOTAL INVESTMENTS)

5,240	Adams 12 Five Star Schools, Adams County, Colorado, General Obligation Bonds, Series 2005, 5.000%, 12/15/24 - AGM Insured	12/15 at 100.00
3,000	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Peak-to-Peak Charter School, Series 2004, 5.250%, 8/15/34 - SYNCORA GTY Insured	8/14 at 100.00
7,660	Colorado Health Facilities Authority, Revenue Refunding and Improvement Bonds, Boulder Community Hospital, Series 1994B, 5.875%, 10/01/23 - NPFPG Insured	7/10 at 100.00
5,860	Colorado Health Facilities Authority, Revenue Refunding Bonds, Catholic Health Initiatives, Series 2001, 5.250%, 9/01/21 (Pre-refunded 9/01/11)	9/11 at 100.00
4,500	Denver City and County, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/16 - FGIC Insured (Alternative Minimum Tax)	11/11 at 100.00
20,000	Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A, 5.000%, 12/01/33 (Pre-refunded 12/01/13) - SYNCORA GTY Insured	12/13 at 100.00
12,855	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/21 - NPFPG Insured	No Opt. Call

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

	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B:		
16,200	0.000%, 9/01/32 - NPMG Insured		No Opt. Call
33,120	0.000%, 9/01/33 - NPMG Insured		No Opt. Call
18,500	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004A, 0.000%, 3/01/36 - NPMG Insured		No Opt. Call
755	Jefferson County School District R1, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/15/22 - AGM Insured (UB)		12/14 at 100.00
1,330	University of Colorado Hospital Authority, Revenue Bonds, Series 1999A, 5.000%, 11/15/29 - AMBAC Insured		5/10 at 101.00

129,020	Total Colorado		

DISTRICT OF COLUMBIA - 1.1% (0.7% OF TOTAL INVESTMENTS)			
4,870	District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24		5/11 at 101.00
5,000	Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007A, 4.500%, 10/01/30 - AMBAC Insured		10/16 at 100.00

9,870	Total District of Columbia		

Nuveen Investments 17

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
FLORIDA - 8.0% (5.4% OF TOTAL INVESTMENTS)		
\$ 1,700	Beacon Tradeport Community Development District, Miami-Dade County, Florida, Special Assessment Bonds, Commercial Project, Series 2002A, 5.625%, 5/01/32 - RAAI Insured	5/12 at 102.00
1,545	Broward County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Venice Homes Apartments, Series 2001A: 5.700%, 1/01/32 - AGM Insured (Alternative Minimum Tax)	7/11 at 100.00
1,805	5.800%, 1/01/36 - AGM Insured (Alternative Minimum Tax)	7/11 at 100.00
5,300	Escambia County Health Facilities Authority, Florida, Revenue Bonds, Ascension Health Credit Group, Series 2003A, 5.250%, 11/15/14	No Opt. Call
2,020	Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, Series 2000-11, 5.850%, 1/01/22 - AGM Insured	7/10 at 100.00

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

(Alternative Minimum Tax)

4,990	Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, Series 2006-2, 4.950%, 7/01/37 (Alternative Minimum Tax)	1/16 at 100.00
10,050	Florida State Board of Education, Full Faith and Credit Public Education Capital Outlay Refunding Bonds, Series 2000D, 5.750%, 6/01/22	6/10 at 101.00
7,000	Hillsborough County Aviation Authority, Florida, Revenue Bonds, Tampa International Airport, Series 2003A, 5.250%, 10/01/17 - NPFPG Insured (Alternative Minimum Tax)	10/13 at 100.00
10,000	JEA, Florida, Electric System Revenue Bonds, Series 2006-3A, 5.000%, 10/01/41 - AGM Insured (UB)	4/15 at 100.00
10,750	Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration LP, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax)	6/10 at 100.00
2,570	Miami-Dade County Housing Finance Authority, Florida, Multifamily Mortgage Revenue Bonds, Country Club Villas II Project, Series 2001-1A, 5.850%, 1/01/37 - AGM Insured (Alternative Minimum Tax)	6/11 at 100.00
3,500	Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2005A, 5.000%, 10/01/37 - SYNCORA GTY Insured (Alternative Minimum Tax)	10/15 at 100.00
5,000	Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2010A-1, 5.375%, 10/01/41	10/20 at 100.00
4,500	Port Saint Lucie, Florida, Special Assessment Revenue Bonds, Southwest Annexation District 1B, Series 2007, 5.000%, 7/01/40 - NPFPG Insured	7/17 at 100.00

70,730 Total Florida

GEORGIA - 0.8% (0.6% OF TOTAL INVESTMENTS)

5,000	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.500%, 11/01/22 - FGIC Insured	No Opt. Call
2,000	George L. Smith II World Congress Center Authority, Atlanta, Georgia, Revenue Refunding Bonds, Domed Stadium Project, Series 2000, 5.500%, 7/01/20 - NPFPG Insured (Alternative Minimum Tax)	7/10 at 101.00

7,000 Total Georgia

IDAHO - 0.1% (0.0% OF TOTAL INVESTMENTS)

290	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.200%, 7/01/14 (Alternative Minimum Tax)	7/10 at 100.00
275	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000G-2, 5.950%, 7/01/25 (Alternative Minimum Tax)	7/10 at 100.00

565 Total Idaho

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

ILLINOIS - 24.9% (16.8% OF TOTAL INVESTMENTS)

10,000	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998B-1, 0.000%, 12/01/19 - FGIC Insured	No Opt. Call
10,000	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured	No Opt. Call
	Chicago, Illinois, General Obligation Bonds, City Colleges, Series 1999:	
32,170	0.000%, 1/01/21 - FGIC Insured	No Opt. Call
32,670	0.000%, 1/01/22 - FGIC Insured	No Opt. Call
9,240	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1996A, 5.500%, 1/01/29 - NPMG Insured	7/10 at 100.00

18 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ILLINOIS (continued)		
\$ 1,665	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
	DuPage County Forest Preserve District, Illinois, General Obligation Bonds, Series 2000:	
8,000	0.000%, 11/01/18	No Opt. Call
15,285	0.000%, 11/01/19	No Opt. Call
1,500	Illinois Finance Authority, Revenue Bonds, Central DuPage Health, Series 2009B, 5.500%, 11/01/39	11/19 at 100.00
2,000	Illinois Finance Authority, Revenue Bonds, Children's Memorial Hospital, Series 2008A, 5.250%, 8/15/47 - AGC Insured (UB)	8/18 at 100.00
5,245	Illinois Finance Authority, Revenue Bonds, Loyola University of Chicago, Tender Option Bond Trust 1137, 9.186%, 7/01/46 (IF)	7/17 at 100.00
3,000	Illinois Finance Authority, Revenue Bonds, Memorial Health System, Series 2009, 5.500%, 4/01/34	No Opt. Call
1,000	Illinois Finance Authority, Revenue Bonds, University of Chicago, Series 2004A, 5.000%, 7/01/34	7/14 at 100.00
2,000	Illinois Finance Authority, Revenue Refunding Bonds, Silver Cross Hospital and Medical Centers, Series 2008A, 6.000%, 8/15/23	8/18 at 100.00

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

4,590	Illinois Health Facilities Authority, FHA-Insured Mortgage Revenue Refunding Bonds, Sinai Health System, Series 2003, 5.150%, 2/15/37	8/13 at 100.00
1,180	Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2002A, 5.750%, 7/01/29	7/12 at 100.00
3,610	Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33	7/13 at 100.00
4,580	Illinois Health Facilities Authority, Revenue Bonds, Midwest Care Center IX Inc., Series 2000, 6.250%, 8/20/35	8/10 at 102.00
2,225	Illinois Health Facilities Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series 1999, 5.250%, 8/15/15 (Mandatory put 8/15/11)	8/10 at 100.50
7,250	Kane, Kendall, LaSalle, and Will Counties, Illinois, Community College District 516, General Obligation Bonds, Series 2005E, 0.000%, 12/15/24 - FGIC Insured	12/13 at 57.71
6,000	McHenry County Conservation District, Illinois, General Obligation Bonds, Series 2001A, 5.625%, 2/01/21 (Pre-refunded 2/01/11) - FGIC Insured	2/11 at 100.00
5,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A, 5.250%, 6/15/42 - NPFPG Insured	6/12 at 101.00
10,650	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Hospitality Facility, Series 1996A, 7.000%, 7/01/26 (ETM)	No Opt. Call
	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A:	
9,400	0.000%, 12/15/18 - NPFPG Insured	No Opt. Call
16,570	0.000%, 12/15/20 - NPFPG Insured	No Opt. Call
23,550	0.000%, 12/15/22 - NPFPG Insured	No Opt. Call
13,000	0.000%, 12/15/24 - NPFPG Insured	No Opt. Call
5,100	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A, 5.500%, 12/15/23 - FGIC Insured	No Opt. Call
5,180	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A, 5.500%, 12/15/23 - FGIC Insured (ETM)	No Opt. Call
3,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 2002B, 5.750%, 6/15/23 - NPFPG Insured	6/12 at 101.00
17,865	Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999, 5.750%, 6/01/23 - AGM Insured	No Opt. Call
6,090	Sherman, Illinois, GNMA Mortgage Revenue Refunding Bonds, Villa Vianney, Series 1999A, 6.450%, 10/01/29	10/10 at 101.00

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

10,000	Will County Community High School District 210 Lincoln-Way, Illinois, General Obligation Bonds, Series 2006, 0.000%, 1/01/23 - AGM Insured	No Opt. Call

288,615	Total Illinois	

Nuveen Investments 19

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

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

	INDIANA - 5.4% (3.7% OF TOTAL INVESTMENTS)	
\$ 2,465	Danville Multi-School Building Corporation, Indiana, First Mortgage Refunding Bonds, Series 2001, 5.250%, 7/15/18 - AMBAC Insured	7/11 at 100.00
3,000	Hospital Authority of Delaware County, Indiana, Hospital Revenue Bonds, Cardinal Health System, Series 2006, 5.250%, 8/01/36	8/16 at 100.00
14,000	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 (Pre-refunded 8/15/10) - NPPFG Insured	8/10 at 101.50
750	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligation Group, Series 2006B, 5.000%, 2/15/23	2/16 at 100.00
2,210	Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - AGM Insured	No Opt. Call
4,320	Indiana Health Facility Financing Authority, Revenue Bonds, Ancilla Systems Inc. Obligated Group, Series 1997, 5.250%, 7/01/22 - NPPFG Insured (ETM)	7/10 at 100.00
3,000	Indiana Health Facility Financing Authority, Revenue Bonds, Community Foundation of Northwest Indiana, Series 2007, 5.500%, 3/01/37	3/17 at 100.00
2,000	Indiana Health Facility Financing Authority, Revenue Bonds, Community Hospitals of Indiana, Series 2005A, 5.000%, 5/01/35 - AMBAC Insured	5/15 at 100.00
	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2000:	
1,285	5.375%, 12/01/25 (Pre-refunded 12/01/10)	12/10 at 100.00
6,715	5.375%, 12/01/25 (Pre-refunded 12/01/10)	12/10 at 100.00
3,105	Indiana University, Student Fee Revenue Bonds, Series 20030,	8/13 at 100.00

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

5.250%, 8/01/20 - FGIC Insured

1,000	Marion County Convention and Recreational Facilities Authority, Indiana, Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2001A, 5.000%, 6/01/21 - NPFPG Insured	6/11 at 100.00
2,395	Shelbyville Central Renovation School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 4.375%, 7/15/26 - NPFPG Insured	7/15 at 100.00
1,800	Sunman Dearborn High School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 5.000%, 7/15/25 - NPFPG Insured	1/15 at 100.00

48,045	Total Indiana	
--------	---------------	--

IOWA - 2.4% (1.6% OF TOTAL INVESTMENTS)

1,500	Iowa Finance Authority, Health Facility Revenue Bonds, Care Initiatives Project, Series 2006A, 5.500%, 7/01/21	7/16 at 100.00
	Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C:	
5,000	5.375%, 6/01/38	6/15 at 100.00
4,365	5.500%, 6/01/42	6/15 at 100.00
5,400	5.625%, 6/01/46	6/15 at 100.00
4,500	Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34	6/17 at 100.00
5,000	Iowa Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B, 5.600%, 6/01/35 (Pre-refunded 6/01/11)	6/11 at 101.00

25,765	Total Iowa	
--------	------------	--

KANSAS - 1.5% (1.0% OF TOTAL INVESTMENTS)

3,790	Kansas Department of Transportation, Highway Revenue Bonds, Series 2004A, 5.000%, 3/01/23 (UB)	3/14 at 100.00
5,790	Sedgwick County Unified School District 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/17	9/10 at 100.00
3,200	Wyandotte County Unified School District 500, Kansas, General Obligation Bonds, Series 2001, 4.000%, 9/01/21 - AGM Insured	9/11 at 100.00

12,780	Total Kansas	
--------	--------------	--

LOUISIANA - 3.2% (2.2% OF TOTAL INVESTMENTS)

540	East Baton Rouge Mortgage Finance Authority, Louisiana, GNMA/FNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Refunding Bonds, Series 1997B-1, 5.750%, 10/01/26	10/10 at 100.50
4,000	Lafayette City and Parish, Louisiana, Utilities Revenue Bonds, Series 2004, 5.250%, 11/01/25 - NPFPG Insured	11/14 at 100.00

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

20 Nuveen Investments

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

	LOUISIANA (continued)	
\$ 4,650	Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - NCFG Insured	7/14 at 100.00
10,000	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B: 5.500%, 5/15/30	5/11 at 101.00
9,305	5.875%, 5/15/39	5/11 at 101.00

28,495	Total Louisiana	

	MAINE - 0.6% (0.4% OF TOTAL INVESTMENTS)	
5,680	Portland, Maine, Airport Revenue Bonds, Series 2003A, 5.000%, 7/01/32 - AGM Insured	7/13 at 100.00

	MARYLAND - 1.4% (0.9% OF TOTAL INVESTMENTS)	
7,720	Maryland Transportation Authority, Airport Parking Revenue Bonds, Baltimore-Washington International Airport Passenger Facility, Series 2002B, 5.125%, 3/01/20 - AMBAC Insured (Alternative Minimum Tax)	3/12 at 101.00
4,380	Takoma Park, Maryland, Hospital Facilities Revenue Refunding and Improvement Bonds, Washington Adventist Hospital, Series 1995, 6.500%, 9/01/12 - AGM Insured (ETM)	No Opt. Call

12,100	Total Maryland	

	MASSACHUSETTS - 6.1% (4.1% OF TOTAL INVESTMENTS)	
4,000	Massachusetts Development Finance Authority, Revenue Bonds, 100 Cambridge Street Redevelopment, M/SRBC Project, Series 2002A: 5.125%, 8/01/28 - NCFG Insured	2/12 at 100.00
5,625	5.125%, 2/01/34 - NCFG Insured	2/12 at 100.00
8,730	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System, Series 2005F, 5.000%, 10/01/19 - AGC Insured	10/15 at 100.00
500	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, CareGroup Inc., Series 2008E-1 & 2, 5.125%, 7/01/38	7/18 at 100.00
1,530	Massachusetts Health and Educational Facilities Authority,	7/10 at 100.00

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

Revenue Bonds, Southcoast Health System Obligated Group,
Series 1998A, 4.750%, 7/01/27 - NPMFG Insured

5,745	Massachusetts Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds, Ogden Haverhill Project, Series 1998A, 5.600%, 12/01/19 (Alternative Minimum Tax)	6/10 at 101.00
13,675	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - NPMFG Insured	7/10 at 100.00
890	Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.250%, 11/01/30 (Pre-refunded 11/01/12)	11/12 at 100.00
	Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E:	
1,255	5.250%, 1/01/22 (Pre-refunded 1/01/13) - FGIC Insured	1/13 at 100.00
3,745	5.250%, 1/01/22 (Pre-refunded 1/01/13) - FGIC Insured	1/13 at 100.00
8,500	Route 3 North Transportation Improvements Association, Massachusetts, Lease Revenue Bonds, Series 2000, 5.375%, 6/15/33 (Pre-refunded 6/15/10) - NPMFG Insured	6/10 at 100.00

54,195	Total Massachusetts	

MICHIGAN - 4.4% (3.0% OF TOTAL INVESTMENTS)

5,000	Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A, 5.000%, 7/01/35 - NPMFG Insured	7/15 at 100.00
1,430	Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.000%, 10/15/24	10/11 at 100.00
70	Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.000%, 10/15/24 (Pre-refunded 10/15/11)	10/11 at 100.00
5,000	Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2003II, 5.000%, 10/15/29 - NPMFG Insured	10/13 at 100.00
7,115	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Henry Ford Health System, Series 2003A, 5.500%, 3/01/16 (Pre-refunded 3/01/13)	3/13 at 100.00
3,000	Michigan Strategic Fund, Collateralized Limited Obligation Pollution Control Revenue Refunding Bonds, Detroit Edison Company, Series 1999A, 5.550%, 9/01/29 - NPMFG Insured (Alternative Minimum Tax)	9/10 at 101.00

Nuveen Investments 21

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL

OPTIONAL CALL

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

AMOUNT (000)	DESCRIPTION (1)	PROVISIONS (2)
MICHIGAN (continued)		
\$ 3,050	Michigan Tobacco Settlement Finance Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2008A, 6.875%, 6/01/42	6/18 at 100.00
2,500	Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue and Refunding Bonds, William Beaumont Hospital Obligated Group, Series 2009W, 6.375%, 8/01/29	8/19 at 100.00
1,150	Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Refunding Series 2009V, 8.250%, 9/01/39	9/18 at 100.00
10,000	Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/16 - NCFG Insured (Alternative Minimum Tax)	6/10 at 100.50
38,315	Total Michigan	
MINNESOTA - 2.8% (1.9% OF TOTAL INVESTMENTS)		
3,000	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/26 (Pre-refunded 1/01/11) - FGIC Insured	1/11 at 100.00
18,075	St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - AGM Insured	11/15 at 103.00
21,075	Total Minnesota	
MISSISSIPPI - 1.4% (0.9% OF TOTAL INVESTMENTS)		
9,750	Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22	10/10 at 100.00
2,475	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
12,225	Total Mississippi	
MISSOURI - 1.7% (1.1% OF TOTAL INVESTMENTS)		
6,350	Kansas City, Missouri, Airport Revenue Bonds, General Improvement Projects, Series 2003B, 5.250%, 9/01/17 - FGIC Insured	9/12 at 100.00
1,845	Missouri Health and Educational Facilities Authority, Revenue Bonds, BJC Health System, Series 2003, 5.250%, 5/15/18	5/13 at 100.00
3,815	Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, 5.250%, 6/01/28 (Pre-refunded 6/01/11) - AMBAC Insured	6/11 at 101.00

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

2,000	Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax Appropriation Bonds, Metrolink Cross County Extension Project, Series 2002B, 5.000%, 10/01/32 - AGM Insured	10/13 at 100.00
14,010	Total Missouri	
MONTANA - 0.5% (0.3% OF TOTAL INVESTMENTS)		
415	Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax)	6/10 at 100.00
4,795	Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1998B, 5.500%, 12/01/31 (Alternative Minimum Tax)	6/10 at 100.50
5,210	Total Montana	
NEBRASKA - 0.1% (0.1% OF TOTAL INVESTMENTS)		
840	Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2000E, 5.850%, 9/01/20 (Alternative Minimum Tax)	9/10 at 100.00
NEVADA - 5.2% (3.6% OF TOTAL INVESTMENTS)		
10,900	Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/19 (Pre-refunded 6/15/12) - NPF Insured	6/12 at 100.00
24,195	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
	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000:	
3,500	0.000%, 1/01/21 - AMBAC Insured	No Opt. Call
2,780	0.000%, 1/01/28 - AMBAC Insured	No Opt. Call
6,980	5.375%, 1/01/40 - AMBAC Insured (5)	7/10 at 100.00

22 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
NEVADA (continued)		
\$ 5,000	Reno, Nevada, Health Facilities Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/31	7/17 at 100.00
2,500	Reno, Nevada, Health Facility Revenue Bonds, Catholic	7/17 at 100.00

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

Healthcare West, Trust 2634, 18.389%, 7/01/31 - BHAC
Insured (IF)

55,855	Total Nevada	

NEW HAMPSHIRE - 1.8% (1.2% OF TOTAL INVESTMENTS)		
5,000	New Hampshire Business Finance Authority, Revenue Bonds, Elliot Hospital Obligated Group Issue, Series 2009A, 6.125%, 10/01/39	10/19 at 100.00
3,725	New Hampshire Housing Finance Authority, FHLMC Multifamily Housing Remarketed Revenue Bonds, Countryside LP, Series 1994: 6.000%, 7/01/18 (Alternative Minimum Tax)	7/10 at 101.00
6,945	6.100%, 7/01/24 (Alternative Minimum Tax)	7/10 at 101.00

15,670	Total New Hampshire	

NEW JERSEY - 7.4% (5.0% OF TOTAL INVESTMENTS)		
2,110	New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 - NCFG Insured (Alternative Minimum Tax)	6/10 at 101.00
4,500	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2001C, 5.500%, 12/15/18 - AGM Insured	No Opt. Call
9,250	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C, 5.500%, 6/15/23 (Pre-refunded 6/15/13)	6/13 at 100.00
35,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C: 0.000%, 12/15/29 - AGM Insured	No Opt. Call
10,000	0.000%, 12/15/30 - FGIC Insured	No Opt. Call
10,000	New Jersey Turnpike Authority, Revenue Bonds, Series 2003A, 5.000%, 1/01/20 - AGM Insured (UB)	7/13 at 100.00
10,055	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 100.00
4,450	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.750%, 6/01/39 (Pre-refunded 6/01/13)	6/13 at 100.00
3,150	West Deptford Township, Gloucester County, New Jersey, General Obligation Bonds, Series 2000: 5.500%, 9/01/21 (Pre-refunded 9/01/10) - FGIC Insured	9/10 at 100.00
3,335	5.500%, 9/01/22 (Pre-refunded 9/01/10) - FGIC Insured	9/10 at 100.00

91,850	Total New Jersey	

NEW YORK - 4.6% (3.1% OF TOTAL INVESTMENTS)		
5,500	Dormitory Authority of the State of New York, FHA-Insured Mortgage Revenue Bonds, Kaleida Health, Series 2004, 5.050%, 2/15/25	2/14 at 100.00

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

1,910	Dormitory Authority of the State of New York, Insured Revenue Bonds, 853 Schools Program, Gateway-Longview Inc., Series 1998A, 5.500%, 7/01/18 - AMBAC Insured	7/10 at 100.00
1,500	Dormitory Authority of the State of New York, Revenue Bonds, St. Barnabas Hospital, Series 1997, 5.450%, 8/01/35 - AMBAC Insured	8/10 at 100.00
1,500	Hempstead Industrial Development Agency, New York, Resource Recovery Revenue Refunding Bonds, American Ref-Fuel Company of Hempstead LP, Series 2001, 5.000%, 12/01/10 (Mandatory put 6/01/10)	No Opt. Call
13,220	Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2002A, 5.500%, 11/15/26 - AGM Insured	11/12 at 100.00
13,600	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2006B, 4.500%, 11/15/32 - AGM Insured (UB)	11/16 at 100.00
3,000	New York State Energy Research and Development Authority, Pollution Control Revenue Bonds, Rochester Gas and Electric Corporation, Series 1998A, 5.950%, 9/01/33 - NCFG Insured (Alternative Minimum Tax)	9/10 at 100.00
40,230	Total New York	

Nuveen Investments 23

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	NORTH CAROLINA - 1.7% (1.1% OF TOTAL INVESTMENTS)	
\$ 5,500	Charlotte-Mecklenberg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008A, 5.000%, 1/15/39	1/18 at 100.00
4,900	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00
3,500	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Duke University Health System, Series 2009A, 5.000%, 6/01/42	6/19 at 100.00
13,900	Total North Carolina	

OHIO - 5.8% (3.9% OF TOTAL INVESTMENTS)

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

10,000	American Municipal Power Ohio Inc., General Revenue Bonds, Prairie State Energy Campus Project Series 2008A, 5.250%, 2/15/43	2/18 at 100.00
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:	
5,705	5.125%, 6/01/24	6/17 at 100.00
5,640	5.875%, 6/01/30	6/17 at 100.00
4,875	5.750%, 6/01/34	6/17 at 100.00
3,045	6.000%, 6/01/42	6/17 at 100.00
14,830	5.875%, 6/01/47	6/17 at 100.00
5,150	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-3, 0.000%, 6/01/37	6/22 at 100.00
6,720	Cleveland, Ohio, Airport System Revenue Bonds, Series 2001A, 5.000%, 1/01/31 - AGM Insured	7/10 at 101.00
3,650	Montgomery County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30	5/14 at 100.00

59,615	Total Ohio	

	OREGON - 1.0% (0.7% OF TOTAL INVESTMENTS)	
9,150	Port of St. Helens, Oregon, Pollution Control Revenue Bonds, Portland General Electric Company, Series 1985B, 4.800%, 6/01/10	No Opt. Call

	PENNSYLVANIA - 2.1% (1.5% OF TOTAL INVESTMENTS)	
1,250	Allegheny County Hospital Development Authority, Pennsylvania, University of Pittsburgh Medical Center Revenue Bonds, Series 2009A, 5.500%, 8/15/34	No Opt. Call
	Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 1998:	
3,125	0.000%, 5/15/22 - AGM Insured	No Opt. Call
3,125	0.000%, 5/15/23 - AGM Insured	No Opt. Call
3,135	0.000%, 5/15/24 - AGM Insured	No Opt. Call
3,155	0.000%, 5/15/26 - AGM Insured	No Opt. Call
4,145	0.000%, 11/15/26 - AGM Insured	No Opt. Call
2,800	0.000%, 5/15/28 - AGM Insured	No Opt. Call
3,000	0.000%, 11/15/28 - AGM Insured	No Opt. Call
1,035	Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax)	No Opt. Call
2,800	Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A, 6.500%, 1/01/13 (Alternative Minimum Tax)	7/10 at 100.00
100	Pennsylvania Economic Development Financing Authority, Subordinate Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994C, 6.875%, 1/01/11	7/10 at 100.00

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

(Alternative Minimum Tax)

5,000	Pennsylvania Turnpike Commission, Turnpike Subordinate Revenue Bonds, Series 2009C, 0.000%, 6/01/33 - AGM Insured	6/26 at 100.00
-------	---	----------------

32,670	Total Pennsylvania	
--------	--------------------	--

PUERTO RICO - 2.0% (1.3% OF TOTAL INVESTMENTS)

1,250	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2000B, 5.875%, 7/01/21 (Pre-refunded 7/01/10) - NPMF Insured	7/10 at 101.00
-------	--	----------------

13,125	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 0.000%, 8/01/33	8/29 at 100.00
--------	---	----------------

24 Nuveen Investments

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

PUERTO RICO (continued)

	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A:	
\$ 25,000	0.000%, 8/01/47 - AMBAC Insured	No Opt. Call
30,000	0.000%, 8/01/54 - AMBAC Insured	No Opt. Call

3,750	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Tender Option Bonds Trust 3101, 18.119%, 8/01/57 (IF)	8/17 at 100.00
-------	---	----------------

73,125	Total Puerto Rico	
--------	-------------------	--

RHODE ISLAND - 0.7% (0.5% OF TOTAL INVESTMENTS)

2,000	Kent County Water Authority, Rhode Island, General Revenue Bonds, Series 2002A, 5.000%, 7/15/23 - NPMF Insured	7/12 at 100.00
-------	--	----------------

	Rhode Island Health and Educational Building Corporation, Revenue Refunding Bonds, Salve Regina University, Series 2002:	
1,260	5.250%, 3/15/17 - RAAI Insured	3/12 at 101.00
1,080	5.250%, 3/15/18 - RAAI Insured	3/12 at 101.00

1,600	Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2002A, 6.125%, 6/01/32	6/12 at 100.00
-------	---	----------------

5,940	Total Rhode Island	
-------	--------------------	--

SOUTH CAROLINA - 2.7% (1.8% OF TOTAL INVESTMENTS)

2,625	Medical University Hospital Authority, South Carolina, FHA-Insured Mortgage Revenue Bonds, Series 2004A, 5.250%,	8/14 at 100.00
-------	--	----------------

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

2/15/25 - NPMFG Insured

	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2:	
26,955	0.000%, 1/01/31 - AMBAC Insured	No Opt. Call
14,700	0.000%, 1/01/32 - AMBAC Insured	No Opt. Call
8,330	Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.000%, 5/15/22 (Pre-refunded 5/15/12)	5/12 at 100.00

52,610	Total South Carolina	

TENNESSEE - 1.4% (0.9% OF TOTAL INVESTMENTS)

2,860	Johnson City Health and Educational Facilities Board, Tennessee, Hospital Revenue Refunding and Improvement Bonds, Johnson City Medical Center, Series 1998C, 5.125%, 7/01/25 (Pre-refunded 7/01/23) - NPMFG Insured	7/23 at 100.00
600	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 - AMBAC Insured (Alternative Minimum Tax)	9/10 at 101.00
6,000	Metropolitan Government of Nashville-Davidson County Health and Educational Facilities Board, Tennessee, Revenue Refunding and Improvement Bonds, Meharry Medical College, Series 1996, 6.000%, 12/01/19 - AMBAC Insured	12/17 at 100.00
2,000	Sullivan County Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds, Wellmont Health System, Refunding Series 200A, 5.486%, 9/01/32	3/13 at 100.00

11,460	Total Tennessee	

TEXAS - 6.8% (4.6% OF TOTAL INVESTMENTS)

5,000	Bexar Metropolitan Water District, Texas, Waterworks System Revenue Bonds, Series 2006, 5.000%, 5/01/35 - NPMFG Insured	5/16 at 100.00
2,500	Capital Area Cultural Education Facilities Finance Corporation, Texas, Revenue Bonds, The Roman Catholic Diocese of Austin, Series 2005B. Remarketed, 6.125%, 4/01/45	4/20 at 100.00
	Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005:	
4,000	5.000%, 1/01/35 - FGIC Insured	1/15 at 100.00
13,000	5.000%, 1/01/45 - FGIC Insured	1/15 at 100.00
1,025	Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - NPMFG Insured	11/11 at 100.00
4,000	Houston Community College System, Texas, Limited Tax General Obligation Bonds, Series 2003, 5.000%, 2/15/27 - AMBAC Insured (UB)	2/13 at 100.00
3,885	Houston Independent School District, Public Facility Corporation, Harris County, Texas, Lease Revenue Bonds, Cesar E. Chavez High School, Series 1998A, 0.000%, 9/15/19 -	No Opt. Call

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

AMBAC Insured

Nuveen Investments 25

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

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

	TEXAS (continued)	
\$ 1,600	Houston, Texas, Senior Lien Airport System Revenue Bonds, Refunding Series 2009A, 5.500%, 7/01/39	7/18 at 100.00
33,855	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/40	8/14 at 23.67
19,300	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2008, 0.000%, 8/15/41	8/17 at 24.20
	Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1998:	
4,930	0.000%, 8/15/20	7/10 at 57.46
3,705	0.000%, 8/15/22	7/10 at 51.20
3,480	Pearland, Texas, General Obligation Bonds, Series 2002, 5.000%, 3/01/27 (Pre-refunded 3/01/12) - FGIC Insured	3/12 at 100.00
6,000	Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 (Pre-refunded 2/01/11)	2/11 at 100.00
4,000	Tarrant Regional Water District, Texas, Water Revenue Refunding and Improvement Bonds, Series 1999, 5.000%, 3/01/22 - AGM Insured	3/13 at 100.00

110,280	Total Texas	

	UTAH - 3.1% (2.1% OF TOTAL INVESTMENTS)	
3,000	Riverton, Utah, Hospital Revenue Bonds, IHC Health Services, Inc., Series 2009, 5.000%, 8/15/41	8/19 at 100.00
	Utah County, Utah, Hospital Revenue Bonds, IHC Health Services Inc., Series 1997:	
12,885	5.250%, 8/15/21 - NPPG Insured (ETM)	8/10 at 100.00
3,900	5.250%, 8/15/26 - NPPG Insured (ETM)	8/10 at 100.00
1,805	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2002A-1, 5.300%, 7/01/18 (Alternative Minimum Tax)	1/12 at 100.00

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

500	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000D-1, 6.050%, 7/01/14 (Alternative Minimum Tax)	7/10 at 100.00
510	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class II, 6.150%, 1/01/27 (Alternative Minimum Tax)	7/10 at 100.00
680	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000E-1, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax)	7/10 at 100.00
715	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001A-2, 5.650%, 7/01/27 (Alternative Minimum Tax)	7/11 at 100.00
520	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001B-1, 5.750%, 7/01/19 (Alternative Minimum Tax)	1/11 at 100.00
3,000	Utah Water Finance Agency, Revenue Bonds, Pooled Loan Financing Program, Series 2002C, 5.250%, 10/01/28 (Pre-refunded 10/01/12) - AMBAC Insured	10/12 at 100.00

27,515	Total Utah	

VIRGIN ISLANDS - 0.8% (0.5% OF TOTAL INVESTMENTS)		
4,700	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 2003, 5.000%, 10/01/33 - RAAI Insured	10/14 at 100.00
2,500	Virgin Islands Public Finance Authority, Revenue Bonds, Refinery Project - Hovensa LLC, Series 2003, 6.125%, 7/01/22 (Alternative Minimum Tax)	1/14 at 100.00

7,200	Total Virgin Islands	

VIRGINIA - 0.9% (0.6% OF TOTAL INVESTMENTS)		
10,500	Metropolitan Washington DC Airports Authority, Virginia, Dulles Toll Road Revenue Bonds, Series 2009C, 0.000%, 10/01/41 - AGC Insured	10/26 at 100.00

WASHINGTON - 4.9% (3.3% OF TOTAL INVESTMENTS)		
12,235	Chelan County Public Utility District 1, Washington, Columbia River-Rock Island Hydro-Electric System Revenue Refunding Bonds, Series 1997A, 0.000%, 6/01/26 - NPFG Insured	No Opt. Call

26 Nuveen Investments

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

WASHINGTON (continued)

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

		Cowlitz County Public Utilities District 1, Washington, Electric Production Revenue Bonds, Series 2004:	
\$	465	5.000%, 9/01/22 - FGIC Insured	9/14 at 100.00
	3,100	5.000%, 9/01/28 - FGIC Insured	9/14 at 100.00
	5,000	Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 1, Series 2003A, 5.500%, 7/01/16 (UB)	7/13 at 100.00
	2,000	Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research Center, Series 2009A, 6.000%, 1/01/33	7/19 at 100.00
	10,000	Washington State Healthcare Facilities Authority, Revenue Bonds, Providence Health Care Services, Series 2006A, 4.625%, 10/01/34 - FGIC Insured (UB)	10/16 at 100.00
	5,000	Washington State Housing Finance Commission, Non-Profit Housing Revenue Bonds, Kline Galland Center, Series 1999, 6.000%, 7/01/29 - RAAI Insured	7/10 at 100.50
	12,000	Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2001D, 5.250%, 1/01/26 (Pre-refunded 1/01/11)	1/11 at 100.00
	49,800	Total Washington	
		WEST VIRGINIA - 0.6% (0.4% OF TOTAL INVESTMENTS)	
	5,000	Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22	10/11 at 100.00
		WISCONSIN - 2.2% (1.5% OF TOTAL INVESTMENTS)	
	11,620	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1999, 6.250%, 2/15/29 - RAAI Insured	8/10 at 101.00
	8,355	Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, Series 2005C, 4.875%, 3/01/36 (Alternative Minimum Tax) (UB)	9/14 at 100.00
	19,975	Total Wisconsin	
\$	1,645,710	Total Investments (cost \$1,280,293,947) - 148.1%	
		Floating Rate Obligations - (4.8)%	
		Other Assets Less Liabilities - (3.7)%	
		Auction Rate Preferred Shares, at Liquidation Value - (47.0)% (6)	
		Net Assets Applicable to Common Shares - 100%	

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

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may

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

be subject to periodic principal paydowns.

- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) The Fund's Adviser has concluded this 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.
- (6) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.7%

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 27

NMA | Nuveen Municipal Advantage Fund, Inc.
| Portfolio of Investments

April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ALABAMA - 1.5% (1.0% OF TOTAL INVESTMENTS)		
\$ 5,075	Lauderdale County and Florence Healthcare Authority, Alabama, Revenue Bonds, Coffee Health Group, Series 1999A, 5.250%, 7/01/24 - NPPG Insured	7/10 at 100.50
5,155	Phenix City Industrial Development Board, Alabama, Environmental Improvement Revenue Bonds, MeadWestvaco Corporation, Series 2002A, 6.350%, 5/15/35 (Alternative Minimum Tax)	5/12 at 100.00
10,230	Total Alabama	
ALASKA - 0.9% (0.6% OF TOTAL INVESTMENTS)		

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

	Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A:		
1,125	5.250%, 12/01/34 - FGIC Insured (UB)		12/14 at 100.00
1,280	5.250%, 12/01/41 - FGIC Insured (UB)		12/14 at 100.00
	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A:		
920	4.625%, 6/01/23		6/14 at 100.00
3,250	5.000%, 6/01/46		6/14 at 100.00

6,575	Total Alaska		

	ARIZONA - 2.0% (1.3% OF TOTAL INVESTMENTS)		
4,905	Maricopa County Industrial Development Authority, Arizona, Health Facility Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/32		7/17 at 100.00
5,000	Maricopa County Pollution Control Corporation, Arizona, Remarketed Revenue Refunding Bonds, Public Service Company of New Mexico, Series 1992A, 5.750%, 11/01/22		11/22 at 100.00
2,500	Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2008A, 5.000%, 7/01/38		7/18 at 100.00

12,405	Total Arizona		

	CALIFORNIA - 18.7% (12.3% OF TOTAL INVESTMENTS)		
3,500	Alameda Corridor Transportation Authority, California, Subordinate Lien Revenue Bonds, Series 2004A, 0.000%, 10/01/25 - AMBAC Insured		10/17 at 100.00
	Calexico Unified School District, Imperial County, California, General Obligation Bonds, Series 2005B:		
4,070	0.000%, 8/01/32 - FGIC Insured		No Opt. Call
6,410	0.000%, 8/01/34 - FGIC Insured		No Opt. Call
3,000	California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33		3/13 at 100.00
7,500	California State Public Works Board, Lease Revenue Bonds, Department of Mental Health, Coalinga State Hospital, Series 2004A, 5.125%, 6/01/29		6/14 at 100.00
2,750	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38		8/19 at 100.00
11,200	California, General Obligation Bonds, Series 2003, 5.250%, 2/01/28		8/13 at 100.00
16,000	California, Various Purpose General Obligation Bonds, Series 2007, 5.000%, 6/01/37		6/17 at 100.00
9,955	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 0.000%, 9/01/31 - FGIC Insured		No Opt. Call

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

	Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2006C:	
3,800	0.000%, 2/01/33 - FGIC Insured	2/15 at 38.73
3,795	0.000%, 2/01/37 - FGIC Insured	No Opt. Call
7,355	Contra Costa County, California, GNMA Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 1989, 7.750%, 5/01/22 (Alternative Minimum Tax) (ETM)	No Opt. Call
8,145	Cupertino Union School District, Santa Clara County, California, General Obligation Bonds, Series 2003B, 0.000%, 8/01/25 - FGIC Insured	8/13 at 55.54
2,510	Folsom Cordova Unified School District, Sacramento County, California, General Obligation Bonds, School Facilities Improvement District 1, Series 2004B, 0.000%, 10/01/28 - NCFG Insured	No Opt. Call

28 Nuveen Investments

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

	CALIFORNIA (continued)	
\$ 3,360	Folsom Cordova Unified School District, Sacramento County, California, General Obligation Bonds, School Facilities Improvement District 2, Series 2002A, 0.000%, 7/01/27 - NCFG Insured	No Opt. Call
2,315	Gateway Unified School District, California, General Obligation Bonds, Series 2004B, 0.000%, 8/01/32 - FGIC Insured	No Opt. Call
3,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/26 - AGM Insured	No Opt. Call
1,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47	6/17 at 100.00
5,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2003A, 5.125%, 7/01/40 - FGIC Insured	7/12 at 100.00
1,275	Madera Unified School District, Madera County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/23 - AGM Insured	8/12 at 100.00
2,200	M-S-R Energy Authority, California, Gas Revenue Bonds, Citigroup Prepay Contracts, Series 2009C, 6.500%, 11/01/39	No Opt. Call
7,735	North Orange County Community College District, California, General Obligation Bonds, Series 2003B: 0.000%, 8/01/25 - FGIC Insured	No Opt. Call

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

4,000	0.000%, 8/01/26 - FGIC Insured	No Opt. Call
5,000	Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991B, 7.375%, 2/01/12 (ETM)	No Opt. Call
5,000	Palmdale Community Redevelopment Agency, California, Single Family Restructured Mortgage Revenue Bonds, Series 1986A, 8.000%, 3/01/16 (Alternative Minimum Tax) (ETM)	No Opt. Call
9,315	Perris, California, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1989A, 7.600%, 1/01/23 (Alternative Minimum Tax) (ETM)	No Opt. Call
1,830	San Diego Public Facilities Financing Authority, California, Water Utility Revenue Bonds, Tender Option Bond Trust 3504, 19.460%, 8/01/39 (IF)	8/19 at 100.00
7,660	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Senior Lien Toll Road Revenue Bonds, Series 1993, 0.000%, 1/01/24 (ETM)	No Opt. Call
23,000	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 - NPMFG Insured	No Opt. Call
7,250	San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 0.000%, 9/01/29 - NPMFG Insured	9/15 at 100.00

178,930	Total California	

COLORADO - 8.2% (5.4% OF TOTAL INVESTMENTS)		
1,600	Arkansas River Power Authority, Colorado, Power Revenue Bonds, Series 2006, 5.250%, 10/01/40 - SYNCORA GTY Insured	10/16 at 100.00
9,440	Colorado Health Facilities Authority, Colorado, Revenue Bonds, Catholic Health Initiatives, Series 2006A, 4.500%, 9/01/38	9/16 at 100.00
3,335	Colorado Health Facilities Authority, Colorado, Revenue Bonds, Catholic Health Initiatives, Series 2009A, 5.500%, 7/01/34	7/19 at 100.00
1,150	Colorado Health Facilities Authority, Revenue Bonds, Poudre Valley Health System, Series 2005C, 5.250%, 3/01/40 - AGM Insured	9/18 at 102.00
3,300	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006, 5.000%, 11/15/24 - FGIC Insured	11/16 at 100.00
	Denver, Colorado, Airport Revenue Bonds, Series 2006:	
5,365	5.000%, 11/15/23 - FGIC Insured (UB)	11/16 at 100.00
4,335	5.000%, 11/15/25 - FGIC Insured (UB)	11/16 at 100.00
2,000	Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2006, 4.750%, 12/01/35 - SYNCORA GTY Insured	11/16 at 100.00
	E-470 Public Highway Authority, Colorado, Senior Revenue	

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

	Bonds, Series 1997B:	
2,650	0.000%, 9/01/16 - NPMG Insured	No Opt. Call
8,645	0.000%, 9/01/26 - NPMG Insured	No Opt. Call

Nuveen Investments 29

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

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

	COLORADO (continued)	
\$ 1,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/35 (Pre-refunded 9/01/10) - NPMG Insured	9/10 at 102.00
	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B:	
7,500	0.000%, 9/01/29 - NPMG Insured	No Opt. Call
10,000	0.000%, 9/01/31 - NPMG Insured	No Opt. Call
10,000	0.000%, 9/01/32 - NPMG Insured	No Opt. Call
	Platte River Power Authority, Colorado, Power Revenue Refunding Bonds, Series 2002EE:	
1,030	5.375%, 6/01/17 (Pre-refunded 6/01/12)	6/12 at 100.00
4,890	5.375%, 6/01/18 (Pre-refunded 6/01/12)	6/12 at 100.00
	Platte River Power Authority, Colorado, Power Revenue Refunding Bonds, Series 2002EE:	
970	5.375%, 6/01/17	6/12 at 100.00
110	5.375%, 6/01/18	6/12 at 100.00
77,320	Total Colorado	

	DISTRICT OF COLUMBIA - 0.2% (0.1% OF TOTAL INVESTMENTS)	
1,200	District of Columbia Housing Finance Agency, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 1997B, 5.900%, 12/01/28 (Alternative Minimum Tax)	6/10 at 100.00

	FLORIDA - 4.4% (2.9% OF TOTAL INVESTMENTS)	
2,770	Florida Housing Finance Corporation, Housing Revenue Bonds, Stratford Point Apartments, Series 20000-1, 5.850%, 12/01/31 - AGM Insured (Alternative Minimum Tax)	12/10 at 100.00
14,730	South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 (UB)	8/17 at 100.00
10,130	Tampa, Florida, Healthcare System Revenue Bonds, Allegany Health System - St. Mary's Hospital, Series 1993, 5.125%,	6/10 at 100.00

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

12/01/23 - NPMG Insured (ETM)

27,630	Total Florida	

GEORGIA - 1.3% (0.9% OF TOTAL INVESTMENTS)		
4,000	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.250%, 10/01/39 - AGM Insured	10/14 at 100.00
2,900	Coffee County Hospital Authority, Georgia, Revenue Bonds, Coffee County Regional Medical Center, Series 2004, 5.000%, 12/01/26	12/14 at 100.00
1,250	DeKalb County Hospital Authority, Georgia, Revenue Anticipation Certificates, DeKalb Medical Center, Inc. Project, Series 2010, 6.000%, 9/01/30 (WI/DD, Settling 5/03/10)	9/20 at 100.00

8,150	Total Georgia	

HAWAII - 0.4% (0.3% OF TOTAL INVESTMENTS)		
2,215	Hawaii Housing and Community Development Corporation, GNMA Collateralized Multifamily Housing Revenue Bonds, Sunset Villas, Series 2000, 5.700%, 7/20/31 (Pre-refunded 7/20/10)	7/10 at 102.00
285	Hawaii Housing Finance and Development Corporation, Single Family Mortgage Purchase Revenue Bonds, Series 1997A, 5.750%, 7/01/30 (Alternative Minimum Tax)	7/10 at 100.00

2,500	Total Hawaii	

ILLINOIS - 16.5% (10.9% OF TOTAL INVESTMENTS)		
4,345	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998B-1, 0.000%, 12/01/28 - FGIC Insured	No Opt. Call
4,260	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/31 - FGIC Insured	No Opt. Call
5,865	Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2000A, 6.500%, 1/01/35 (Pre-refunded 7/01/10) - FGIC Insured	7/10 at 101.00
5,000	Chicago, Illinois, Second Lien Passenger Facility Charge Revenue Bonds, O'Hare International Airport, Series 2001A, 5.375%, 1/01/32 - AMBAC Insured (Alternative Minimum Tax)	1/11 at 101.00
1,500	Illinois Finance Authority, Revenue Bonds, Central DuPage Health, Series 2009B, 5.500%, 11/01/39	11/19 at 100.00
2,000	Illinois Finance Authority, Revenue Bonds, Children's Memorial Hospital, Series 2008A, 5.250%, 8/15/47 - AGC Insured (UB)	8/18 at 100.00
8,395	Illinois Finance Authority, Revenue Bonds, Loyola University of Chicago, Tender Option Bond Trust 1137, 9.186%, 7/01/46 (IF)	7/17 at 100.00
2,500	Illinois Finance Authority, Revenue Bonds, Silver Cross	8/19 at 100.00

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

Hospital and Medical Centers, Series 2009, 6.875%, 8/15/38

30 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ILLINOIS (continued)		
\$ 4,000	Illinois Finance Authority, Revenue Refunding Bonds, Silver Cross Hospital and Medical Centers, Series 2008A, 6.000%, 8/15/23	8/18 at 100.00
6,000	Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.750%, 5/15/22 (Pre-refunded 5/15/12)	5/12 at 100.00
6,165	Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.750%, 2/15/22	8/10 at 100.00
10,740	Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B, 0.000%, 1/01/23 - AGM Insured	1/15 at 66.94
1,090	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1993A, 0.000%, 6/15/21 - FGIC Insured	No Opt. Call
	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A:	
13,455	5.500%, 12/15/24 - FGIC Insured	6/10 at 101.00
10,430	5.250%, 12/15/28 - FGIC Insured	6/10 at 101.00
3,175	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A, 0.000%, 6/15/41 - NCFG Insured	No Opt. Call
6,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A, 0.000%, 6/15/24 - NCFG Insured	No Opt. Call
4,600	Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1990A, 7.200%, 11/01/20 - AMBAC Insured	No Opt. Call
1,940	University of Illinois, Auxiliary Facilities Systems Revenue Bonds, Series 2003A, 5.000%, 4/01/23 - AMBAC Insured	4/13 at 100.00
7,500	Valley View Public Schools, Community Unit School District 365U of Will County, Illinois, General Obligation Bonds, Series 2005, 0.000%, 11/01/25 - NCFG Insured	No Opt. Call
23,125	Will County Community High School District 210 Lincoln-Way, Illinois, General Obligation Bonds, Series 2006, 0.000%, 1/01/24 - AGM Insured	No Opt. Call

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

132,085 Total Illinois

INDIANA - 3.4% (2.2% OF TOTAL INVESTMENTS)

1,810	Hospital Authority of Delaware County, Indiana, Hospital Revenue Refunding Bonds, Cardinal Health System, Series 1997, 5.000%, 8/01/16 - AMBAC Insured	8/10 at 100.00
4,030	Indiana Finance Authority Health System Revenue Bonds, Sisters of St. Francis Health Services, Inc. Obligated Group, Series 2009, 5.250%, 11/01/39	11/19 at 100.00
6,000	Indiana Finance Authority, Revenue Bonds, Trinity Health Care Group, Refunding Series 2009A, 5.250%, 12/01/38	12/19 at 100.00
5,205	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 (Pre-refunded 8/15/10) - NPMG Insured	8/10 at 101.50
2,435	Indiana Health Facility Financing Authority, Revenue Bonds, Community Foundation of Northwest Indiana, Series 2007, 5.500%, 3/01/37	3/17 at 100.00
1,005	St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.450%, 2/15/12	8/10 at 100.50

20,485 Total Indiana

IOWA - 0.8% (0.5% OF TOTAL INVESTMENTS)

6,300	Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C, 5.375%, 6/01/38	6/15 at 100.00
250	Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34	6/17 at 100.00

6,550 Total Iowa

KANSAS - 0.3% (0.2% OF TOTAL INVESTMENTS)

1,750	Wamego, Kansas, Pollution Control Revenue Bonds, Kansas Gas and Electric Company, Series 2004, 5.300%, 6/01/31 - NPMG Insured	6/14 at 100.00
-------	---	----------------

Nuveen Investments 31

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

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

KENTUCKY - 1.4% (0.9% OF TOTAL INVESTMENTS)

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

\$	6,015	Kentucky Economic Development Finance Authority, Hospital Facilities Revenue Bonds, Owensboro Medical Health System, Series 2010B, 6.375%, 3/01/40	6/20 at 100.00
	1,500	Kentucky Economic Development Finance Authority, Hospital Revenue Bonds, Baptist Healthcare System, Series 2009A, 5.375%, 8/15/24	8/19 at 100.00
	1,000	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008-A1, 6.000%, 12/01/33 - AGC Insured	6/18 at 100.00
<hr/>			
	8,515	Total Kentucky	
<hr/>			
LOUISIANA - 13.6% (8.9% OF TOTAL INVESTMENTS)			
	13,500	DeSoto Parish, Louisiana, Pollution Control Revenue Refunding Bonds, Cleco Utility Group Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured	9/10 at 101.00
		Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994:	
	520	11.000%, 2/01/14 (ETM)	No Opt. Call
	4,745	11.000%, 2/01/14 (ETM)	No Opt. Call
	6,650	Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - NPFPG Insured	7/14 at 100.00
	9,000	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47	5/17 at 100.00
	28	Louisiana State, Gasoline Tax Revenue Bonds, Series 2006, Residuals 660-1, 15.661%, 5/01/41 - FGIC Insured (IF)	5/16 at 100.00
		Louisiana State, Gasoline Tax Revenue Bonds, Series 2006A:	
	20,690	4.500%, 5/01/41 - FGIC Insured (UB)	5/16 at 100.00
	10,000	5.000%, 5/01/41 - FGIC Insured (UB)	5/16 at 100.00
		Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B:	
	8,250	5.500%, 5/15/30	5/11 at 101.00
	11,855	5.875%, 5/15/39	5/11 at 101.00
<hr/>			
	85,238	Total Louisiana	
<hr/>			
MASSACHUSETTS - 2.4% (1.6% OF TOTAL INVESTMENTS)			
	620	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, CareGroup Inc., Series 2008E-1 &2, 5.125%, 7/01/33	7/18 at 100.00
	1,750	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, UMass Memorial Healthcare, Series 1998A, 5.000%, 7/01/28 - AMBAC Insured	7/10 at 100.50
	2,300	Massachusetts Health and Educational Facilities Authority, Revenue Refunding Bonds, Suffolk University Issue, Series 2009A, 5.750%, 7/01/39	7/19 at 100.00

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

	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A:		
1,975	5.000%, 1/01/12		7/10 at 100.00
2,000	5.125%, 1/01/17 - NCFG Insured		7/10 at 100.00
1,095	5.000%, 1/01/27 - NCFG Insured		7/10 at 100.00
5,550	5.000%, 1/01/37 - NCFG Insured		7/10 at 100.00

15,290	Total Massachusetts		
--------	---------------------	--	--

MICHIGAN - 2.0% (1.3% OF TOTAL INVESTMENTS)

	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A:		
4,995	5.250%, 8/15/23		8/10 at 100.00
3,000	5.250%, 8/15/28		8/10 at 100.00
3,275	Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.500%, 8/15/18		8/10 at 100.00
3,050	Michigan Tobacco Settlement Finance Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2008A, 6.875%, 6/01/42		6/18 at 100.00

14,320	Total Michigan		
--------	----------------	--	--

32 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	MINNESOTA - 0.8% (0.5% OF TOTAL INVESTMENTS)	
\$ 5,000	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/32 (Pre-refunded 1/01/11) - FGIC Insured	1/11 at 100.00

	MISSOURI - 0.9% (0.6% OF TOTAL INVESTMENTS)	
12,005	Kansas City Municipal Assistance Corporation, Missouri, Leasehold Revenue Bonds, Series 2004B-1, 0.000%, 4/15/29 - AMBAC Insured	No Opt. Call
85	Missouri Housing Development Commission, Single Family Mortgage Revenue Bonds, Homeownership Loan Program, Series 2000A-1, 7.500%, 3/01/31 (Alternative Minimum Tax)	9/10 at 101.00
1,500	Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax Appropriation Bonds, Metrolink Cross County Extension Project, Series 2002B, 5.000%, 10/01/32 - AGM Insured	10/13 at 100.00

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

13,590	Total Missouri	

	NEVADA - 6.2% (4.1% OF TOTAL INVESTMENTS)	
15,000	Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2010B, 5.750%, 7/01/42	1/20 at 100.00
7,310	Clark County, Nevada, Limited Tax General Obligation Bank Bonds, Series 2000, 5.500%, 7/01/19 (Pre-refunded 7/01/10)	7/10 at 100.00
7,500	Clark County, Nevada, Subordinate Lien Airport Revenue Bonds, Series 1999A, 6.000%, 7/01/29 (Pre-refunded 7/01/10) - NCFG Insured	7/10 at 101.00
	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000:	
3,025	0.000%, 1/01/16 - AMBAC Insured	No Opt. Call
7,910	5.375%, 1/01/40 - AMBAC Insured (5)	7/10 at 100.00
3,750	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 2007B, Trust 2633, 18.667%, 7/01/31 - BHAC Insured (IF)	7/17 at 100.00
235	Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1997C-2, 5.750%, 4/01/29 (Alternative Minimum Tax)	10/10 at 100.00
44,730	Total Nevada	

	NEW HAMPSHIRE - 0.3% (0.2% OF TOTAL INVESTMENTS)	
1,500	New Hampshire Business Finance Authority, Revenue Bonds, Elliot Hospital Obligated Group Issue, Series 2009A, 6.125%, 10/01/39	10/19 at 100.00

	NEW JERSEY - 3.5% (2.3% OF TOTAL INVESTMENTS)	
15,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/30 - FGIC Insured	No Opt. Call
	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002:	
10,970	5.750%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 100.00
5,050	6.125%, 6/01/42 (Pre-refunded 6/01/12)	6/12 at 100.00
31,020	Total New Jersey	

	NEW MEXICO - 1.2% (0.8% OF TOTAL INVESTMENTS)	
7,500	Farmington, New Mexico, Pollution Control Revenue Refunding Bonds, Public Service Company of New Mexico - San Juan Project, Series 1997B, 5.800%, 4/01/22	10/10 at 100.00

	NEW YORK - 3.9% (2.5% OF TOTAL INVESTMENTS)	
7,000	Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.125%, 1/01/29	7/12 at 100.00

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

4,975	New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC, Series 1998, 5.250%, 12/01/32 (Alternative Minimum Tax)	6/10 at 101.00
3,000	New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC, Series 2002, 7.625%, 12/01/32 (Alternative Minimum Tax)	12/12 at 101.00
10,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Series 2004B, 5.000%, 6/15/36 - AGM Insured (UB)	12/14 at 100.00
24,975	Total New York	

Nuveen Investments 33

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
NORTH CAROLINA - 2.8% (1.9% OF TOTAL INVESTMENTS)		
\$ 3,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 - AMBAC Insured	1/16 at 100.00
1,025	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 10A, 5.400%, 7/01/32 - AMBAC Insured (Alternative Minimum Tax)	7/10 at 100.00
4,035	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 7A, 6.250%, 1/01/29 (Alternative Minimum Tax)	7/10 at 100.00
3,765	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 9A, 5.875%, 7/01/31 (Alternative Minimum Tax)	7/10 at 100.00
3,500	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Duke University Health System, Series 2009A, 5.000%, 6/01/42	6/19 at 100.00
1,900	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A, 5.750%, 1/01/39 - AGC Insured	1/19 at 100.00
17,225	Total North Carolina	
NORTH DAKOTA - 0.3% (0.2% OF TOTAL INVESTMENTS)		
2,250	Ward County Health Care, North Dakota, Revenue Bonds, Trinity Obligated Group, Series 2006, 5.125%, 7/01/25	7/16 at 100.00

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

OHIO - 6.4% (4.2% OF TOTAL INVESTMENTS)

4,630	Akron, Bath and Copley Joint Township Hospital District, Ohio, Hospital Facilities Revenue Bonds, Summa Health System, Series 1998A, 5.375%, 11/15/18	5/10 at 101.00
10,000	American Municipal Power Ohio Inc., General Revenue Bonds, Prairie State Energy Campus Project Series 2008A, 5.250%, 2/15/43	2/18 at 100.00
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:	
855	5.125%, 6/01/24	6/17 at 100.00
2,700	5.875%, 6/01/30	6/17 at 100.00
9,135	5.750%, 6/01/34	6/17 at 100.00
3,920	6.000%, 6/01/42	6/17 at 100.00
5,895	5.875%, 6/01/47	6/17 at 100.00
5,150	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-3, 0.000%, 6/01/37	6/22 at 100.00
1,010	Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 2000D, 5.450%, 9/01/31 (Alternative Minimum Tax)	8/10 at 100.00
2,650	Ohio, General Obligation Bonds, Higher Education, Series 2003A, 5.000%, 5/01/22	5/13 at 100.00

45,945	Total Ohio	

OKLAHOMA - 2.4% (1.6% OF TOTAL INVESTMENTS)

1,675	Oklahoma Development Finance Authority, Health System Revenue Bonds, Integris Baptist Medical Center, Series 2008B, 5.250%, 8/15/38	8/18 at 100.00
12,000	Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007, 5.000%, 2/15/42	2/17 at 100.00
2,000	Oklahoma Municipal Power Authority, Power Supply System Revenue Bonds, Series 2007, 4.500%, 1/01/47 - FGIC Insured	1/17 at 100.00

15,675	Total Oklahoma	

OREGON - 0.5% (0.3% OF TOTAL INVESTMENTS)

3,000	Oregon State Facilities Authority, Revenue Bonds, Willamette University, Series 2007A, 5.000%, 10/01/36	10/17 at 100.00

PENNSYLVANIA - 1.8% (1.2% OF TOTAL INVESTMENTS)

5,000	Allegheny County Hospital Development Authority, Pennsylvania, University of Pittsburgh Medical Center Revenue Bonds, Series 2009A, 5.625%, 8/15/39	No Opt. Call
585	Carbon County Industrial Development Authority, Pennsylvania,	No Opt. Call

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

Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax)

1,250 Erie Water Authority, Pennsylvania, Water Revenue Bonds, Series 2008, 5.000%, 12/01/43 - AGM Insured 12/18 at 100.00

34 Nuveen Investments

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

	PENNSYLVANIA (continued)	
\$ 1,500	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2006A, 4.650%, 10/01/31 (Alternative Minimum Tax) (UB)	10/16 at 100.00
2,600	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2004A, 5.500%, 12/01/31 - AMBAC Insured	12/14 at 100.00

10,935	Total Pennsylvania	

	PUERTO RICO - 6.5% (4.3% OF TOTAL INVESTMENTS)	
5,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/26 - SYNCORA GTY Insured	7/15 at 100.00
10,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2010XX, 5.750%, 7/01/36	7/20 at 100.00
10,070	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/39 - FGIC Insured	No Opt. Call
10,000	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 6.000%, 8/01/42	8/19 at 100.00
4,000	Puerto Rico, General Obligation Bonds, Series 2000B, 5.625%, 7/01/19 - NPPFG Insured	7/10 at 100.00

39,070	Total Puerto Rico	

	RHODE ISLAND - 1.3% (0.8% OF TOTAL INVESTMENTS)	
1,235	Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group, Series 1996, 5.500%, 5/15/16 - NPPFG Insured	5/10 at 100.00
7,000	Rhode Island Housing and Mortgage Finance Corporation, Homeownership Opportunity Bond Program, Series 50A, 4.650%, 10/01/34	10/14 at 100.00

8,235	Total Rhode Island	

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

SOUTH CAROLINA - 3.2% (2.1% OF TOTAL INVESTMENTS)

10,000	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 6.000%, 12/01/20 (Pre-refunded 12/01/12)	12/12 at 101.00
2,500	Lexington County Health Service District, South Carolina, Hospital Revenue Refunding and Improvement Bonds, Series 2003, 5.750%, 11/01/28 (Pre-refunded 11/01/13)	11/13 at 100.00
3,000	Myrtle Beach, South Carolina, Hospitality and Accommodation Fee Revenue Bonds, Series 2004A, 5.000%, 6/01/36 - FGIC Insured	6/14 at 100.00
1,220	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/23 - FGIC Insured	No Opt. Call
2,125	South Carolina Public Service Authority, Revenue Refunding Bonds, Santee Cooper Electric System, Series 2003A, 5.000%, 1/01/21 - AMBAC Insured	7/13 at 100.00

18,845	Total South Carolina	

SOUTH DAKOTA - 0.5% (0.3% OF TOTAL INVESTMENTS)

2,945	South Dakota Health and Educational Facilities Authority, Revenue Bonds, Sanford Health, Series 2007, 5.000%, 11/01/40	5/17 at 100.00

TENNESSEE - 4.0% (2.6% OF TOTAL INVESTMENTS)

6,000	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, Baptist Health System of East Tennessee Inc., Series 2002, 6.500%, 4/15/31	4/12 at 101.00
20,415	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2002A, 0.000%, 1/01/18 - AGM Insured	1/13 at 75.87
1,750	Metropolitan Government of Nashville-Davidson County, Tennessee, Electric System Revenue Bonds, Series 2001A, 5.125%, 5/15/26	5/11 at 100.00
2,000	Sullivan County Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds, Wellmont Health System, Refunding Series 200A, 5.486%, 9/01/32	3/13 at 100.00
1,500	Sumner County Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding Bonds, Sumner Regional Health System Inc., Series 2007, 5.500%, 11/01/46 (7)	11/17 at 100.00

31,665	Total Tennessee	

TEXAS - 14.1% (9.2% OF TOTAL INVESTMENTS)

2,000	Abilene Higher Education Authority, Inc., Texas, Student Loan Revenue Bonds, Subordinate Series 1998B, 5.050%, 7/01/13 (Alternative Minimum Tax)	5/10 at 100.00
-------	--	----------------

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

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	TEXAS (continued)	
\$ 11,810	Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001C, 5.750%, 5/01/36 (Mandatory put 11/01/11) (Alternative Minimum Tax)	No Opt. Call
6,000	Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Lighting and Power Company, Series 1998, 5.050%, 11/01/18 - AMBAC Insured (Alternative Minimum Tax)	No Opt. Call
2,000	Capital Area Cultural Education Facilities Finance Corporation, Texas, Revenue Bonds, The Roman Catholic Diocese of Austin, Series 2005B. Remarketed, 6.125%, 4/01/45	4/20 at 100.00
4,250	Ennis Independent School District, Ellis County, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/26	8/16 at 60.73
8,400	Gulf Coast Waste Disposal Authority, Texas, Waste Disposal Revenue Bonds, Valero Energy Corporation, Series 1999, 5.700%, 4/01/32 (Alternative Minimum Tax)	10/10 at 100.50
7,500	Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 - NPPG Insured	11/13 at 100.00
1,540	Houston Community College System, Texas, Limited Tax General Obligation Bonds, Series 2003, 5.000%, 2/15/28 - AMBAC Insured (UB)	2/13 at 100.00
3,460	Houston Community College System, Texas, Limited Tax General Obligation Bonds, Series 2003, 5.000%, 2/15/28 (Pre-refunded 2/15/13) - AMBAC Insured	2/13 at 100.00
	Houston, Texas, Water Conveyance System Contract, Certificates of Participation, Series 1993A-J:	
5,490	6.800%, 12/15/10 - AMBAC Insured	No Opt. Call
2,000	6.800%, 12/15/11 - AMBAC Insured	No Opt. Call
9,345	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/34 - FGIC Insured	8/15 at 35.34
16,305	Matagorda County Navigation District 1, Texas, Revenue Bonds, Reliant Energy Inc., Series 1999B, 5.950%, 5/01/30 (Alternative Minimum Tax)	5/10 at 100.50
	North Texas Thruway Authority, First Tier System Revenue Refunding Bonds, Capital Appreciation Series 2008I:	
2,555	0.000%, 1/01/42 - AGC Insured	1/25 at 100.00
7,000	0.000%, 1/01/43	1/25 at 100.00

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

3,425	Sabine River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001A, 5.500%, 5/01/22 (Mandatory put 11/01/11)	No Opt. Call
4,700	Sam Rayburn Municipal Power Agency, Texas, Power Supply System Revenue Refunding Bonds, Series 2002A, 6.000%, 10/01/21	10/12 at 100.00
3,000	Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/21	8/15 at 74.57
100,780	Total Texas	

UTAH - 0.5% (0.3% OF TOTAL INVESTMENTS)		
3,000	Riverton, Utah, Hospital Revenue Bonds, IHC Health Services, Inc., Series 2009, 5.000%, 8/15/41	8/19 at 100.00

VIRGIN ISLANDS - 0.3% (0.2% OF TOTAL INVESTMENTS)		
1,480	Virgin Islands Public Finance Authority, Matching Fund Revenue Loan Note - Diageo Project, Series 2009A, 6.750%, 10/01/37	10/19 at 100.00

VIRGINIA - 0.4% (0.3% OF TOTAL INVESTMENTS)		
2,855	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2007B2, 0.000%, 6/01/46	6/17 at 100.00
940	Virginia Port Authority, Port Facilities Revenue Refunding Bonds, Series 2010, 5.000%, 7/01/40 (WI/DD, Settling 5/06/10)	7/19 at 100.00
3,795	Total Virginia	

WASHINGTON - 9.3% (6.1% OF TOTAL INVESTMENTS)		
1,260	Central Puget Sound Regional Transit Authority, Washington, Sales Tax and Motor Vehicle Excise Tax Bonds, Series 1999, 4.750%, 2/01/28 - FGIC Insured	8/10 at 100.00
5,665	Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2002B, 5.250%, 7/01/37 (Mandatory put 7/01/12) - AMBAC Insured (Alternative Minimum Tax)	7/12 at 100.00
10,730	Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2001: 5.650%, 7/01/32 - NPFPG Insured (Alternative Minimum Tax) (UB)	7/11 at 101.00
8,810	5.600%, 1/01/36 - NPFPG Insured (Alternative Minimum Tax) (UB)	7/11 at 101.00

36 Nuveen Investments

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

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

WASHINGTON (continued)			
\$	10,730	Pierce County School District 320, Sumner, Washington, Unlimited Tax General Obligation Bonds, Series 2000, 6.250%, 12/01/17 (Pre-refunded 12/01/10) - AGM Insured	12/10 at 100.00
	10,550	Port of Seattle, Washington, Limited Tax General Obligation Bonds, Series 2000B, 5.750%, 12/01/25 (Alternative Minimum Tax) (UB)	12/10 at 100.00
	5,000	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B, 6.000%, 9/01/20 - NCFG Insured (Alternative Minimum Tax)	9/10 at 101.00
	2,000	Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research Center, Series 2009A, 6.000%, 1/01/33	7/19 at 100.00
	2,200	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.625%, 6/01/32	6/13 at 100.00
	1,270	Washington State, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2003F, 0.000%, 12/01/24 - NCFG Insured	No Opt. Call
	58,215	Total Washington	
WEST VIRGINIA - 0.8% (0.5% OF TOTAL INVESTMENTS)			
	5,000	Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22	10/11 at 100.00
WISCONSIN - 2.4% (1.6% OF TOTAL INVESTMENTS)			
	535	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/12 (ETM)	No Opt. Call
	4,920	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27 (Pre-refunded 6/01/12)	6/12 at 100.00
	565	Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - AGM Insured	11/14 at 100.00
	5,000	Madison, Wisconsin, Industrial Development Revenue Refunding Bonds, Madison Gas and Electric Company Projects, Series 2002A, 5.875%, 10/01/34 (Alternative Minimum Tax)	4/12 at 100.00
	3,000	Southeast Wisconsin Professional Baseball Park District, Sales Tax Revenue Refunding Bonds, Series 1998A, 5.500%, 12/15/19 - NCFG Insured	No Opt. Call
	14,020	Total Wisconsin	
\$	1,119,568	Total Investments (cost \$939,205,356) - 152.3%	
Floating Rate Obligations - (10.8)%			

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

Other Assets Less Liabilities - 6.1%

Variable Rate Demand Preferred Shares, at Liquidation Value - (47.6)% (6)

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) The Fund's Adviser has concluded this 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.
- (6) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.2%
- (7) For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.

N/R Not rated.

WI/DD 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. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 37

NMO | Nuveen Municipal Market Opportunity Fund, Inc.
| Portfolio of Investments

April 30, 2010 (Unaudited)

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ALABAMA - 1.0% (0.7% OF TOTAL INVESTMENTS)		
Henry County Water Authority, Alabama, Water Revenue Bonds, Series 2006:		
\$ 1,935	5.000%, 1/01/36 - RAAI Insured	1/16 at 100.00
2,485	5.000%, 1/01/41 - RAAI Insured	1/16 at 100.00
3,000	Lauderdale County and Florence Health Authority, Alabama, Revenue Bonds, Coffee Health Group, Series 2000A, 6.000%, 7/01/29 - NPPFG Insured	7/10 at 102.00
7,420	Total Alabama	
ALASKA - 1.8% (1.1% OF TOTAL INVESTMENTS)		
Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A:		
1,125	5.250%, 12/01/34 - FGIC Insured (UB)	12/14 at 100.00
1,275	5.250%, 12/01/41 - FGIC Insured (UB)	12/14 at 100.00
13,025	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46	6/14 at 100.00
15,425	Total Alaska	
ARKANSAS - 0.4% (0.2% OF TOTAL INVESTMENTS)		
2,480	Cabot School District 4, Lonoke County, Arkansas, General Obligation Refunding Bonds, Series 2003, 5.000%, 2/01/27 - AMBAC Insured	8/10 at 100.00
CALIFORNIA - 16.7% (10.5% OF TOTAL INVESTMENTS)		
12,500	Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/35 - AGM Insured	No Opt. Call
1,350	Antelope Valley Union High School District, Los Angeles County, California, General Obligation Bonds, Series 2004B, 0.000%, 8/01/29 - NPPFG Insured	No Opt. Call
Bay Area Toll Authority, California, San Francisco Bay Area Toll Bridge Revenue Bonds, Series 2009-F1:		
2,500	5.125%, 4/01/39	4/19 at 100.00
2,500	5.625%, 4/01/44	4/19 at 100.00
8,000	Beverly Hills Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2009, 0.000%, 8/01/33	No Opt. Call
7,800	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 0.000%, 6/01/36	12/18 at 100.00

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

1,350	California Educational Facilities Authority, Revenue Refunding Bonds, Loyola Marymount University, Series 2001A, 0.000%, 10/01/39 - NCFG Insured	No Opt. Call
4,295	California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33	3/13 at 100.00
9,000	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.250%, 3/01/45	3/16 at 100.00
7,000	California State, General Obligation Bonds, Various Purpose Series 2010, 5.250%, 3/01/30	3/20 at 100.00
1,550	California Statewide Community Development Authority, Revenue Bonds, St. Joseph Health System, Series 2007A, 5.750%, 7/01/47 - FGIC Insured	7/18 at 100.00
25,000	California, Various Purpose General Obligation Bonds, Series 2005, 4.750%, 3/01/35 - NCFG Insured (UB)	3/16 at 100.00
10,445	Castaic Lake Water Agency, California, Certificates of Participation, Water System Improvement Project, Series 1999, 0.000%, 8/01/29 - AMBAC Insured	No Opt. Call
8,365	Cupertino Union School District, Santa Clara County, California, General Obligation Bonds, Series 2003B, 0.000%, 8/01/26 - FGIC Insured	8/13 at 52.66
5,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2003B, 5.000%, 6/01/38 (Pre-refunded 6/01/13) - AMBAC Insured	6/13 at 100.00
	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A:	
3,500	0.000%, 6/01/26 - AGM Insured	No Opt. Call
3,000	5.000%, 6/01/45	6/15 at 100.00
1,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47	6/17 at 100.00

38 Nuveen Investments

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

CALIFORNIA (continued)		
\$ 1,500	Lincoln Unified School District, Placer County, California, Community Facilities District 1, Special Tax Bonds, Series 2005, 0.000%, 9/01/26 - AMBAC Insured	No Opt. Call

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

490	Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Second Series 1993, 4.750%, 10/15/20 (ETM)	10/10 at 100.00
995	Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Series 1994, 5.375%, 2/15/34 (ETM)	8/10 at 100.00
5,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2003A, 5.125%, 7/01/40 - FGIC Insured	7/12 at 100.00
2,200	M-S-R Energy Authority, California, Gas Revenue Bonds, Citigroup Prepay Contracts, Series 2009B, 6.500%, 11/01/39	No Opt. Call
14,000	New Haven Unified School District, California, General Obligation Bonds, Refunding Series 2009, 0.000%, 8/01/34 - AGC Insured	No Opt. Call
1,000	Pajaro Valley Unified School District, Santa Cruz County, California, General Obligation Bonds, Series 2005B, 0.000%, 8/01/29 - AGM Insured	No Opt. Call
8,040	Placentia-Yorba Linda Unified School District, Orange County, California, Certificates of Participation, Series 2006, 0.000%, 10/01/34 - FGIC Insured	No Opt. Call
5,000	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A: 5.650%, 1/15/17 - NPMFG Insured	1/14 at 102.00
26,000	0.000%, 1/15/35 - NPMFG Insured	No Opt. Call
5,000	San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A, 0.000%, 9/01/28 - NPMFG Insured	9/15 at 50.47
4,825	Santa Monica Community College District, Los Angeles County, California, General Obligation Bonds, Series 2005C, 0.000%, 8/01/25 - NPMFG Insured	8/15 at 61.27
188,205	Total California	

COLORADO - 7.1% (4.5% OF TOTAL INVESTMENTS)

1,085	Arkansas River Power Authority, Colorado, Power Revenue Bonds, Series 2006, 5.250%, 10/01/40 - SYNCORA GTY Insured	10/16 at 100.00
3,000	Broomfield, Colorado, Master Facilities Lease Purchase Agreement, Certificates of Participation, Series 1999, 5.750%, 12/01/24 - AMBAC Insured	6/10 at 100.00
6,285	Broomfield, Colorado, Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2002A, 5.500%, 12/01/22 - AMBAC Insured	12/12 at 100.00
11,465	Denver City and County, Colorado, Airport System Revenue Refunding Bonds, Series 2000A, 6.000%, 11/15/18 - AMBAC Insured (Alternative Minimum Tax)	11/10 at 100.00
	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B:	

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

6,200	0.000%, 9/01/22 - NPMG Insured	No Opt. Call
9,000	0.000%, 9/01/30 - NPMG Insured	No Opt. Call
15,960	0.000%, 9/01/33 - NPMG Insured	No Opt. Call
20,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/28 (Pre-refunded 9/01/10) - NPMG Insured	9/10 at 31.42
	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B:	
3,800	0.000%, 9/01/27 - NPMG Insured	9/20 at 67.94
13,300	0.000%, 9/01/31 - NPMG Insured	9/20 at 53.77
6,250	0.000%, 9/01/32 - NPMG Insured	9/20 at 50.83
10,000	0.000%, 3/01/36 - NPMG Insured	9/20 at 41.72

106,345	Total Colorado	

DISTRICT OF COLUMBIA - 1.5% (0.9% OF TOTAL INVESTMENTS)		
10,000	Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007A, 4.500%, 10/01/30 - AMBAC Insured	10/16 at 100.00

FLORIDA - 1.5% (1.0% OF TOTAL INVESTMENTS)		
8,025	Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, Series 2008, Trust 1191, 8.713%, 7/01/32 (Alternative Minimum Tax) (IF)	1/17 at 100.00

Nuveen Investments 39

NMO | Nuveen Municipal Market Opportunity Fund, Inc. (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

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

FLORIDA (continued)		
\$ 2,500	Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2010A-1, 5.375%, 10/01/41	10/20 at 100.00

10,525	Total Florida	

GEORGIA - 4.1% (2.6% OF TOTAL INVESTMENTS)		
14,330	Fulton County Facilities Corporation, Georgia, Certificates of Participation, Public Purpose Project, Series 1999, 5.500%, 11/01/18 (Pre-refunded 11/01/10) - AMBAC Insured	11/10 at 101.00
10,000	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2010B, 5.250%, 2/15/45	2/41 at 100.00

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

1,245	Royston Hospital Authority, Georgia, Revenue Anticipation Certificates, Ty Cobb Healthcare System Inc., Series 1999, 6.500%, 7/01/27	7/10 at 101.00

25,575	Total Georgia	

ILLINOIS - 10.8% (6.8% OF TOTAL INVESTMENTS)		
4,595	Bolingbrook, Illinois, General Obligation Refunding Bonds, Series 2002B, 0.000%, 1/01/32 - FGIC Insured	No Opt. Call
4,600	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured	No Opt. Call
4,000	Chicago, Illinois, Motor Fuel Tax Revenue Bonds, Series 2003A, 5.000%, 1/01/33 - AMBAC Insured	7/13 at 100.00
1,885	Chicago, Illinois, Motor Fuel Tax Revenue Refunding Bonds, Series 1993, 5.375%, 1/01/14 - AMBAC Insured	No Opt. Call
5,250	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1998B, 5.000%, 1/01/28 - NPMFG Insured	7/10 at 100.50
10,000	Illinois Finance Authority, Illinois, Northwestern University, Revenue Bonds, Series 2006, 5.000%, 12/01/42 (UB)	12/15 at 100.00
3,000	Illinois Finance Authority, Revenue Bonds, Memorial Health System, Series 2009, 5.500%, 4/01/34	No Opt. Call
5,500	Illinois Finance Authority, Revenue Refunding Bonds, Silver Cross Hospital and Medical Centers, Series 2008A, 5.500%, 8/15/30	8/18 at 100.00
2,060	Illinois Health Facilities Authority, Revenue Bonds, Sherman Health Systems, Series 1997, 5.250%, 8/01/17 - AMBAC Insured	7/10 at 100.00
10,230	Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B: 0.000%, 1/01/22 - AGM Insured	1/15 at 70.63
6,780	0.000%, 1/01/24 - AGM Insured	1/15 at 63.44
1,975	Lake County Community High School District 127, Grayslake, Illinois, General Obligation Bonds, Series 2002A, 9.000%, 2/01/13 - FGIC Insured	No Opt. Call
Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A:		
6,500	0.000%, 6/15/25 - NPMFG Insured	6/22 at 101.00
3,270	5.000%, 12/15/28 - NPMFG Insured	6/12 at 101.00
3,700	0.000%, 6/15/30 - NPMFG Insured	No Opt. Call
3,280	0.000%, 6/15/37 - NPMFG Insured	No Opt. Call
11,715	0.000%, 12/15/38 - NPMFG Insured	No Opt. Call
9,170	0.000%, 6/15/39 - NPMFG Insured	No Opt. Call
6,500	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 2002B, 5.750%, 6/15/23 - NPMFG Insured	6/12 at 101.00

104,010	Total Illinois	

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

INDIANA - 2.7% (1.7% OF TOTAL INVESTMENTS)			
4,695	Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - NPMG Insured	2/11	at 100.00
4,030	Indiana Finance Authority Health System Revenue Bonds, Sisters of St. Francis Health Services, Inc. Obligated Group, Series 2009, 5.250%, 11/01/39	11/19	at 100.00
6,000	Indiana Finance Authority, Revenue Bonds, Trinity Health Care Group, Refunding Series 2009A, 5.250%, 12/01/38	12/19	at 100.00
2,000	Petersburg, Indiana, Pollution Control Revenue Refunding Bonds, Indianapolis Power and Light Company, Series 1991, 5.750%, 8/01/21	8/11	at 102.00
16,725	Total Indiana		

40 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)		OPTIONAL CALL PROVISIONS (2)
IOWA - 0.8% (0.5% OF TOTAL INVESTMENTS)			
\$ 970	Iowa Finance Authority, Health Facility Revenue Bonds, Care Initiatives Project, Series 2006A, 5.000%, 7/01/19	7/16	at 100.00
5,000	Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34	6/17	at 100.00
5,970	Total Iowa		
KANSAS - 0.5% (0.3% OF TOTAL INVESTMENTS)			
2,500	Kansas Development Finance Authority, Water Pollution Control Revolving Fund Leveraged Bonds, Series 2002-II, 5.500%, 11/01/21	11/12	at 100.00
500	Salina, Kansas, Hospital Revenue Bonds, Salina Regional Medical Center, Series 2006, 4.625%, 10/01/31	4/16	at 100.00
3,000	Total Kansas		
KENTUCKY - 0.2% (0.1% OF TOTAL INVESTMENTS)			
1,000	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008-A1, 6.000%, 12/01/38 - AGC Insured	6/18	at 100.00

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

LOUISIANA - 3.2% (2.0% OF TOTAL INVESTMENTS)

7,415	Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Baton Rouge Community College Facilities Corporation, Series 2002, 5.000%, 12/01/32 - NPMFG Insured	12/12 at 100.00
	Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004:	
1,765	5.250%, 7/01/24 - NPMFG Insured	7/14 at 100.00
3,350	5.250%, 7/01/33 - NPMFG Insured	7/14 at 100.00
7,850	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39	5/11 at 101.00
<hr/>		
20,380	Total Louisiana	

MARYLAND - 1.1% (0.7% OF TOTAL INVESTMENTS)

4,410	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2007D, 4.900%, 9/01/42 (Alternative Minimum Tax)	3/17 at 100.00
2,500	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt. Call
<hr/>		
6,910	Total Maryland	

MASSACHUSETTS - 4.4% (2.7% OF TOTAL INVESTMENTS)

440	Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A, 5.250%, 7/01/30	7/10 at 100.00
	Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A:	
4,150	5.250%, 7/01/30 (Pre-refunded 7/01/10)	7/10 at 100.00
660	5.250%, 7/01/30 (Pre-refunded 7/01/10)	7/10 at 100.00
12,190	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - NPMFG Insured	7/10 at 100.00
10,000	Massachusetts Water Resources Authority, General Revenue Bonds, Series 2000A, 5.750%, 8/01/39 (Pre-refunded 8/01/10) - FGIC Insured	8/10 at 101.00
<hr/>		
27,440	Total Massachusetts	

MICHIGAN - 2.5% (1.6% OF TOTAL INVESTMENTS)

5,000	Detroit Water Supply System, Michigan, Water Supply System Revenue Bonds, Series 2006D, 4.625%, 7/01/32 - AGM Insured	7/16 at 100.00
2,090	Grand Rapids Building Authority, Kent County, Michigan, Limited Tax General Obligation Bonds, Series 2000, 5.375%, 8/01/17 (Pre-refunded 8/01/10) - AMBAC Insured	8/10 at 100.00
5,000	Michigan State Hospital Finance Authority, Hospital Revenue	11/19 at 100.00

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

Bonds, Henry Ford Health System, Refunding Series 2009,
5.750%, 11/15/39

3,050	Michigan Tobacco Settlement Finance Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2008A, 6.875%, 6/01/42	6/18 at 100.00
1,150	Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Refunding Series 2009V, 8.250%, 9/01/39	9/18 at 100.00
16,290	Total Michigan	

Nuveen Investments 41

NMO | Nuveen Municipal Market Opportunity Fund, Inc. (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
MINNESOTA - 7.9% (5.0% OF TOTAL INVESTMENTS)		
\$ 930	Minnesota Agricultural and Economic Development Board, Healthcare System Revenue Bonds, Fairview Hospital and Healthcare Services, Series 2000A, 6.375%, 11/15/29	11/10 at 101.00
29,070	Minnesota Agricultural and Economic Development Board, Healthcare System Revenue Bonds, Fairview Hospital and Healthcare Services, Series 2000A, 6.375%, 11/15/29 (Pre-refunded 11/15/10)	11/10 at 101.00
1,610	Minnesota Housing Finance Agency, Single Family Remarketed Mortgage Bonds, Series 1998H-2, 6.050%, 7/01/31 (Alternative Minimum Tax)	1/11 at 101.00
13,675	Minnesota, General Obligation Bonds, Series 2000, 5.125%, 11/01/16	11/10 at 100.00
2,810	St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - AGM Insured	11/15 at 103.00
48,095	Total Minnesota	

MISSISSIPPI - 0.9% (0.6% OF TOTAL INVESTMENTS)

5,900	Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22	10/10 at 100.00
-------	---	-----------------

MISSOURI - 0.8% (0.5% OF TOTAL INVESTMENTS)

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

	Kansas City Municipal Assistance Corporation, Missouri, Leasehold Revenue Bonds, Series 2004B-1:		
8,000	0.000%, 4/15/27 - AMBAC Insured		No Opt. Call
5,000	0.000%, 4/15/31 - AMBAC Insured		No Opt. Call
13,000	Total Missouri		

NEBRASKA - 1.8% (1.1% OF TOTAL INVESTMENTS)			
11,690	Omaha Convention Hotel Corporation, Nebraska, Convention Center Revenue Bonds, Series 2007, 5.000%, 2/01/35 - AMBAC Insured		2/17 at 100.00

NEVADA - 6.3% (4.0% OF TOTAL INVESTMENTS)			
15,000	Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2010B, 5.750%, 7/01/42		1/20 at 100.00
11,615	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
	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000:		
6,125	0.000%, 1/01/17 - AMBAC Insured		No Opt. Call
8,500	0.000%, 1/01/26 - AMBAC Insured		No Opt. Call
7,860	0.000%, 1/01/27 - AMBAC Insured		No Opt. Call
19,300	5.375%, 1/01/40 - AMBAC Insured (5)		7/10 at 100.00
2,135	Reno, Nevada, Capital Improvement Revenue Bonds, Series 2005B, 0.000%, 6/01/37 - FGIC Insured		6/15 at 33.61
2,500	Reno, Nevada, Health Facilities Revenue Bonds, Catholic Healthcare West, Trust 2634, 18.389%, 7/01/31 - BHAC Insured (IF)		7/17 at 100.00
73,035	Total Nevada		

NEW HAMPSHIRE - 0.5% (0.3% OF TOTAL INVESTMENTS)			
3,000	New Hampshire Business Finance Authority, Revenue Bonds, Elliot Hospital Obligated Group Issue, Series 2009A, 6.125%, 10/01/39		10/19 at 100.00

NEW JERSEY - 6.9% (4.3% OF TOTAL INVESTMENTS)			
18,400	New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Series 2006A, 0.000%, 7/01/37		1/17 at 35.47
18,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2000B, 5.750%, 6/15/17 (Pre-refunded 6/15/10)		6/10 at 100.00
35,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/34 - AGM Insured		No Opt. Call
5,000	New Jersey Turnpike Authority, Revenue Bonds, Growth and Income		1/17 at 100.00

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

Securities, Series 2004B, 5.150%, 1/01/35 - AMBAC Insured

3,000	Rahway Valley Sewerage Authority, New Jersey, Sewer Revenue Bonds, Series 2005A, 0.000%, 9/01/25 - NPMF Insured	No Opt. Call
3,525	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/42 (Pre-refunded 6/01/12)	6/12 at 100.00

42 Nuveen Investments

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

	NEW JERSEY (continued)	
\$ 2,100	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.375%, 6/01/32 (Pre-refunded 6/01/13)	6/13 at 100.00
4,000	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 5.000%, 6/01/41	6/17 at 100.00

89,025	Total New Jersey	

	NEW MEXICO - 1.4% (0.9% OF TOTAL INVESTMENTS)	
5,925	New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A, 5.500%, 8/01/21 (Pre-refunded 8/01/11)	8/11 at 101.00
2,475	University of New Mexico, Revenue Refunding Bonds, Series 1992A, 6.250%, 6/01/12	No Opt. Call

8,400	Total New Mexico	

	NEW YORK - 4.3% (2.7% OF TOTAL INVESTMENTS)	
7,000	Brooklyn Areba Local Development Corporation, New York, Payment in Lieu of Taxes Revenue Bonds, Barclays Center Project, Series 2009, 0.000%, 7/15/45	No Opt. Call
3,000	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2006B, 5.000%, 12/01/35	6/16 at 100.00
5	New York City, New York, General Obligation Bonds, Fiscal Series 1997H, 6.125%, 8/01/25	7/10 at 100.00
5,000	New York City, New York, General Obligation Bonds, Fiscal Series 2002A, 5.750%, 8/01/16	8/12 at 100.00
	New York City, New York, General Obligation Bonds, Fiscal Series 2002G:	

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

1,000	5.000%, 8/01/17	8/12 at 100.00
6,515	5.750%, 8/01/18	8/12 at 100.00
15	New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.750%, 8/01/18 (Pre-refunded 8/01/12)	8/12 at 100.00
10,000	Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 5.750%, 12/01/22 - NPFPG Insured (Alternative Minimum Tax)	6/10 at 100.00
<hr/>		
32,535	Total New York	
<hr/>		
NORTH CAROLINA - 5.8% (3.7% OF TOTAL INVESTMENTS)		
1,900	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00
17,000	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University, Series 2005A, 5.000%, 10/01/41	10/15 at 100.00
3,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 - AMBAC Insured	1/16 at 100.00
4,000	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission St. Joseph's Health System, Series 2007, 4.500%, 10/01/31 (UB)	10/17 at 100.00
7,500	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/19 - NPFPG Insured	1/13 at 100.00
1,900	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A, 5.750%, 1/01/39 - AGC Insured	1/19 at 100.00
<hr/>		
35,300	Total North Carolina	
<hr/>		
NORTH DAKOTA - 4.4% (2.8% OF TOTAL INVESTMENTS)		
23,035	Fargo, North Dakota, Health System Revenue Bonds, MeritCare Obligated Group, Series 2000A, 5.625%, 6/01/31 - AGM Insured	6/10 at 101.00
	North Dakota Water Commission, Water Development and Management Program Bonds, Series 2000A:	
2,230	5.700%, 8/01/18 (Pre-refunded 8/01/10) - NPFPG Insured	8/10 at 100.00
2,450	5.750%, 8/01/19 (Pre-refunded 8/01/10) - NPFPG Insured	8/10 at 100.00
<hr/>		
27,715	Total North Dakota	
<hr/>		

Nuveen Investments 43

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
OHIO - 7.3% (4.6% OF TOTAL INVESTMENTS)		
Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:		
\$ 4,455	5.375%, 6/01/24	6/17 at 100.00
110	5.125%, 6/01/24	6/17 at 100.00
1,250	5.875%, 6/01/30	6/17 at 100.00
6,215	5.750%, 6/01/34	6/17 at 100.00
4,300	6.000%, 6/01/42	6/17 at 100.00
4,750	5.875%, 6/01/47	6/17 at 100.00
10,000	Columbus City School District, Franklin County, Ohio, General Obligation Bonds, Series 2006, 4.250%, 12/01/32 - AGM Insured (UB)	12/16 at 100.00
11,080	Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999, 6.300%, 4/01/12	No Opt. Call
7,500	Ohio State, Hospital Facility Revenue Refunding Bonds, Cleveland Clinic Health System Obligated Group, Series 2009A, 5.500%, 1/01/39	1/19 at 100.00
49,660	Total Ohio	
OKLAHOMA - 0.3% (0.2% OF TOTAL INVESTMENTS)		
1,675	Oklahoma Development Finance Authority, Health System Revenue Bonds, Integris Baptist Medical Center, Series 2008B, 5.250%, 8/15/38	8/18 at 100.00
OREGON - 2.5% (1.6% OF TOTAL INVESTMENTS)		
5,000	Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.250%, 7/01/22 - NPMF Insured	1/13 at 100.00
Insured Portland, Oregon, Water System Revenue Bonds, Series 2000A:		
6,780	5.375%, 8/01/18 (Pre-refunded 8/01/10)	8/10 at 100.00
3,880	5.500%, 8/01/20 (Pre-refunded 8/01/10)	8/10 at 100.00
15,660	Total Oregon	
PENNSYLVANIA - 4.5% (2.8% OF TOTAL INVESTMENTS)		
3,000	Allegheny County Hospital Development Authority, Pennsylvania, University of Pittsburgh Medical Center Revenue Bonds, Series 2009A, 5.625%, 8/15/39	No Opt. Call
5,000	Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Series 1997A, 6.200%, 7/01/19	7/10 at 100.00
5,000	Pennsylvania Higher Education Assistance Agency, Capital Acquisition Revenue Bonds, Series 2000, 5.875%, 12/15/30	12/10 at 100.00

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

(Pre-refunded 12/15/10) - NPF Insured

10,000	Pennsylvania Turnpike Commission, Turnpike Subordinate Revenue Bonds, Series 2009C, 0.000%, 6/01/33 - AGM Insured	6/26 at 100.00
7,550	Pennsylvania, General Obligation Bonds, Second Series 2001, 5.000%, 9/15/14 (Pre-refunded 9/15/11)	9/11 at 101.00

30,550	Total Pennsylvania	

PUERTO RICO - 6.9% (4.3% OF TOTAL INVESTMENTS)		
3,330	Puerto Rico Aqueduct and Sewerage Authority, Revenue Bonds, Senior Lien Series 2008A, 6.000%, 7/01/44	7/18 at 100.00
8,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2010XX, 5.750%, 7/01/36	7/20 at 100.00
Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003:		
8,200	4.500%, 12/01/23 (UB)	12/13 at 100.00
4,300	4.500%, 12/01/23 (UB)	12/13 at 100.00
10,000	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 6.000%, 8/01/42	8/19 at 100.00
7,000	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 8/01/40 - NPF Insured	No Opt. Call
6,390	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100.00

47,220	Total Puerto Rico	

44 Nuveen Investments

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

RHODE ISLAND - 0.5% (0.3% OF TOTAL INVESTMENTS)		
\$ 3,310	Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2002A, 6.250%, 6/01/42	6/12 at 100.00

SOUTH CAROLINA - 6.1% (3.8% OF TOTAL INVESTMENTS)		
24,730	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.500%, 12/01/22 (Pre-refunded 12/01/12)	12/12 at 101.00
21,570	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/30 - AMBAC Insured	No Opt. Call

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

3,560	South Carolina Public Service Authority, Revenue Refunding Bonds, Santee Cooper Electric System, Series 2003A, 5.000%, 1/01/20 - AMBAC Insured	7/13 at 100.00
49,860	Total South Carolina	
TENNESSEE - 0.7% (0.5% OF TOTAL INVESTMENTS)		
5,000	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, East Tennessee Children's Hospital, Series 2003A, 5.000%, 7/01/23 - RAAI Insured	7/13 at 100.00
TEXAS - 9.2% (5.8% OF TOTAL INVESTMENTS)		
2,500	Alliance Airport Authority, Texas, Special Facilities Revenue Bonds, American Airlines Inc., Series 2007, 5.250%, 12/01/29 (Alternative Minimum Tax)	12/12 at 100.00
11,255	Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 2001C, 5.750%, 5/01/36 (Mandatory put 11/01/11) (Alternative Minimum Tax)	No Opt. Call
1,000	Cedar Hill Independent School District, Dallas County, Texas, General Obligation Bonds, Series 2002, 0.000%, 8/15/32 - FGIC Insured	No Opt. Call
15,000	Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/45 - FGIC Insured	1/15 at 100.00
2,500	Comal Independent School District, Comal, Bexar, Guadalupe, Hays, and Kendall Counties, Texas, General Obligation Bonds, Series 2005A, 0.000%, 2/01/23	No Opt. Call
6,000	Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Bonds, American Airlines Inc., Series 1999, 6.375%, 5/01/35 (Alternative Minimum Tax)	5/10 at 101.00
	Ennis Independent School District, Ellis County, Texas, General Obligation Bonds, Series 2006:	
3,950	0.000%, 8/15/30	8/16 at 49.21
4,000	0.000%, 8/15/31	8/16 at 46.64
1,715	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/32 - AMBAC Insured	No Opt. Call
1,250	Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001A, 5.000%, 12/01/20 - AGM Insured	12/11 at 100.00
2,400	Houston, Texas, Senior Lien Airport System Revenue Bonds, Refunding Series 2009A, 5.500%, 7/01/39	7/18 at 100.00
9,350	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/32 - FGIC Insured	8/15 at 39.50

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

6,000	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/33	8/14 at 35.28
4,000	North Texas Thruway Authority, First Tier System Revenue Refunding Bonds, Capital Appreciation Series 2008I, 0.000%, 1/01/43	1/25 at 100.00
3,295	Tarrant County, Texas, Cultural & Educational Facilities Financing Corporation, Revenue Bonds, Series 2007, Residuals 1760-3, 16.855%, 2/15/36 (IF)	2/17 at 100.00
5,000	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/34	8/15 at 36.81
3,970	Wichita Falls, Wichita County, Texas, Priority Lien Water and Sewerage System Revenue Bonds, Series 2001, 5.000%, 8/01/21 (Pre-refunded 8/01/11) - AMBAC Insured	8/11 at 100.00
	Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005:	
3,000	0.000%, 8/15/23	8/15 at 67.10
2,000	0.000%, 8/15/24	8/15 at 63.56

88,185	Total Texas	

Nuveen Investments 45

NMO | Nuveen Municipal Market Opportunity Fund, Inc. (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

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

	UTAH - 0.5% (0.3% OF TOTAL INVESTMENTS)	
\$ 3,000	Riverton, Utah, Hospital Revenue Bonds, IHC Health Services, Inc., Series 2009, 5.000%, 8/15/41	8/19 at 100.00

	VIRGINIA - 2.5% (1.5% OF TOTAL INVESTMENTS)	
21,500	Metropolitan Washington DC Airports Authority, Virginia, Dulles Toll Road Revenue Bonds, Series 2009C, 0.000%, 10/01/41 - AGC Insured	10/26 at 100.00

	WASHINGTON - 15.1% (9.5% OF TOTAL INVESTMENTS)	
5,500	Clark County Public Utility District 1, Washington, Generating System Revenue Refunding Bonds, Series 2000, 5.125%, 1/01/20 - AGM Insured	1/11 at 100.00

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

2,755	Cowlitz County, Washington, Special Sewerage Revenue Refunding Bonds, CSOB Wastewater Treatment Facilities, Series 2002, 5.500%, 11/01/16 - FGIC Insured	No Opt. Call
10,000	Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 3, Series 2001A, 5.500%, 7/01/17 - AGM Insured	7/11 at 101.00
2,500	King County, Washington, Sewer Revenue Bonds, Series 2001, 5.000%, 1/01/23 - FGIC Insured	1/12 at 100.00
33,490	Port of Seattle, Washington, Revenue Bonds, Series 2000A, 5.625%, 2/01/30 (Pre-refunded 8/01/10) - NPFPG Insured	8/10 at 100.00
6,950	Port of Seattle, Washington, Revenue Bonds, Series 2000B, 5.625%, 2/01/24 - NPFPG Insured (Alternative Minimum Tax) (UB)	8/10 at 100.00
2,150	Seattle, Washington, General Obligation Refunding and Improvement Bonds, Series 2002, 4.500%, 12/01/20	12/12 at 100.00
3,000	Spokane County School District 81, Spokane, Washington, General Obligation Bonds, Series 2005, 5.000%, 6/01/24 - NPFPG Insured	6/15 at 100.00
3,520	Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.000%, 10/01/21 (Pre-refunded 10/01/11) - AMBAC Insured	10/11 at 100.00
10,890	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26	6/13 at 100.00
9,000	Washington State, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2003C, 0.000%, 6/01/28 - FGIC Insured	No Opt. Call
9,000	Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, 5.000%, 1/01/21 - AGM Insured	1/12 at 100.00
98,755	Total Washington	

WISCONSIN - 0.9% (0.6% OF TOTAL INVESTMENTS)		
2,800	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27 (Pre-refunded 6/01/12)	6/12 at 100.00
1,755	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2006, 4.750%, 5/01/25	5/16 at 100.00
1,250	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, United Lutheran Program for the Aging Inc., Series 1998, 5.700%, 3/01/28	9/10 at 100.00
5,805	Total Wisconsin	

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

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

	WYOMING - 0.7% (0.4% OF TOTAL INVESTMENTS)	
\$ 4,080	Campbell County, Wyoming Solid Waste Facilities Revenue Bonds, Basin Electric Power Cooperative - Dry Fork Station Facilities, Series 2009A, 5.750%, 7/15/39	7/19 at 100.00

\$ 1,339,655	Total Investments (cost \$1,012,817,147) - 159.0%	
=====		
	Floating Rate Obligations - (7.7)%	

	Other Assets Less Liabilities - 3.8%	

	Variable Rate Demand Preferred Shares, at Liquidation Value - (55.1)% (6)	

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

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) The Fund's Adviser has concluded this 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.
- (6) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 34.7%

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

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

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 47

NAD | Nuveen Dividend Advantage Municipal Fund
| Portfolio of Investments

April 30, 2010 (Unaudited)

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

	MUNICIPAL BONDS - 152.7% (99.9% OF TOTAL INVESTMENTS)	
	ALABAMA - 0.3% (0.2% OF TOTAL INVESTMENTS)	
\$ 1,600	Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 5.750%, 12/01/20	6/10 at 102.00

	ALASKA - 0.1% (0.1% OF TOTAL INVESTMENTS)	
750	Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A, 5.250%, 12/01/34 - FGIC Insured (UB)	12/14 at 100.00

	ARIZONA - 1.2% (0.8% OF TOTAL INVESTMENTS)	
2,350	Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2008A, 5.000%, 7/01/33	7/18 at 100.00
5,000	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc Prepay Contract Obligations, Series 2007, 5.000%, 12/01/37	No Opt. Call

7,350	Total Arizona	

	CALIFORNIA - 6.7% (4.4% OF TOTAL INVESTMENTS)	
1,535	Alameda Corridor Transportation Authority, California, Senior Lien Revenue Bonds, Series 1999A, 0.000%, 10/01/37 - NPFG Insured	No Opt. Call
6,000	Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/28 - AGM Insured	No Opt. Call
6,750	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38	8/19 at 100.00
65	California, General Obligation Bonds, Series 1997, 5.000%, 10/01/18 - AMBAC Insured	7/10 at 100.00
5,000	California, General Obligation Bonds, Series 2005, 5.000%,	3/16 at 100.00

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

3/01/31

	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A:		
3,500	0.000%, 6/01/26 - AGM Insured		No Opt. Call
9,925	5.000%, 6/01/45		6/15 at 100.00
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:		
5,750	5.000%, 6/01/33		6/17 at 100.00
1,000	5.125%, 6/01/47		6/17 at 100.00
2,200	M-S-R Energy Authority, California, Gas Revenue Bonds, Citigroup Prepay Contracts, Series 2009C, 6.500%, 11/01/39		No Opt. Call
1,495	Palmdale Civic Authority, California, Revenue Refinancing Bonds, Civic Center Project, Series 1997A, 5.375%, 7/01/12 - NPFPG Insured		7/10 at 100.00
17,000	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 - NPFPG Insured		No Opt. Call
60,220	Total California		

COLORADO - 5.7% (3.8% OF TOTAL INVESTMENTS)

1,125	Antelope Heights Metropolitan District, Colorado, Limited Tax General Obligation Bonds, Series 2007, 5.000%, 12/01/37 - RAAI Insured		12/17 at 100.00
3,330	Colorado Health Facilities Authority, Colorado, Revenue Bonds, Catholic Health Initiatives, Series 2009A, 5.500%, 7/01/34		7/19 at 100.00
2,170	Denver City and County, Colorado, Airport Special Facilities Revenue Bonds, Rental Car Projects, Series 1999A: 6.000%, 1/01/12 - NPFPG Insured (Alternative Minimum Tax)		7/10 at 100.50
675	6.000%, 1/01/13 - NPFPG Insured (Alternative Minimum Tax)		7/10 at 100.50
1,475	Denver, Colorado, FHA-Insured Multifamily Housing Revenue Bonds, Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax)		10/10 at 100.00
8,515	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/25 - NPFPG Insured		No Opt. Call

48 Nuveen Investments

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

COLORADO (continued)

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

\$ 25,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/31 - NPFPG Insured	No Opt. Call
60,000	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004A, 0.000%, 3/01/36 - NPFPG Insured	No Opt. Call
12,500	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2006A, 0.000%, 9/01/38 - NPFPG Insured	9/26 at 54.77
2,000	Metropolitan Football Stadium District, Colorado, Sales Tax Revenue Bonds, Series 1999A, 0.000%, 1/01/12 - NPFPG Insured	No Opt. Call
116,790	Total Colorado	

CONNECTICUT - 0.4% (0.3% OF TOTAL INVESTMENTS)

4,335	Mashantucket Western Pequot Tribe, Connecticut, Subordinate Special Revenue Bonds, Series 2007A, 5.750%, 9/01/34	11/17 at 100.00
-------	--	-----------------

FLORIDA - 10.9% (7.1% OF TOTAL INVESTMENTS)

1,390	Florida Housing Finance Agency, Housing Revenue Bonds, Mar Lago Village Apartments, Series 1997F, 5.800%, 12/01/17 - AMBAC Insured (Alternative Minimum Tax)	6/10 at 100.00
15,000	Florida State Board of Education, Public Education Capital Outlay Bonds, Series 2005E, 4.500%, 6/01/35 (UB)	6/15 at 101.00
2,500	Marion County Hospital District, Florida, Revenue Bonds, Munroe Regional Medical Center, Series 2007, 5.000%, 10/01/34	10/17 at 100.00
13,625	Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration LP, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax)	6/10 at 100.00
22,000	South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007: 5.000%, 8/15/37 (UB)	8/17 at 100.00
7,370	5.000%, 8/15/42 (UB)	8/17 at 100.00

61,885 Total Florida

GEORGIA - 0.8% (0.5% OF TOTAL INVESTMENTS)

5,000	Cobb County Development Authority, Georgia, Student Housing Revenue Bonds, KSU Village II Real Estate Foundation LLC Project, Series 2007A, 5.250%, 7/15/38 - AMBAC Insured	7/17 at 100.00
-------	---	----------------

IDAHO - 0.1% (0.1% OF TOTAL INVESTMENTS)

110	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 1999E, 5.750%, 1/01/21 (Alternative Minimum Tax)	7/10 at 100.50
140	Idaho Housing and Finance Association, Single Family Mortgage	7/10 at 100.00

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

	Bonds, Series 2000D, 6.350%, 7/01/22 (Alternative Minimum Tax)	
205	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000E, 5.950%, 7/01/20 (Alternative Minimum Tax)	7/10 at 100.00

455	Total Idaho	

	ILLINOIS - 31.6% (20.7% OF TOTAL INVESTMENTS)	
1,560	Channahon, Illinois, Revenue Refunding Bonds, Morris Hospital, Series 1999, 5.750%, 12/01/12	6/10 at 102.00
2,205	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998B-1, 0.000%, 12/01/29 - FGIC Insured	No Opt. Call
7,250	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 5.500%, 12/01/26 - FGIC Insured	No Opt. Call
	Chicago, Illinois, FHA/GNMA Multifamily Housing Revenue Bonds, Archer Court Apartments, Series 1999A:	
680	5.500%, 12/20/19 (Alternative Minimum Tax)	10/10 at 101.00
1,210	5.600%, 12/20/29 (Alternative Minimum Tax)	10/10 at 101.00
1,925	5.650%, 12/20/40 (Alternative Minimum Tax)	10/10 at 101.00
22,750	Chicago, Illinois, General Obligation Refunding Bonds, Emergency Telephone System, Series 1999, 5.500%, 1/01/23 - FGIC Insured	No Opt. Call

Nuveen Investments 49

NAD | Nuveen Dividend Advantage Municipal Fund (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	ILLINOIS (continued)	
\$ 2,150	Chicago, Illinois, Motor Fuel Tax Revenue Refunding Bonds, Series 1993, 5.375%, 1/01/14 - AMBAC Insured	No Opt. Call
3,340	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
190	DuPage County Community School District 200, Wheaton, Illinois, General Obligation Bonds, Series 2003B, 5.250%, 11/01/20 - AGM Insured	11/13 at 100.00
810	DuPage County Community School District 200, Wheaton, Illinois, General Obligation Bonds, Series 2003B, 5.250%,	11/13 at 100.00

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

11/01/20 (Pre-refunded 11/01/13) - AGM Insured

500	Hoffman Estates Park District, Cook County, Illinois, General Obligation Bonds, Series 1999, 5.375%, 12/01/29 - NCFG Insured	12/11 at 100.00
3,935	Illinois Development Finance Authority, Local Government Program Revenue Bonds, Lake County School District 116 - Round Lake, Series 1999, 0.000%, 1/01/15 - NCFG Insured	No Opt. Call
1,500	Illinois Finance Authority, Revenue Bonds, Central DuPage Health, Series 2009B, 5.500%, 11/01/39	11/19 at 100.00
2,000	Illinois Finance Authority, Revenue Bonds, Children's Memorial Hospital, Series 2008A, 5.250%, 8/15/47 - AGC Insured (UB)	8/18 at 100.00
1,000	Illinois Finance Authority, Revenue Bonds, Edward Health Services Corporation, Series 2008A, 5.500%, 2/01/40 - AMBAC Insured	2/18 at 100.00
5,570	Illinois Finance Authority, Revenue Bonds, University of Chicago, Series 2004A, 5.000%, 7/01/34	7/14 at 100.00
4,000	Illinois Finance Authority, Revenue Refunding Bonds, Silver Cross Hospital and Medical Centers, Series 2008A, 6.000%, 8/15/23	8/18 at 100.00
9,820	Illinois Health Facilities Authority, Remarketed Revenue Bonds, University of Chicago Project, Series 1985A, 5.500%, 8/01/20	8/11 at 103.00
5,595	Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 1997A, 5.000%, 7/01/24 - NCFG Insured	7/10 at 100.00
5,490	Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.500%, 2/15/16	8/10 at 100.00
1,500	Illinois Housing Development Authority, Housing Finance Bonds, Series 2005E, 4.800%, 1/01/36 - FGIC Insured	1/15 at 100.00
2,000	Kane & DeKalb Counties, Illinois, Community United School District 301, General Obligation Bonds, Series 2006, 0.000%, 12/01/21 - NCFG Insured	No Opt. Call
11,345	Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B, 0.000%, 1/01/25 - AGM Insured	1/15 at 60.14
3,000	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
22,500	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A, 5.500%, 12/15/24 - FGIC Insured	6/10 at 101.00
12,250	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A: 0.000%, 12/15/22 - NCFG Insured	No Opt. Call

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

13,000	0.000%, 12/15/23 - NPMFG Insured	No Opt. Call
3,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 2002B, 5.750%, 6/15/23 - NPMFG Insured	6/12 at 101.00
1,840	Oak Park, Illinois, General Obligation Bonds, Series 2005B, 0.000%, 11/01/27 - SYNCORA GTY Insured	11/15 at 54.14
22,650	Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999: 5.750%, 6/01/19 - AGM Insured	No Opt. Call
3,500	5.750%, 6/01/23 - AGM Insured	No Opt. Call
1,300	Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.250%, 12/01/34 - FGIC Insured	12/14 at 100.00
10,000	Will County Community High School District 210 Lincoln-Way, Illinois, General Obligation Bonds, Series 2006, 0.000%, 1/01/23 - AGM Insured	No Opt. Call
4,500	Will County School District 122, New Lenox, Illinois, General Obligation Bonds, Series 2000B, 0.000%, 11/01/18 - AGM Insured	No Opt. Call
195,865	Total Illinois	

50 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	INDIANA - 5.2% (3.4% OF TOTAL INVESTMENTS)	
\$ 1,885	Hospital Authority of Delaware County, Indiana, Hospital Revenue Refunding Bonds, Cardinal Health System, Series 1997, 5.000%, 8/01/16 - AMBAC Insured	8/10 at 100.00
4,000	Indiana Finance Authority, Revenue Bonds, Trinity Health Care Group, Refunding Series 2009A, 5.250%, 12/01/38	12/19 at 100.00
8,000	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/26 (Pre-refunded 8/15/10) - NPMFG Insured	8/10 at 101.50
2,000	Indiana Health Facility Financing Authority, Revenue Bonds, Community Foundation of Northwest Indiana, Series 2007, 5.500%, 3/01/37	3/17 at 100.00
6,555	Indiana Housing and Community Development Authority, Single Family Mortgage Revenue Bonds, Series 2007A-1, Drivers 1847, 7.817%, 7/01/32 (Alternative Minimum Tax) (IF)	1/17 at 100.00
6,675	Indiana Municipal Power Agency, Power Supply Revenue Bonds,	1/17 at 100.00

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

Series 2007A, 5.000%, 1/01/42 - NPMG Insured

29,115	Total Indiana	
IOWA - 0.9% (0.6% OF TOTAL INVESTMENTS)		
7,000	Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C, 5.625%, 6/01/46	6/15 at 100.00
KANSAS - 1.2% (0.8% OF TOTAL INVESTMENTS)		
3,825	Wichita, Kansas, Water and Sewerage Utility Revenue Bonds, Series 1999, 4.000%, 10/01/18 - FGIC Insured	10/10 at 100.00
3,000	Wyandotte County-Kansas City Unified Government, Kansas, Sales Tax Special Obligation Bonds, Redevelopment Project Area B, Series 2005, 5.000%, 12/01/20	12/15 at 100.00
6,825	Total Kansas	
KENTUCKY - 1.1% (0.7% OF TOTAL INVESTMENTS)		
Kentucky Economic Development Finance Authority, Hospital System Revenue Refunding and Improvement Bonds, Appalachian Regional Healthcare Inc., Series 1997:		
1,850	5.850%, 10/01/17	10/10 at 100.00
5,000	5.875%, 10/01/22	10/10 at 100.00
6,850	Total Kentucky	
LOUISIANA - 7.2% (4.7% OF TOTAL INVESTMENTS)		
1,750	Louisiana Local Government Environmental Facilities and Community Development Authority, GNMA Collateralized Mortgage Revenue Refunding Bonds, Sharlo Apartments, Series 2002A, 6.500%, 6/20/37	6/12 at 105.00
5,350	Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - NPMG Insured	7/14 at 100.00
9,000	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47	5/17 at 100.00
5,445	Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006A, 4.500%, 5/01/41 - FGIC Insured (UB)	5/16 at 100.00
13,570	Louisiana Transportation Authority, Senior Lien Toll Road Revenue Bonds, Series 2005B, 0.000%, 12/01/28 - AMBAC Insured	12/10 at 38.73
Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B:		
9,690	5.500%, 5/15/30	5/11 at 101.00
5,000	5.875%, 5/15/39	5/11 at 101.00
49,805	Total Louisiana	

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

MASSACHUSETTS - 3.2% (2.1% OF TOTAL INVESTMENTS)

1,440	Boston Industrial Development Financing Authority, Massachusetts, Subordinate Revenue Bonds, Crosstown Center Project, Series 2002, 8.000%, 9/01/35 (Alternative Minimum Tax)	9/12 at 102.00
4,365	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System, Series 2005F, 5.000%, 10/01/19 - AGC Insured	10/15 at 100.00

Nuveen Investments 51

NAD | Nuveen Dividend Advantage Municipal Fund (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

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

	MASSACHUSETTS (continued)	
\$ 620	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, CareGroup Inc., Series 2008E-1 &2, 5.125%, 7/01/33	7/18 at 100.00
2,300	Massachusetts Health and Educational Facilities Authority, Revenue Refunding Bonds, Suffolk University Issue, Series 2009A, 5.750%, 7/01/39	7/19 at 100.00
2,975	Massachusetts Housing Finance Agency, Housing Bonds, Series 2009F, 5.700%, 6/01/40	12/18 at 100.00
785	Massachusetts Port Authority, Special Facilities Revenue Bonds, US Airways Group Inc., Series 1996A, 5.875%, 9/01/23 - NPMG Insured (Alternative Minimum Tax)	9/10 at 100.00
	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A:	
1,975	5.000%, 1/01/12	7/10 at 100.00
1,200	5.000%, 1/01/13 - NPMG Insured	7/10 at 100.00
2,200	5.125%, 1/01/17 - NPMG Insured	7/10 at 100.00
1,000	0.000%, 1/01/24 - NPMG Insured	No Opt. Call

18,860	Total Massachusetts	

MICHIGAN - 4.2% (2.7% OF TOTAL INVESTMENTS)

6,000	Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A, 5.000%, 7/01/35 - NPMG Insured	7/15 at 100.00
15,255	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/28	8/10 at 100.00
1,150	Royal Oak Hospital Finance Authority, Michigan, Hospital	9/18 at 100.00

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

Revenue Bonds, William Beaumont Hospital, Refunding
Series 2009V, 8.250%, 9/01/39

4,000	Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/16 - NCFG Insured (Alternative Minimum Tax)	6/10 at 100.50
-------	---	----------------

26,405	Total Michigan	
--------	----------------	--

MINNESOTA - 1.4% (0.9% OF TOTAL INVESTMENTS)

6,375	Minneapolis Health Care System, Minnesota, Revenue Bonds, Fairview Hospital and Healthcare Services, Series 2008A, 6.625%, 11/15/28	11/18 at 100.00
-------	---	-----------------

555	Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-1, 5.650%, 7/01/31 (Alternative Minimum Tax)	7/10 at 101.00
-----	---	----------------

6,930	Total Minnesota	
-------	-----------------	--

MISSOURI - 2.3% (1.5% OF TOTAL INVESTMENTS)

Kansas City Municipal Assistance Corporation, Missouri, Leasehold Revenue Bonds, Series 2004B-1:		
7,000	0.000%, 4/15/27 - AMBAC Insured	No Opt. Call
5,000	0.000%, 4/15/29 - AMBAC Insured	No Opt. Call

1,885	Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, 5.250%, 6/01/21 - AMBAC Insured	6/11 at 101.00
-------	---	----------------

Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A:		
300	5.250%, 6/01/21 (Pre-refunded 6/01/11) - AMBAC Insured	6/11 at 101.00
2,185	5.250%, 6/01/21 (Pre-refunded 6/01/11) - AMBAC Insured	6/11 at 101.00
3,670	5.250%, 6/01/28 (Pre-refunded 6/01/11) - AMBAC Insured	6/11 at 101.00

20,040	Total Missouri	
--------	----------------	--

MONTANA - 0.3% (0.2% OF TOTAL INVESTMENTS)

570	Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax)	6/10 at 100.00
-----	---	----------------

1,000	Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1999B, 6.400%, 12/01/32 (Alternative Minimum Tax)	6/10 at 100.00
-------	---	----------------

1,570	Total Montana	
-------	---------------	--

52 Nuveen Investments

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
NEVADA - 5.4% (3.5% OF TOTAL INVESTMENTS)		
\$ 10,000	Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2010B, 5.750%, 7/01/42	1/20 at 100.00
9,675	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
Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000:		
8,000	0.000%, 1/01/19 - AMBAC Insured	No Opt. Call
4,000	5.625%, 1/01/32 - AMBAC Insured (5)	1/12 at 100.00
3,000	5.375%, 1/01/40 - AMBAC Insured (5)	7/10 at 100.00
3,750	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Trust 2634, 18.667%, 7/01/31 - BHAC Insured (IF)	7/17 at 100.00
1,500	Las Vegas Redevelopment Agency, Nevada, Tax Increment Revenue Bonds, Series 2009A, 8.000%, 6/15/30	6/19 at 100.00
39,925	Total Nevada	
NEW JERSEY - 6.9% (4.5% OF TOTAL INVESTMENTS)		
6,850	New Jersey Educational Facilities Authority, Revenue Refunding Bonds, University of Medicine and Dentistry of New Jersey, Series 2009B, 5.750%, 12/01/15	No Opt. Call
1,830	New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 - NPFG Insured (Alternative Minimum Tax)	6/10 at 101.00
4,130	New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured	No Opt. Call
4,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1999A, 5.750%, 6/15/18	No Opt. Call
20,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/28 - AMBAC Insured	No Opt. Call
Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002:		
7,825	5.750%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 100.00
3,165	6.125%, 6/01/42 (Pre-refunded 6/01/12)	6/12 at 100.00
1,365	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.750%, 6/01/39 (Pre-refunded 6/01/13)	6/13 at 100.00
49,165	Total New Jersey	

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

NEW MEXICO - 0.7% (0.4% OF TOTAL INVESTMENTS)

3,730	University of New Mexico, FHA-Insured Mortgage Hospital Revenue Bonds, Series 2004, 5.000%, 7/01/32 - AGM Insured	7/14 at 100.00
-------	---	----------------

NEW YORK - 8.1% (5.3% OF TOTAL INVESTMENTS)

2,170	Dormitory Authority of the State of New York, Insured Revenue Bonds, Franciscan Health Partnership Obligated Group - Frances Shervier Home and Hospital, Series 1997, 5.500%, 7/01/17 - RAAI Insured	7/10 at 100.00
-------	--	----------------

7,500	Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Wyckoff Heights Medical Center, Series 1998H, 5.300%, 8/15/21 - NCFG Insured	8/10 at 100.00
-------	--	----------------

6,000	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
-------	---	----------------

4,755	New York City Industrial Development Agency, New York, Revenue Bonds, Yankee Stadium Project Pilot, Series 2009A, 7.000%, 3/01/49 - AGC Insured	3/19 at 100.00
-------	---	----------------

5,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Series 2004B, 5.000%, 6/15/36 - AGM Insured (UB)	12/14 at 100.00
-------	--	-----------------

8,800	New York City Sales Tax Asset Receivable Corporation, New York, Dedicated Revenue Bonds, Local Government Assistance Corporation, Series 2004A, 5.000%, 10/15/32 - AMBAC Insured (UB)	10/14 at 100.00
-------	---	-----------------

10,000	Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 5.900%, 12/01/17 - NCFG Insured (Alternative Minimum Tax)	6/10 at 100.00
--------	--	----------------

44,225 Total New York

Nuveen Investments 53

NAD | Nuveen Dividend Advantage Municipal Fund (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

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

NORTH CAROLINA - 1.1% (0.7% OF TOTAL INVESTMENTS)

\$ 1,500	Charlotte-Mecklenberg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008A,	1/18 at 100.00
----------	--	----------------

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

5.250%, 1/15/24 - AGC Insured

3,830	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15)	1/15 at 100.00
-------	--	----------------

5,330	Total North Carolina	
-------	----------------------	--

OHIO - 3.2% (2.1% OF TOTAL INVESTMENTS)

2,300	Amherst Exempted Village School District, Ohio, Unlimited Tax General Obligation School Improvement Bonds, Series 2001, 5.125%, 12/01/21 (Pre-refunded 12/01/11) - FGIC Insured	12/11 at 100.00
-------	---	-----------------

Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:		
1,285	5.375%, 6/01/24	6/17 at 100.00
160	5.125%, 6/01/24	6/17 at 100.00
1,800	5.875%, 6/01/30	6/17 at 100.00
1,740	5.750%, 6/01/34	6/17 at 100.00
3,930	5.875%, 6/01/47	6/17 at 100.00

3,635	Franklin County, Ohio, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Hamilton Creek Apartments Project, Series 1994A, 5.550%, 7/01/24 (Alternative Minimum Tax)	7/10 at 100.00
-------	---	----------------

3,650	Montgomery County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30	5/14 at 100.00
-------	--	----------------

935	Warren County, Ohio, Limited Tax General Obligations, Series 1997, 5.500%, 12/01/17	6/10 at 100.00
-----	---	----------------

19,435	Total Ohio	
--------	------------	--

OREGON - 0.4% (0.3% OF TOTAL INVESTMENTS)

2,355	Portland, Oregon, Downtown Waterfront Urban Renewal and Redevelopment Revenue Bonds, Series 2000A, 5.500%, 6/15/20 - AMBAC Insured	6/10 at 101.00
-------	--	----------------

PENNSYLVANIA - 6.9% (4.5% OF TOTAL INVESTMENTS)

3,480	Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B, 9.250%, 11/15/22 (Pre-refunded 11/15/10)	11/10 at 102.00
-------	---	-----------------

520	Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax)	No Opt. Call
-----	---	--------------

1,250	Erie Water Authority, Pennsylvania, Water Revenue Bonds, Series 2008, 5.000%, 12/01/43 - AGM Insured	12/18 at 100.00
-------	--	-----------------

1,500	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2006A, 4.650%, 10/01/31 (Alternative Minimum Tax) (UB)	10/16 at 100.00
-------	--	-----------------

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

8,200	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Capital Appreciation Series 2009E, 0.000%, 12/01/38	12/27 at 100.00
5,000	Pennsylvania Turnpike Commission, Turnpike Subordinate Revenue Bonds, Series 2009C, 0.000%, 6/01/33 - AGM Insured	6/26 at 100.00
18,900	Philadelphia Airport System, Pennsylvania, Revenue Bonds, Series 1998A, 5.500%, 6/15/18 - FGIC Insured (Alternative Minimum Tax)	6/10 at 100.00
3,205	Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 (Pre-refunded 8/01/12) - FGIC Insured	8/12 at 100.00

42,055	Total Pennsylvania	

PUERTO RICO - 5.0% (3.3% OF TOTAL INVESTMENTS)		
2,500	Puerto Rico Aqueduct and Sewerage Authority, Revenue Bonds, Senior Lien Series 2008A, 6.000%, 7/01/44	7/18 at 100.00
Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003:		
8,200	4.500%, 12/01/23 (UB)	12/13 at 100.00
4,300	4.500%, 12/01/23 (UB)	12/13 at 100.00

54 Nuveen Investments

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

PUERTO RICO (continued)		
\$ 12,845	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/42 - FGIC Insured	No Opt. Call
10,000	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 6.000%, 8/01/42	8/19 at 100.00

37,845	Total Puerto Rico	

RHODE ISLAND - 3.0% (1.9% OF TOTAL INVESTMENTS)		
2,015	Central Falls, Rhode Island, General Obligation School Bonds, Series 1999, 6.250%, 5/15/20 - RAAI Insured	5/10 at 101.00
Rhode Island Housing & Mortgage Finance Corporation, Homeownership Opportunity 57-B Bond Program, Series 2008, Trust 1177:		
1,500	9.509%, 10/01/27 (Alternative Minimum Tax) (IF)	4/17 at 100.00
1,000	9.609%, 10/01/32 (Alternative Minimum Tax) (IF)	4/17 at 100.00
12,500	Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2002A, 6.125%, 6/01/32	6/12 at 100.00

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

17,015	Total Rhode Island	
SOUTH CAROLINA - 0.3% (0.2% OF TOTAL INVESTMENTS)		
1,500	Greenville, South Carolina, Hospital Facilities Revenue Bonds, Series 2001, 5.000%, 5/01/31 - AMBAC Insured	5/11 at 101.00
TENNESSEE - 1.4% (0.9% OF TOTAL INVESTMENTS)		
2,250	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 - AMBAC Insured (Alternative Minimum Tax)	9/10 at 101.00
2,425	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 5.125%, 3/01/26 - AGM Insured	3/11 at 100.00
2,310	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
1,500	Sumner County Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding Bonds, Sumner Regional Health System Inc., Series 2007, 5.500%, 11/01/46 (7)	11/17 at 100.00
8,485	Total Tennessee	
TEXAS - 6.9% (4.5% OF TOTAL INVESTMENTS)		
2,560	Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 1999C, 7.700%, 3/01/32 (Alternative Minimum Tax)	4/13 at 101.00
2,000	Capital Area Cultural Education Facilities Finance Corporation, Texas, Revenue Bonds, The Roman Catholic Diocese of Austin, Series 2005B. Remarketed, 6.125%, 4/01/45	4/20 at 100.00
2,820	Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/45 - FGIC Insured	1/15 at 100.00
820	Dallas Area Rapid Transit, Texas, Senior Lien Sales Tax Revenue Bonds, Series 2001, 5.000%, 12/01/31 (Pre-refunded 12/01/11) - AMBAC Insured	12/11 at 100.00
2,205	Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/20 - NCFG Insured	No Opt. Call
3,130	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/30 - AMBAC Insured	No Opt. Call
2,500	Jefferson County, Texas, Certificates of Obligation, Series 2000, 6.000%, 8/01/25 (Pre-refunded 8/01/10) - AGM Insured	8/10 at 100.00
30,095	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2004, 0.000%, 8/15/34	8/12 at 27.94

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

Nuveen Investments 55

NAD | Nuveen Dividend Advantage Municipal Fund (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
TEXAS (continued)		
\$ 9,345	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/33 - FGIC Insured	8/15 at 37.33
33,160	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/38	8/14 at 26.50
1,000	San Antonio, Texas, Water System Revenue Bonds, Series 2005, 4.750%, 5/15/37 - NPMG Insured	5/15 at 100.00
3,295	Tarrant County, Texas, Cultural & Educational Facilities Financing Corporation, Revenue Bonds, Series 2007, Residuals 1760-3, 16.855%, 2/15/36 (IF)	2/17 at 100.00
7,000	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/35	8/15 at 34.92
	Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005:	
3,000	0.000%, 8/15/20	8/15 at 78.46
3,000	0.000%, 8/15/22	8/15 at 70.77
105,930	Total Texas	
UTAH - 0.1% (0.1% OF TOTAL INVESTMENTS)		
	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999C-2, Class II:	
165	5.700%, 7/01/19 (Alternative Minimum Tax)	7/10 at 101.50
50	5.750%, 7/01/21 (Alternative Minimum Tax)	7/10 at 101.50
10	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999D, 5.850%, 7/01/21 (Alternative Minimum Tax)	7/10 at 100.00
390	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000F-2, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax)	7/10 at 100.00
615	Total Utah	
VIRGINIA - 0.5% (0.3% OF TOTAL INVESTMENTS)		

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

3,000	Fairfax County Economic Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Goodwin House, Inc., Series 2007A, 5.125%, 10/01/42	10/17 at 100.00

WASHINGTON - 11.3% (7.4% OF TOTAL INVESTMENTS)		
4,000	Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 3, Series 2003A, 5.500%, 7/01/17 - SYNCORA GTY Insured	7/13 at 100.00
	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B:	
1,755	6.000%, 9/01/15 - NPFQ Insured (Alternative Minimum Tax)	9/10 at 101.00
2,590	6.000%, 9/01/16 - NPFQ Insured (Alternative Minimum Tax)	9/10 at 101.00
	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999C:	
875	6.000%, 9/01/15 - NPFQ Insured (Alternative Minimum Tax)	9/10 at 101.00
1,260	6.000%, 9/01/16 - NPFQ Insured (Alternative Minimum Tax)	9/10 at 101.00
4,820	Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001, 5.500%, 3/01/19 - AGM Insured	3/11 at 100.00
2,000	Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research Center, Series 2009A, 6.000%, 1/01/33	7/19 at 100.00
6,190	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26	6/13 at 100.00
11,605	Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.250%, 7/01/16 - NPFQ Insured	7/10 at 100.00
3,350	Washington, General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 - AGM Insured	No Opt. Call
	Washington, General Obligation Compound Interest Bonds, Series 1999S-3:	
17,650	0.000%, 1/01/20	No Opt. Call
18,470	0.000%, 1/01/21	No Opt. Call
74,565	Total Washington	

56 Nuveen Investments

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

WISCONSIN - 6.7% (4.4% OF TOTAL INVESTMENTS)		
\$ 1,690	Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004,	11/14 at 100.00

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

	5.000%, 11/01/29 (Pre-refunded 11/01/14) - AGM Insured	
560	Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - AGM Insured	11/14 at 100.00
3,810	La Crosse, Wisconsin, Industrial Development Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997C, 5.550%, 2/01/15 - AMBAC Insured	12/10 at 100.00
7,410	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Ascension Health, Series 2006A, 5.000%, 11/15/36	11/16 at 100.00
4,330	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Childrens Hospital of Wisconsin Inc., Series 2008B, 5.500%, 8/15/29	2/20 at 100.00
4,380	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Kenosha Hospital and Medical Center Inc., Series 1999, 5.625%, 5/15/29	5/10 at 100.00
12,700	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Corporation, Series 1999, 5.500%, 8/15/25 - AMBAC Insured	8/10 at 100.50
2,200	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33	8/13 at 100.00
37,080	Total Wisconsin	
\$ 1,119,905	Total Municipal Bonds (cost \$851,521,599)	

SHARES	DESCRIPTION (1)
	INVESTMENT COMPANIES - 0.1% (0.1% OF TOTAL INVESTMENTS)
8,765	BlackRock MuniHoldings Fund Inc.
32,332	Morgan Stanley Quality Municipal Income Trust
	Total Investment Companies (cost \$527,634)
	Total Investments (cost \$852,049,233) - 152.8%
	Floating Rate Obligations - (9.2)%
	MuniFund Term Preferred Shares, at Liquidation Value - (25.7)% (6)
	Other Assets Less Liabilities - 3.5%
	Auction Rate Preferred Shares, at Liquidation Value - (21.4)% (6)
	Net Assets Applicable to Common Shares - 100%

(1) All percentages shown in the Portfolio of Investments are based on net

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

assets applicable to Common shares unless otherwise noted.

- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) The Fund's Adviser has concluded this 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.
- (6) MuniFund Term Preferred Shares and Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments are 16.8% and 14.0%, respectively.
- (7) For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.

N/R Not rated.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 57

NXZ | Nuveen Dividend Advantage Municipal Fund 2
| Portfolio of Investments

April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ALABAMA - 4.5% (3.1% OF TOTAL INVESTMENTS)		
\$ 18,500	Huntsville Healthcare Authority, Alabama, Revenue Bonds, Series 2001A, 5.750%, 6/01/31 (Pre-refunded 6/01/11)	6/11 at 101.00
ALASKA - 0.3% (0.2% OF TOTAL INVESTMENTS)		

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

2,200	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46	6/14 at 100.00

ARIZONA - 0.7% (0.5% OF TOTAL INVESTMENTS)		
3,120	Phoenix, Arizona, Civic Improvement Corporation, Senior Lien Airport Revenue Bonds, Series 2002B, 5.250%, 7/01/32 - FGIC Insured (Alternative Minimum Tax)	7/12 at 100.00

ARKANSAS - 0.2% (0.1% OF TOTAL INVESTMENTS)		
925	Arkansas Development Finance Authority, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Series 2002C, 5.400%, 1/01/34 (Alternative Minimum Tax)	1/12 at 100.00

CALIFORNIA - 12.4% (8.4% OF TOTAL INVESTMENTS)		
9,000	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 0.000%, 6/01/36	12/18 at 100.00
6,000	California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32	6/11 at 101.00
4,080	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37 - BHAC Insured	4/16 at 100.00
20,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 - FGIC Insured	6/15 at 100.00
5,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 (Pre-refunded 6/01/13)	6/13 at 100.00
1,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: 5.000%, 6/01/33	6/17 at 100.00
1,000	5.125%, 6/01/47	6/17 at 100.00
6,000	Los Angeles Regional Airports Improvement Corporation, California, Sublease Revenue Bonds, Los Angeles International Airport, American Airlines Inc. Terminal 4 Project, Series 2002C, 7.500%, 12/01/24 (Alternative Minimum Tax)	12/12 at 102.00
5,000	San Jose, California, Airport Revenue Bonds, Series 2007A, 6.000%, 3/01/47 - AMBAC Insured (Alternative Minimum Tax)	3/17 at 100.00
70	Yuba County Water Agency, California, Yuba River Development Revenue Bonds, Pacific Gas and Electric Company, Series 1966A, 4.000%, 3/01/16	9/10 at 100.00

57,150	Total California	

COLORADO - 10.0% (6.7% OF TOTAL INVESTMENTS)		

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

2,380	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Peak-to-Peak Charter School, Series 2001, 7.500%, 8/15/21 (Pre-refunded 8/15/11)	8/11 at 100.00
3,300	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006, 5.000%, 11/15/24 - FGIC Insured	11/16 at 100.00
5,365	Denver City, Colorado, Airport Revenue Bonds, Series 2006: 5.000%, 11/15/23 - FGIC Insured (UB)	11/16 at 100.00
4,335	5.000%, 11/15/25 - FGIC Insured (UB)	11/16 at 100.00
2,000	Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2000A, 6.000%, 11/15/18 - AMBAC Insured (Alternative Minimum Tax)	11/10 at 100.00
10,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/28 (Pre-refunded 9/01/10) - NPMG Insured	9/10 at 31.42

58 Nuveen Investments

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

	COLORADO (continued)	
\$ 1,280	Eagle County Air Terminal Corporation, Colorado, Airport Terminal Revenue Bonds, Series 2001, 7.125%, 5/01/31 (Alternative Minimum Tax)	5/11 at 101.00
755	Jefferson County School District R1, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/15/22 - AGM Insured (UB)	12/14 at 100.00
5,000	Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001A, 5.250%, 6/15/41 (Pre-refunded 6/15/11) - AGM Insured	6/11 at 102.00
22,000	Northwest Parkway Public Highway Authority, Colorado, Senior Lien Revenue Bonds, Series 2001B: 0.000%, 6/15/28 (Pre-refunded 6/15/11) - AGM Insured	6/11 at 35.65
17,650	0.000%, 6/15/29 (Pre-refunded 6/15/11) - AMBAC Insured	6/11 at 33.46
1,000	Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25	6/14 at 101.00

75,065	Total Colorado	

	DISTRICT OF COLUMBIA - 1.3% (0.9% OF TOTAL INVESTMENTS)	
895	District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24	5/11 at 101.00
5,000	Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007A,	10/16 at 100.00

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

4.500%, 10/01/30 - AMBAC Insured

5,895	Total District of Columbia	
FLORIDA - 4.2% (2.9% OF TOTAL INVESTMENTS)		
15,000	Jacksonville, Florida, Transportation Revenue Bonds, Series 2001, 5.250%, 10/01/29 - NPFPG Insured	10/11 at 100.00
3,000	Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 - FGIC Insured (Alternative Minimum Tax)	10/12 at 100.00
18,000	Total Florida	
HAWAII - 2.4% (1.6% OF TOTAL INVESTMENTS)		
Honolulu Board of Water Supply, Hawaii, Water System Revenue Bonds, Series 2001:		
3,000	5.250%, 7/01/26 (Pre-refunded 7/01/11) - AGM Insured	7/11 at 100.00
6,725	5.250%, 7/01/31 (Pre-refunded 7/01/11) - AGM Insured	7/11 at 100.00
9,725	Total Hawaii	
ILLINOIS - 13.6% (9.1% OF TOTAL INVESTMENTS)		
3,525	Chicago, Illinois, FHA/GNMA Collateralized Multifamily Housing Revenue Bonds, Stone Terrace Apartments, Series 2001A, 5.750%, 12/20/42 (Alternative Minimum Tax)	12/11 at 100.00
685	Chicago, Illinois, FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 2001A, 6.250%, 10/01/32 (Alternative Minimum Tax)	4/11 at 105.00
5,000	Chicago, Illinois, General Obligation Bonds, City Colleges, Series 1999, 0.000%, 1/01/34 - FGIC Insured	No Opt. Call
3,985	Chicago, Illinois, General Obligation Bonds, Series 2001A, 5.250%, 1/01/33 - NPFPG Insured	1/11 at 101.00
5,285	Chicago, Illinois, General Obligation Bonds, Series 2001A, 5.250%, 1/01/33 (Pre-refunded 1/01/11) - NPFPG Insured	1/11 at 101.00
3,180	Illinois Development Finance Authority, Revenue Bonds, Chicago Charter School Foundation, Series 2002A, 6.250%, 12/01/32 (Pre-refunded 12/01/12)	12/12 at 100.00
910	Illinois Development Finance Authority, Revenue Bonds, Illinois Wesleyan University, Series 2001, 5.500%, 9/01/32 - AMBAC Insured	9/11 at 100.00
4,090	Illinois Development Finance Authority, Revenue Bonds, Illinois Wesleyan University, Series 2001, 5.500%, 9/01/32 (Pre-refunded 9/01/11) - AMBAC Insured	9/11 at 100.00
3,100	Illinois Development Finance Authority, Revenue Bonds, Midwestern University, Series 2001B, 6.000%, 5/15/31 (Pre-refunded 5/15/11)	5/11 at 101.00

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

9,500 Illinois Finance Authority, Revenue Bonds, Palos Community Hospital, Series 2007A, 5.000%, 5/15/32 - NCFG Insured 5/17 at 100.00

Nuveen Investments 59

NXZ | Nuveen Dividend Advantage Municipal Fund 2 (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

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

	ILLINOIS (continued)	
\$ 2,500	Illinois Finance Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series 2009, 6.875%, 8/15/38	8/19 at 100.00
5,000	Illinois Health Facilities Authority, Revenue Bonds, Edward Hospital Obligated Group, Series 2001B, 5.250%, 2/15/34 (Pre-refunded 2/15/11) - AGM Insured	2/11 at 101.00
2,500	Illinois Housing Development Authority, Homeowner Mortgage Revenue Bonds, Series 2006C2, 5.050%, 8/01/27 (Alternative Minimum Tax)	2/16 at 100.00
2,275	Illinois, Sales Tax Revenue Bonds, Series 2001, 5.500%, 6/15/16	6/11 at 100.00
2,500	Kane & DeKalb Counties, Illinois, Community United School District 301, General Obligation Bonds, Series 2006, 0.000%, 12/01/23 - NCFG Insured	No Opt. Call
5,120	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A, 5.250%, 6/15/27 - AMBAC Insured	6/10 at 100.00
1,740	Montgomery, Illinois, Lakewood Creek Project Special Assessment Bonds, Series 2007, 4.700%, 3/01/30 - RAAI Insured	3/16 at 100.00
3,360	Northfield Township High School District 225, Cook County, Illinois, Glenbrook, General Obligation School Bonds, Series 2007B, 0.000%, 12/01/24	12/16 at 69.01

64,255	Total Illinois	

	INDIANA - 3.2% (2.2% OF TOTAL INVESTMENTS)	
2,000	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Methodist Hospitals Inc., Series 2001, 5.500%, 9/15/31	9/11 at 100.00
2,210	Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - AGM Insured	No Opt. Call
4,000	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A, 5.000%, 6/01/23 - AGM Insured	6/13 at 100.00

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

6,100	St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.800%, 2/15/24	8/10 at 101.00
14,310	Total Indiana	
IOWA - 1.6% (1.1% OF TOTAL INVESTMENTS)		
1,000	Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Wartburg College, Series 2002, 5.500%, 10/01/28 (Pre-refunded 10/01/12) - ACA Insured	10/12 at 100.00
6,340	Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34	6/17 at 100.00
7,340	Total Iowa	
KANSAS - 3.9% (2.7% OF TOTAL INVESTMENTS)		
17,000	Wichita, Kansas, Hospital Facilities Revenue Refunding and Improvement Bonds, Via Christi Health System Inc., Series 2001-III, 5.625%, 11/15/31	11/11 at 101.00
KENTUCKY - 0.2% (0.2% OF TOTAL INVESTMENTS)		
1,000	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008-A1, 6.000%, 12/01/38 - AGC Insured	6/18 at 100.00
LOUISIANA - 5.1% (3.4% OF TOTAL INVESTMENTS)		
3,960	Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006A, 4.500%, 5/01/41 - FGIC Insured (UB)	5/16 at 100.00
18,825	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39	5/11 at 101.00
22,785	Total Louisiana	
MASSACHUSETTS - 3.7% (2.5% OF TOTAL INVESTMENTS)		
16,215	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - NPMG Insured	7/10 at 100.00

60 Nuveen Investments

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

MICHIGAN - 11.3% (7.6% OF TOTAL INVESTMENTS)

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

	Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 2001A:		
\$	20,000	5.500%, 7/01/33 (Pre-refunded 7/01/11) - FGIC Insured	7/11 at 101.00
	15,390	5.250%, 7/01/33 (Pre-refunded 7/01/11) - FGIC Insured	7/11 at 100.00
	4,000	Michigan Municipal Bond Authority, Public School Academy Revenue Bonds, Detroit Academy of Arts and Sciences Charter School, Series 2001A, 8.000%, 10/01/31	10/10 at 102.00
	2,000	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.125%, 8/15/18	8/10 at 100.00
		Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A:	
	2,000	6.250%, 8/15/13	8/10 at 100.00
	4,000	6.500%, 8/15/18	8/10 at 100.00
	47,390	Total Michigan	

	MINNESOTA - 4.6% (3.1% OF TOTAL INVESTMENTS)		
	5,000	Minneapolis, Minnesota, Health Care System Revenue Bonds, S Fairview Health Services, Series 2008B, 6.500%, 11/15/38 - AGC Insured	11/18 at 100.00
	14,000	Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, 5.250%, 1/01/32 (Pre-refunded 1/01/11) - FGIC Insured	1/11 at 100.00
	19,000	Total Minnesota	

	MONTANA - 0.5% (0.3% OF TOTAL INVESTMENTS)		
	1,990	Montana Board of Housing, Single Family Program Bonds, Series 2001A-2, 5.700%, 6/01/32 (Alternative Minimum Tax)	12/10 at 100.00

	NEVADA - 1.9% (1.3% OF TOTAL INVESTMENTS)		
	12,275	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured (5)	7/10 at 100.00
	3,500	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, Second Tier, Series 2000, 7.375%, 1/01/40 (5)	1/12 at 100.00
	2,000	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 2007B, Trust 2633, 18.667%, 7/01/31 - BHAC Insured (IF)	7/17 at 100.00
	1,750	Reno, Nevada, Health Facilities Revenue Bonds, Catholic Healthcare West, Trust 2634 18.389%, 7/01/31 - BHAC Insured (IF)	7/17 at 100.00
	19,525	Total Nevada	

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

NEW HAMPSHIRE - 2.1% (1.4% OF TOTAL INVESTMENTS)

8,000	New Hampshire Business Finance Authority, Pollution Control Remarketed Revenue Refunding Bonds, Connecticut Light and Power Company, Series 1992A, 5.850%, 12/01/22	10/10 at 101.00
1,070	New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Bonds, Series 2001A, 5.700%, 1/01/31 (Alternative Minimum Tax)	5/11 at 100.00
9,070	Total New Hampshire	

NEW JERSEY - 2.5% (1.7% OF TOTAL INVESTMENTS)

3,995	New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 2000, 7.000%, 11/15/30 (Alternative Minimum Tax)	11/10 at 101.00
350	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 100.00
2,200	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003: 6.375%, 6/01/32 (Pre-refunded 6/01/13)	6/13 at 100.00
425	6.750%, 6/01/39 (Pre-refunded 6/01/13)	6/13 at 100.00
3,085	6.250%, 6/01/43 (Pre-refunded 6/01/13)	6/13 at 100.00
10,055	Total New Jersey	

Nuveen Investments 61

NXZ | Nuveen Dividend Advantage Municipal Fund 2 (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
NEW MEXICO - 5.6% (3.8% OF TOTAL INVESTMENTS)		
\$ 12,000	New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A: 5.500%, 8/01/25 (Pre-refunded 8/01/11)	8/11 at 101.00
10,800	5.500%, 8/01/30 (Pre-refunded 8/01/11)	8/11 at 101.00
22,800	Total New Mexico	

NEW YORK - 9.7% (6.5% OF TOTAL INVESTMENTS)

12,020	Brooklyn Areba Local Development Corporation, New York, Payment in Lieu of Taxes Revenue Bonds, Barclays Center Project, Series 2009, 0.000%, 7/15/46	No Opt. Call
--------	---	--------------

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

1,300	Dormitory Authority of the State of New York, Revenue Bonds, Mount Sinai NYU Health Obligated Group, Series 2000A, 6.625%, 7/01/19	7/10 at 101.00
3,600	Dormitory Authority of the State of New York, Revenue Bonds, Mount Sinai NYU Health Obligated Group, Series 2000A, 6.625%, 7/01/19 (Pre-refunded 7/01/10)	7/10 at 101.00
6,000	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2001L, 5.375%, 5/01/33 (Pre-refunded 5/01/11)	5/11 at 100.00
12,800	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2006B, 4.500%, 11/15/32 - AGM Insured (UB)	11/16 at 100.00
5,000	New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, JFK Airport - American Airlines Inc., Series 2002B, 8.500%, 8/01/28 (Alternative Minimum Tax)	8/12 at 101.00
12,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2001C, 5.125%, 6/15/33 (UB)	6/11 at 101.00
<hr/>		
52,720	Total New York	
<hr/>		
NORTH CAROLINA - 0.6% (0.4% OF TOTAL INVESTMENTS)		
2,950	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 - SYNCORA GTY Insured	4/13 at 100.00
<hr/>		
NORTH DAKOTA - 0.3% (0.2% OF TOTAL INVESTMENTS)		
1,390	North Dakota Housing Finance Agency, Home Mortgage Finance Program Refunding Bonds, Series 2001A, 5.550%, 1/01/32 (Alternative Minimum Tax)	7/10 at 100.00
<hr/>		
OHIO - 2.0% (1.3% OF TOTAL INVESTMENTS)		
Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:		
10,000	5.750%, 6/01/34	6/17 at 100.00
1,000	5.875%, 6/01/47	6/17 at 100.00
<hr/>		
11,000	Total Ohio	
<hr/>		
OREGON - 3.0% (2.1% OF TOTAL INVESTMENTS)		
8,000	Clackamas County Hospital Facility Authority, Oregon, Revenue Refunding Bonds, Legacy Health System, Series 2001, 5.250%, 5/01/21	5/11 at 101.00
5,000	Oregon Department of Administrative Services, Certificates of Participation, Series 2001D, 5.000%, 5/01/26 - AMBAC Insured	5/11 at 101.00
<hr/>		

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

13,000 Total Oregon

PENNSYLVANIA - 3.3% (2.2% OF TOTAL INVESTMENTS)

5,000	Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B, 9.250%, 11/15/30 (Pre-refunded 11/15/10)	11/10 at 102.00
585	Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Panther Creek Partners Project, Series 2000, 6.650%, 5/01/10 (Alternative Minimum Tax)	No Opt. Call
8,000	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, UPMC Health System, Series 2001A, 6.000%, 1/15/31 (Pre-refunded 1/15/11)	1/11 at 101.00

13,585 Total Pennsylvania

62 Nuveen Investments

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

PUERTO RICO - 1.1% (0.7% OF TOTAL INVESTMENTS)

\$ 2,500	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 6.000%, 8/01/42	8/19 at 100.00
30,000	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 8/01/54 - AMBAC Insured	No Opt. Call

32,500 Total Puerto Rico

TEXAS - 26.7% (18.0% OF TOTAL INVESTMENTS)

7,500	Austin, Texas, Electric Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 11/15/30 - AGM Insured	11/10 at 100.00
10,000	Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/45 - FGIC Insured	1/15 at 100.00
Dallas-Fort Worth International Airport Public Facility Corporation, Texas, Airport Hotel Revenue Bonds, Series 2001:		
15,000	5.250%, 1/15/26 - AGM Insured	7/10 at 100.00
1,750	5.200%, 1/15/31 - AGM Insured	7/10 at 100.00
6,000	Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.125%, 9/01/34	9/14 at 100.00
10,000	Gulf Coast Industrial Development Authority, Texas, Solid	4/12 at 100.00

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

Waste Disposal Revenue Bonds, Citgo Petroleum Corporation
Project, Series 1998, 8.000%, 4/01/28 (Alternative Minimum
Tax)

1,500	Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Bonds, Series 2001H, 0.000%, 11/15/37 - NPFPG Insured	11/31 at 69.08
30,980	Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - NPFPG Insured	11/11 at 100.00
40,000	Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/40 - NPFPG Insured	11/30 at 54.04
3,965	Harris County-Houston Sports Authority, Texas, Third Lien Revenue Bonds, Series 2004-A3., 0.000%, 11/15/35 - NPFPG Insured	11/24 at 52.47
	Hays Consolidated Independent School District, Hays County, Texas, General Obligation School Building Bonds, Series 2001:	
10,715	0.000%, 8/15/25 (Pre-refunded 8/15/11)	8/11 at 43.18
12,940	0.000%, 8/15/26 (Pre-refunded 8/15/11)	8/11 at 40.60
	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B:	
5,000	0.000%, 9/01/30 - AMBAC Insured	No Opt. Call
5,540	0.000%, 9/01/31 - AMBAC Insured	No Opt. Call
5,000	Metro Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Wilson N. Jones Memorial Hospital, Series 2001, 7.250%, 1/01/31	1/11 at 100.00
3,295	Tarrant County, Texas, Cultural & Educational Facilities Financing Corporation, Revenue Bonds, Series 2007, Residuals 1760-3, 16.855%, 2/15/36 (IF)	2/17 at 100.00
1,000	Texas Turnpike Authority, First Tier Revenue Bonds, Central Texas Turnpike System, Series 2002A, 0.000%, 8/15/28 - AMBAC Insured	8/12 at 39.43
10,500	Texas, General Obligation Bonds, Water Financial Assistance Program, Series 2001, 5.250%, 8/01/35	8/11 at 100.00

180,685	Total Texas	

	WASHINGTON - 4.1% (2.8% OF TOTAL INVESTMENTS)	
7,250	Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001, 5.125%, 3/01/26 - AGM Insured	3/11 at 100.00
7,500	Washington State Healthcare Facilities Authority, Revenue Bonds, Sisters of Providence Health System, Series 2001A, 5.250%, 10/01/21 - NPFPG Insured	10/11 at 100.00
840	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26	6/13 at 100.00

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

2,100	Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.125%, 7/01/13 - NPFPG Insured	7/10 at 100.00
17,690	Total Washington	

Nuveen Investments 63

NXZ | Nuveen Dividend Advantage Municipal Fund 2 (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	WEST VIRGINIA - 1.2% (0.8% OF TOTAL INVESTMENTS)	
\$ 5,000	Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22	10/11 at 100.00
	WISCONSIN - 0.3% (0.2% OF TOTAL INVESTMENTS)	
1,000	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2002A, 7.375%, 5/01/26 (Pre-refunded 5/01/12)	5/12 at 100.00
\$ 794,835	Total Investments (cost \$627,361,192) - 148.1%	
	Floating Rate Obligations - (6.1)%	
	Variable Rate Demand Preferred Shares, at Liquidation Value - (44.9)% (6)	
	Other Assets Less Liabilities - 2.9%	
	Net Assets Applicable to Common Shares - 100%	

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to

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

AAA rated securities.

(5) The Fund's Adviser has concluded this 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.

(6) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 30.3%

N/R Not rated.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

64 Nuveen Investments

NZF | Nuveen Dividend Advantage Municipal Fund 3
| Portfolio of Investments

April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
MUNICIPAL BONDS - 152.0% (99.6% OF TOTAL INVESTMENTS)		
ALABAMA - 1.6% (1.1% 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
5,655	Alabama State Port Authority, Revenue Bonds, State Docks Department Facilities, Series 2001, 5.250%, 10/01/26 (Pre-refunded 10/01/11) - AMBAC Insured (Alternative Minimum Tax)	10/11 at 100.00
9,155	Total Alabama	
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
ARIZONA - 1.0% (0.7% OF TOTAL INVESTMENTS)		
3,390	Arizona State Transportation Board, Highway Revenue Bonds, Series 2006, Trust 3151, 13.331%, 7/01/33 (IF)	7/18 at 100.00
2,200	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue	No Opt. Call

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

Bonds, Citigroup Energy Inc Prepay Contract Obligations,
Series 2007, 5.000%, 12/01/37

5,590	Total Arizona	
<p>ARKANSAS - 0.7% (0.4% OF TOTAL INVESTMENTS)</p> <p>Sebastian County Health Facilities Board, Arkansas, Hospital Revenue Improvement Bonds, Sparks Regional Medical Center, Series 2001A:</p>		
1,805	5.500%, 11/01/13	11/11 at 101.00
1,900	5.500%, 11/01/14	11/11 at 101.00
3,705	Total Arkansas	
<p>CALIFORNIA - 13.3% (8.7% OF TOTAL INVESTMENTS)</p> <p>California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A:</p>		
2,065	5.000%, 3/01/28	3/13 at 100.00
140	5.000%, 3/01/33	3/13 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
2,900	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 (UB)	11/16 at 100.00
5,000	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102.00
5,355	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.554%, 11/15/48 (IF)	5/18 at 100.00
18,850	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 - NPFQ Insured (Alternative Minimum Tax)	6/10 at 100.00
11,865	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47	6/17 at 100.00
<p>Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2001:</p>		
12,280	5.750%, 1/01/16 - AMBAC Insured (Alternative Minimum Tax)	1/12 at 100.00
5,000	5.375%, 1/01/21 - AMBAC Insured (Alternative Minimum Tax)	1/12 at 100.00
1,500	5.250%, 1/01/23 - AMBAC Insured (Alternative Minimum Tax)	1/12 at 100.00
10,000	5.500%, 1/01/32 - AMBAC Insured (Alternative Minimum Tax)	1/12 at 100.00
10,000	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 - NPFQ Insured	No Opt. Call
3,000	San Mateo County Community College District, California,	No Opt. Call

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

General Obligation Bonds, Series 2006C, 0.000%, 9/01/30 -
NPFG Insured

91,355 Total California

Nuveen Investments 65

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	COLORADO - 6.6% (4.3% OF TOTAL INVESTMENTS)	
\$ 2,250	Canterberry Crossing Metropolitan District II, Parker, Colorado, Limited Tax General Obligation Bonds, Series 2002, 7.375%, 12/01/32 (Pre-refunded 12/01/12)	12/12 at 100.00
1,565	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Belle Creek Education Center, Series 2002A, 7.625%, 3/15/32 (Pre-refunded 3/15/13)	3/13 at 100.00
3,085	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Montessori Peaks Building Foundation, Series 2002A, 8.000%, 5/01/32 (Pre-refunded 5/01/10)	5/10 at 102.00
1,775	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Weld County School District 6 - Frontier Academy, Series 2001, 7.375%, 6/01/31 (Pre-refunded 6/01/11)	6/11 at 100.00
3,345	Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Montessori Peaks Academy, Series 2006A, 5.400%, 5/01/26	5/16 at 102.00
3,380	Colorado Housing Finance Authority, Multifamily Project Bonds, Class I, Series 2001A-1, 5.500%, 4/01/31 (Alternative Minimum Tax)	10/11 at 100.00
5,000	Compark Business Campus Metropolitan District, Colorado, General Obligation Limited Tax Bonds, Series 2007, 5.600%, 12/01/34 - RAAI Insured	12/17 at 100.00
3,300	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006, 5.000%, 11/15/24 - FGIC Insured	11/16 at 100.00
5,365	Denver, Colorado, Airport Revenue Bonds, Series 2006: 5.000%, 11/15/23 - FGIC Insured (UB)	11/16 at 100.00
4,335	5.000%, 11/15/25 - FGIC Insured (UB)	11/16 at 100.00
2,000	Denver City and County, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/16 - FGIC Insured (Alternative Minimum Tax)	11/11 at 100.00

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

	Maher Ranch Metropolitan District 4, Colorado, General Obligation Limited Tax Bonds, Series 2007:		
450	5.125%, 12/01/27 - RAAI Insured		12/17 at 100.00
2,000	5.250%, 12/01/36 - RAAI Insured		12/17 at 100.00
1,000	Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25		6/14 at 101.00

38,850	Total Colorado		

	DELAWARE - 0.2% (0.1% OF TOTAL INVESTMENTS)		
1,055	Delaware Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24		7/12 at 100.00

	DISTRICT OF COLUMBIA - 1.0% (0.7% OF TOTAL INVESTMENTS)		
1,375	District of Columbia, Revenue Bonds, Catholic University of America, Series 1999, 5.625%, 10/01/29 - AMBAC Insured		10/10 at 100.50
1,335	Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007, Residuals 1606, 11.356%, 10/01/30 - AMBAC Insured (IF)		10/16 at 100.00
3,335	Washington DC Convention Center Authority, Dedicated Tax Revenue Bonds, Residual Series 1730, 1731, 1736, 11.272%, 10/01/30 - AMBAC Insured (IF)		10/16 at 100.00

6,045	Total District of Columbia		

	FLORIDA - 2.1% (1.4% OF TOTAL INVESTMENTS)		
	Orange County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G:		
1,105	5.400%, 12/01/32 - AGM Insured		12/11 at 100.00
2,195	5.450%, 12/01/41 - AGM Insured		12/11 at 100.00
2,775	Pace Property Finance Authority Inc., Florida, Utility System Improvement and Revenue Refunding Bonds, Series 1997, 5.250%, 9/01/17 - AMBAC Insured		9/10 at 100.00
5,455	South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 (UB)		8/17 at 100.00
1,000	Tolomato Community Development District, Florida, Special Assessment Bonds, Series 2007, 6.650%, 5/01/40		5/18 at 100.00

12,530	Total Florida		

66 Nuveen Investments

PRINCIPAL

OPTIONAL CALL

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

AMOUNT (000)	DESCRIPTION (1)	PROVISIONS (2)

	GEORGIA - 2.3% (1.5% OF TOTAL INVESTMENTS)	
\$ 5,000	Atlanta, Georgia, Airport General Revenue Bonds, Series 2000B, 5.625%, 1/01/30 - FGIC Insured (Alternative Minimum Tax)	7/10 at 101.00
2,700	Atlanta, Georgia, Tax Allocation Bonds, Atlantic Station Project, Series 2001, 7.900%, 12/01/24 (Pre-refunded 12/01/11)	12/11 at 101.00
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
3,740	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2001, 5.500%, 5/15/31 (Pre-refunded 5/15/11)	5/11 at 100.00
500	Gainesville Redevelopment Authority, Georgia, Educational Facilities Revenue Bonds, Riverside Military Academy Project, Series 2007, 5.125%, 3/01/37	3/17 at 100.00

13,940	Total Georgia	

	ILLINOIS - 14.7% (9.6% OF TOTAL INVESTMENTS)	
8,375	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.500%, 1/01/19 - AGM Insured (Alternative Minimum Tax)	1/11 at 101.00
4,950	Chicago, Illinois, Second Lien Passenger Facility Charge Revenue Bonds, O'Hare International Airport, Series 2001A, 5.375%, 1/01/32 - AMBAC Insured (Alternative Minimum Tax)	1/11 at 101.00
2,220	Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A, 5.500%, 1/01/16 - NPPG Insured	No Opt. Call
10,000	Chicago, Illinois, Senior Lien Water Revenue Bonds, Series 2001, 5.000%, 11/01/26 (Pre-refunded 11/01/11) - AMBAC Insured	11/11 at 100.00
1,165	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
2,415	Illinois Finance Authority, General Obligation Debt Certificates, Local Government Program - Kankakee County, Series 2005B, 5.000%, 12/01/24 - AMBAC Insured	12/14 at 100.00
3,385	Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37	8/17 at 100.00
9,000	Illinois Health Facilities Authority, Revenue Bonds, Covenant Retirement Communities Inc., Series 2001, 5.875%, 12/01/31	12/11 at 101.00
15,000	Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 2001A, 6.125%, 7/01/31 (Pre-refunded 7/01/11)	7/11 at 100.00

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

5,000	Lake County School District 38, Big Hallow, Illinois, General Obligation Bonds, Series 2005, 0.000%, 2/01/22 - AMBAC Insured	No Opt. Call
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
16,900	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A, 5.250%, 12/15/28 - FGIC Insured	6/10 at 101.00
2,265	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
87,675	Total Illinois	

INDIANA - 5.9% (3.9% OF TOTAL INVESTMENTS)

Clark-Pleasant Community School Building Corporation, Indiana, First Mortgage Bonds, Series 2001:		
1,255	5.000%, 7/15/21 (Pre-refunded 1/15/12) - AMBAC Insured	1/12 at 100.00
1,000	5.000%, 1/15/26 (Pre-refunded 1/15/12) - AMBAC Insured	1/12 at 100.00
Evansville Vanderburgh Public Library Lease Corporation, Indiana, First Mortgage Bonds, Series 2001:		
2,000	5.750%, 7/15/18 (Pre-refunded 1/15/12) - NPFPG Insured	1/12 at 100.00
2,750	5.125%, 1/15/24 (Pre-refunded 1/15/12) - NPFPG Insured	1/12 at 100.00
1,250	Hamilton Southeastern Cumberland Campus School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/23 (Pre-refunded 1/15/12) - AMBAC Insured	1/12 at 100.00

Nuveen Investments 67

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
INDIANA (continued)		
\$ 9,500	Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - NPFPG Insured	2/11 at 100.00
4,230	Indiana Finance Authority, Educational Facilities Revenue Bonds, Tudor Park Foundation, Series 2005B, 5.000%, 6/01/24	6/15 at 100.00
2,600	Indiana Health Facility Financing Authority, Revenue Bonds, Community Hospitals of Indiana, Series 2005A, 5.000%, 5/01/35 - AMBAC Insured	5/15 at 100.00
3,500	University of Southern Indiana, Student Fee Bonds, Series	10/11 at 100.00

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

2001H, 5.000%, 10/01/21 - AMBAC Insured

	Vigo County, Indiana, Hospital Authority, Union Hospital, Revenue Bonds, Series 2007:	
2,500	5.750%, 9/01/42	9/17 at 100.00
2,500	5.800%, 9/01/47	9/17 at 100.00
1,090	Wayne County Jail Holding Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.500%, 7/15/22 (Pre-refunded 1/15/13) - AMBAC Insured	1/13 at 101.00

34,175 Total Indiana

IOWA - 6.0% (3.9% OF TOTAL INVESTMENTS)

2,000	Iowa Finance Authority, Healthcare Revenue Bonds, Great River Medical Center, Series 2001, 5.250%, 5/15/31 - AGM Insured	5/11 at 100.00
1,000	Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C, 5.625%, 6/01/46	6/15 at 100.00
26,855	Iowa Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B: 5.300%, 6/01/25 (Pre-refunded 6/01/11)	6/11 at 101.00
3,950	5.600%, 6/01/35 (Pre-refunded 6/01/11)	6/11 at 101.00

33,805 Total Iowa

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
1,000	5.125%, 5/15/42	5/14 at 103.00

2,000 Total Kansas

KENTUCKY - 3.4% (2.2% OF TOTAL INVESTMENTS)

1,000	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008-A1, 6.000%, 12/01/42 - AGC Insured	6/18 at 100.00
18,500	Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 2001A, 5.125%, 5/15/27 - NPFPG Insured	11/11 at 101.00

19,500 Total Kentucky

LOUISIANA - 4.4% (2.9% OF TOTAL INVESTMENTS)

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
3,700	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47	5/17 at 100.00

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

19,890	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39	5/11 at 101.00
26,590	Total Louisiana	
MAINE - 1.1% (0.7% OF TOTAL INVESTMENTS)		
Maine State Housing Authority, Single Family Mortgage Purchase Bonds, Series 2001B:		
4,610	5.400%, 11/15/21 (Alternative Minimum Tax)	11/10 at 100.00
1,610	5.500%, 11/15/32 (Alternative Minimum Tax)	11/10 at 100.00
6,220	Total Maine	

68 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
MARYLAND - 2.4% (1.7% 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
1,570	Maryland Community Development Administration, Insured Multifamily Housing Mortgage Loan Revenue Bonds, Series 2001B, 5.250%, 7/01/21 (Alternative Minimum Tax)	7/11 at 100.00
2,000	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference Center, Series 2006A, 5.000%, 12/01/31	12/16 at 100.00
10,600	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	7/10 at 100.00
555	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge Retirement Community, Series 2007, 4.750%, 7/01/34	7/17 at 100.00
15,725	Total Maryland	
MASSACHUSETTS - 2.9% (1.9% OF TOTAL INVESTMENTS)		
1,375	Massachusetts Development Finance Agency, Revenue Bonds, Orchard Cove, Series 2007, 5.250%, 10/01/26	10/12 at 102.00
1,000	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Milton Hospital Project, Series 2005D, 5.250%, 7/01/30	7/15 at 100.00
1,600	Massachusetts Health and Educational Facilities Authority, Revenue Refunding Bonds, Suffolk University Issue, Series 2009A, 5.750%, 7/01/39	7/19 at 100.00

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

4,860	Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 2008, Trust 3145, 15.178%, 6/01/39 (IF)	6/18 at 100.00
5,000	Massachusetts Port Authority, Special Facilities Revenue Bonds, Delta Air Lines Inc., Series 2001A, 5.500%, 1/01/18 - AMBAC Insured (Alternative Minimum Tax)	1/11 at 101.00
3,465	Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007A, 4.500%, 8/01/46 - AGM Insured (UB)	2/17 at 100.00

17,300	Total Massachusetts	

MICHIGAN - 9.5% (6.2% OF TOTAL INVESTMENTS)		
15,000	Detroit City School District, Wayne County, Michigan, Unlimited Tax School Building and Site Improvement Bonds, Series 2001A, 6.000%, 5/01/29 - AGM Insured (UB)	No Opt. Call
2,000	Garden City Hospital Finance Authority, Michigan, Revenue Bonds, Garden City Hospital Obligated Group, Series 2007A, 5.000%, 8/15/38	8/17 at 100.00
11,000	Kent Hospital Finance Authority, Michigan, Revenue Bonds, Spectrum Health, Series 2001A, 5.500%, 1/15/31 (Pre-refunded 7/15/11)	7/11 at 101.00
1,165	Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.500%, 10/15/18	10/11 at 100.00
70	Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.500%, 10/15/18 (Pre-refunded 10/15/11)	10/11 at 100.00
1,355	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/23	8/10 at 100.00
3,485	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 - NPFPG Insured (ETM)	No Opt. Call
	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sparrow Obligated Group, Series 2001:	
1,400	5.500%, 11/15/21 (Pre-refunded 11/15/11)	11/11 at 101.00
2,500	5.625%, 11/15/31 (Pre-refunded 11/15/11)	11/11 at 101.00
3,500	Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 (UB)	12/16 at 100.00
12,640	Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Series 2001M, 5.250%, 11/15/31 - NPFPG Insured	11/11 at 100.00

54,115	Total Michigan	

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

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)
 | Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
MINNESOTA - 0.6% (0.4% OF TOTAL INVESTMENTS)		
\$ 2,230	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)	10/11 at 105.00
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
3,605	Total Minnesota	
MISSISSIPPI - 0.9% (0.6% OF TOTAL INVESTMENTS)		
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	5/10 at 102.00
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
5,155	Total Mississippi	
MISSOURI - 3.0% (2.0% OF TOTAL INVESTMENTS)		
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
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
1,825	Fenton, Missouri, Tax Increment Refunding and Improvement Revenue Bonds, Gravois Bluffs Redevelopment Project, Series 2002, 6.125%, 10/01/21 (Pre-refunded 10/01/12)	10/12 at 100.00
3,335	Missouri Development Finance Board, Cultural Facilities Revenue Bonds, Nelson Gallery Foundation, Series 2001A: 5.250%, 12/01/19 (Pre-refunded 12/01/11) - NPMFG Insured	12/11 at 100.00
3,510	5.250%, 12/01/20 (Pre-refunded 12/01/11) - NPMFG Insured	12/11 at 100.00
3,695	5.250%, 12/01/21 (Pre-refunded 12/01/11) - NPMFG Insured	12/11 at 100.00
2,040	5.250%, 12/01/22 (Pre-refunded 12/01/11) - NPMFG Insured	12/11 at 100.00
16,900	Total Missouri	

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

MONTANA - 0.8% (0.5% OF TOTAL INVESTMENTS)

5,000	Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax)	7/10 at 101.00
-------	--	----------------

NEBRASKA - 0.8% (0.5% OF TOTAL INVESTMENTS)

Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2001D:		
1,245	5.250%, 9/01/21 (Alternative Minimum Tax)	9/11 at 100.00
1,645	5.375%, 9/01/32 (Alternative Minimum Tax)	9/11 at 100.00
1,005	Omaha Public Power District, Nebraska, Separate Electric System Revenue Bonds, Nebraska City 2, Series 2006A, 19.751%, 2/01/49 - AMBAC Insured (IF)	2/17 at 100.00
3,895	Total Nebraska	

NEVADA - 2.8% (1.8% OF TOTAL INVESTMENTS)

10,000	Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2010B, 5.750%, 7/01/42	1/20 at 100.00
2,000	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 - AMBAC Insured (5)	7/10 at 100.00
4,000	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, Second Tier, Series 2000, 7.375%, 1/01/40 (5)	1/12 at 100.00
165	Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1998A-1, 5.300%, 4/01/18 (Alternative Minimum Tax)	10/10 at 100.00
4,290	University of Nevada, Revenue Bonds, Community College System, Series 2001A, 5.250%, 7/01/26 (Pre-refunded 1/01/12) - FGIC Insured	1/12 at 100.00
20,455	Total Nevada	

NEW HAMPSHIRE - 0.4% (0.2% OF TOTAL INVESTMENTS)

2,000	New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital, Series 2001, 5.500%, 10/01/21 - AGM Insured	10/11 at 101.00
-------	---	-----------------

70 Nuveen Investments

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

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

NEW JERSEY - 4.6% (3.0% OF TOTAL INVESTMENTS)

\$	10,000	New Jersey Economic Development Authority, Water Facilities Revenue Bonds, American Water Company, Series 2002A, 5.250%, 11/01/32 - AMBAC Insured (Alternative Minimum Tax)	11/12 at 101.00
	585	New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Somerset Medical Center, Series 2003, 5.500%, 7/01/33	7/13 at 100.00
	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
	12,970	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Capital Appreciation Series 2010A, 0.000%, 12/15/33	No Opt. Call
	20,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/28 - AMBAC Insured	No Opt. Call
	2,045	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 4.750%, 6/01/34	6/17 at 100.00

	49,725	Total New Jersey	

NEW YORK - 4.5% (2.9% OF TOTAL INVESTMENTS)

	900	Albany Industrial Development Agency, New York, Revenue Bonds, Brighter Choice Charter Schools, Series 2007A, 5.000%, 4/01/32	4/17 at 100.00
		Brooklyn Areba Local Development Corporation, New York, Payment in Lieu of Taxes Revenue Bonds, Barclays Center Project, Series 2009:	
	1,275	6.000%, 7/15/30	1/20 at 100.00
	3,400	0.000%, 7/15/44	No Opt. Call
	1,780	East Rochester Housing Authority, New York, GNMA Secured Revenue Bonds, Gates Senior Housing Inc., Series 2001, 5.300%, 4/20/31	10/11 at 101.00
	5,010	Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 - NPMFG Insured	2/17 at 100.00
	4,155	Monroe County Airport Authority, New York, Revenue Refunding Bonds, Greater Rochester International Airport, Series 1999, 5.750%, 1/01/13 - NPMFG Insured (Alternative Minimum Tax)	No Opt. Call
	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
	1,715	New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 - NPMFG Insured	8/12 at 100.00
	785	New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 (Pre-refunded 8/01/12) - NPMFG	8/12 at 100.00

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

Insured		
2,000	New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003B-1C, 5.500%, 6/01/16	6/11 at 100.00
29,020	Total New York	
NORTH CAROLINA - 1.1% (0.8% OF TOTAL INVESTMENTS)		
1,710	Charlotte-Mecklenberg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008, Trust 1149, 14.932%, 1/15/47 (IF)	1/18 at 100.00
1,200	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
1,750	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
1,600	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.500%, 1/01/13	No Opt. Call
6,260	Total North Carolina	
OHIO - 1.1% (0.7% OF TOTAL INVESTMENTS)		
Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:		
3,165	5.125%, 6/01/24	6/17 at 100.00
710	5.875%, 6/01/30	6/17 at 100.00
685	5.750%, 6/01/34	6/17 at 100.00
1,570	5.875%, 6/01/47	6/17 at 100.00

Nuveen Investments 71

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
OHIO (continued)		
\$ 1,080	Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1998A-1, 5.300%, 9/01/19 - AGM Insured (Alternative Minimum Tax)	9/10 at 100.00
7,210	Total Ohio	

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

OKLAHOMA - 1.9% (1.3% OF TOTAL INVESTMENTS)

	Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007:		
4,370	5.000%, 2/15/37		2/17 at 100.00
955	5.000%, 2/15/42		2/17 at 100.00
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
88	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health System, Series 2006, Trust 3500, 8.380%, 12/15/36 (IF)		12/16 at 100.00
11,718	Total Oklahoma		

OREGON - 2.5% (1.7% OF TOTAL INVESTMENTS)

4,700	Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, PeaceHealth Project, Series 2001, 5.250%, 11/15/21 - AMBAC Insured		11/11 at 101.00
10,000	Oregon Housing and Community Services Department, Multifamily Housing Revenue Bonds, Series 2000A, 6.050%, 7/01/42 (Alternative Minimum Tax) (UB)		7/10 at 100.00
14,700	Total Oregon		

PENNSYLVANIA - 1.7% (1.1% OF TOTAL INVESTMENTS)

	Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B:		
2,000	9.250%, 11/15/22 (Pre-refunded 11/15/10)		11/10 at 102.00
2,000	9.250%, 11/15/30 (Pre-refunded 11/15/10)		11/10 at 102.00
500	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
3,500	Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A, 6.600%, 1/01/19 (Alternative Minimum Tax)		7/10 at 100.00
3,205	Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 (Pre-refunded 8/01/12) - FGIC Insured		8/12 at 100.00
11,205	Total Pennsylvania		

PUERTO RICO - 0.4% (0.3% OF TOTAL INVESTMENTS)

2,500	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 5.250%, 8/01/57		8/17 at 100.00
-------	---	--	----------------

SOUTH CAROLINA - 1.1% (0.7% OF TOTAL INVESTMENTS)

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

5,850	South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2001A, 5.500%, 10/01/22 (Pre-refunded 10/01/11) - AMBAC Insured	10/11 at 100.00

TENNESSEE - 1.7% (1.1% OF TOTAL INVESTMENTS)		
3,680	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
5,210	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/14 - AGM Insured (Alternative Minimum Tax)	3/11 at 100.00
275	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
	Sumner County Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding Bonds, Sumner Regional Health System Inc., Series 2007:	
800	5.500%, 11/01/37 (7)	11/17 at 100.00
2,800	5.500%, 11/01/46 (7)	11/17 at 100.00
745	Tennessee Housing Development Agency, Homeownership Program Bonds, Series 1998-2, 5.350%, 7/01/23 (Alternative Minimum Tax)	7/10 at 100.00

72 Nuveen Investments

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

TENNESSEE (continued)		
\$ 760	Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2001-3A, 5.200%, 7/01/22 (Alternative Minimum Tax)	7/11 at 100.00

14,270	Total Tennessee	

TEXAS - 21.4% (14.0% OF TOTAL INVESTMENTS)		
5,445	Board of Regents, University of Texas System, Financing System Revenue Bonds, Series 2006F, 4.250%, 8/15/36 (UB)	2/17 at 100.00
595	Brushy Creek Municipal Utility District, Williamson County, Texas, Combination Unlimited Tax and Revenue Refunding Bonds, Series 2001, 5.125%, 6/01/26 - AGM Insured	7/10 at 100.00
	Collins and Denton Counties, Frisco, Texas, General Obligation Bonds, Series 2001:	
1,910	5.000%, 2/15/20 - FGIC Insured	2/11 at 100.00

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

2,005	5.000%, 2/15/21 - FGIC Insured	2/11 at 100.00
3,850	Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 - FGIC Insured (Alternative Minimum Tax)	11/11 at 100.00
5,000	Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.000%, 9/01/25	9/14 at 100.00
4,040	Harris County, Texas, Tax and Revenue Certificates of Obligation, Series 2001, 5.000%, 8/15/27	8/11 at 100.00
6,000	Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001B, 5.500%, 12/01/29 - NPFG Insured (ETM)	No Opt. Call
7,000	Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 1998B, 5.250%, 7/01/14 - FGIC Insured (Alternative Minimum Tax)	7/10 at 100.00
	Houston, Texas, Subordinate Lien Airport System Revenue Refunding Bonds, Series 2001A:	
2,525	5.500%, 7/01/13 - FGIC Insured (Alternative Minimum Tax)	1/12 at 100.00
2,905	5.500%, 7/01/14 - FGIC Insured (Alternative Minimum Tax)	1/12 at 100.00
14,200	Hutto Independent School District, Williamson County, Texas, General Obligation Bonds, Series 2007A, 4.750%, 8/01/43 (UB)	8/16 at 100.00
	Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001:	
8,500	5.400%, 8/15/31 - AMBAC Insured	8/11 at 100.00
8,500	5.500%, 8/15/41 - AMBAC Insured	8/11 at 100.00
10,700	Laredo Independent School District, Webb County, Texas, General Obligation Refunding Bonds, Series 2001, 5.000%, 8/01/25	8/11 at 100.00
8,000	Lower Colorado River Authority, Texas, Transmission Contract Refunding Revenue Bonds, LCRA Transmission Services Corporation Project, Refunding & Improvement Series 2010, 5.000%, 5/15/40 (WI/DD, Settling 5/18/10)	5/20 at 100.00
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
3,150	North Texas Thruway Authority, Second Tier System Revenue Refunding Bonds, Series 2008, 5.750%, 1/01/38	1/18 at 100.00
3,045	Port of Houston Authority, Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B, 5.500%, 10/01/17 - FGIC Insured (Alternative Minimum Tax)	10/11 at 100.00
7,700	Tarrant County Cultural & Educational Facilities Financing Corporation, Texas, Revenue Bonds, Texas Health Resources, Series 2007A, 5.000%, 2/15/36 (UB)	2/17 at 100.00
9,300	Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33 (Alternative Minimum Tax)	7/11 at 100.00

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

	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2006:		
9,110	0.000%, 8/15/37		8/15 at 31.98
9,110	0.000%, 8/15/40		8/15 at 27.11
7,110	0.000%, 8/15/44		8/15 at 21.88

142,200	Total Texas		

Nuveen Investments 73

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)
| Portfolio of Investments April 30, 2010 (Unaudited)

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

	UTAH - 0.5% (0.3% OF TOTAL INVESTMENTS)	
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E:	
\$ 840	5.200%, 1/01/18 (Alternative Minimum Tax)	7/11 at 100.00
255	5.500%, 1/01/23 (Alternative Minimum Tax)	7/11 at 100.00
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1:	
1,245	4.950%, 7/01/18 (Alternative Minimum Tax)	7/11 at 100.00
370	5.300%, 7/01/23 (Alternative Minimum Tax)	7/11 at 100.00

2,710	Total Utah	

	VIRGINIA - 0.2% (0.1% OF TOTAL INVESTMENTS)	
1,000	Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr Village, Series 2005, 5.375%, 12/01/28	12/15 at 100.00

	WASHINGTON - 16.0% (10.5% OF TOTAL INVESTMENTS)	
	Bellingham Housing Authority, Washington, Housing Revenue Bonds, Varsity Village Project, Series 2001A:	
1,000	5.500%, 12/01/27 - NPFG Insured	12/11 at 100.00
2,000	5.600%, 12/01/36 - NPFG Insured	12/11 at 100.00
2,500	King County, Washington, Sewer Revenue Bonds, Series 2009, 5.250%, 1/01/42	1/19 at 100.00
12,955	Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998A, 5.300%, 12/01/16 - AMBAC Insured (Alternative Minimum Tax)	6/10 at 100.50
	Port of Seattle, Washington, Revenue Bonds, Series 2001B:	
2,535	5.625%, 4/01/18 - FGIC Insured (Alternative Minimum Tax) (UB)	10/11 at 100.00
16,000	5.100%, 4/01/24 - FGIC Insured (Alternative Minimum Tax) (UB)	7/10 at 100.00

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

1,440	Public Utility District 1, Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 (Pre-refunded 11/01/11) - AGM Insured	11/11 at 100.00
650	Public Utility District 1, Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 - AGM Insured	11/11 at 100.00
5,680	Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001, 5.500%, 3/01/18 - AGM Insured	3/11 at 100.00
4,530	Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series 2001, 5.250%, 12/01/21 (Pre-refunded 12/01/11) - AMBAC Insured	12/11 at 100.00
3,720	Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.375%, 10/01/18 (Pre-refunded 10/01/11) - AMBAC Insured	10/11 at 100.00
	Washington State Healthcare Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 2001:	
5,480	5.500%, 10/01/21 (Pre-refunded 10/01/11) - RAAI Insured	10/11 at 101.00
25,435	5.625%, 10/01/31 (Pre-refunded 10/01/11) - RAAI Insured	10/11 at 101.00
	Washington State Healthcare Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001:	
3,005	5.375%, 12/01/17 - AMBAC Insured	12/11 at 101.00
2,915	5.375%, 12/01/18 - AMBAC Insured	12/11 at 101.00

89,845	Total Washington	

	WISCONSIN - 4.5% (2.9% OF TOTAL INVESTMENTS)	
	Appleton, Wisconsin, Waterworks Revenue Refunding Bonds, Series 2001:	
3,705	5.375%, 1/01/20 (Pre-refunded 1/01/12) - FGIC Insured	1/12 at 100.00
1,850	5.000%, 1/01/21 (Pre-refunded 1/01/12) - FGIC Insured	1/12 at 100.00
12,250	La Crosse, Wisconsin, Pollution Control Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997B, 5.550%, 2/01/15 - AMBAC Insured	12/10 at 100.00
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
350	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Froedtert and Community Health Obligated Group, Series 2001, 5.375%, 10/01/30	10/11 at 101.00
3,650	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Froedtert and Community Health Obligated Group, Series 2001, 5.375%, 10/01/30 (Pre-refunded 10/01/11)	10/11 at 101.00

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
WISCONSIN (continued)		
\$ 2,500	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2001B, 6.000%, 2/15/25	2/12 at 100.00
50	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33	8/13 at 100.00
25,355	Total Wisconsin	
\$ 950,908	Total Municipal Bonds (cost \$885,935,399)	

SHARES	DESCRIPTION (1)
INVESTMENT COMPANIES - 0.6% (0.4% OF TOTAL INVESTMENTS)	
6,266	BlackRock MuniHoldings Fund Inc.
26,880	Dreyfus Strategic Municipal Fund
131,278	DWS Municipal Income Trust
43,420	PIMCO Municipal Income Fund II
43,020	Van Kampen Investment Grade Municipal Trust
30,000	Van Kampen Municipal Opportunity Trust
Total Investment Companies (cost \$3,325,133)	
Total Investments (cost \$889,260,532) - 152.6%	
Floating Rate Obligations - (13.0)%	
Other Assets Less Liabilities - 0.9%	
Auction Rate Preferred Shares, at Liquidation Value - (40.5)% (6)	
Net Assets Applicable to Common Shares - 100%	

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

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

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

- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) The Fund's Adviser has concluded this 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.
- (6) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 26.6%
- (7) For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.

N/R Not rated.

WI/DD 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. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 75

| Statement of
| Assets & Liabilities

April 30, 2010 (Unaudited)

	PERFORMANCE PLUS (NPP)

ASSETS	
Investments, at value (cost \$1,280,293,947, \$939,205,356 and \$1,012,817,147, respectively)	\$1,323,806,376
Cash	521,064
Receivables:	
Dividends and interest	18,924,309
Investments sold	17,978,000
Deferred offering costs	--
Other assets	303,760

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

Total assets	1,361,533,509

LIABILITIES	
Floating rate obligations	42,630,000
Payables:	
Investments purchased	--
Auction Rate Preferred share dividends	17,089
Common share dividends	3,957,295
Interest	--
MuniFund Term Preferred shares, at liquidation value	--
Variable Rate Demand Preferred shares, at liquidation value	--
Accrued expenses:	
Management fees	676,223
Offering costs	--
Other	498,450

Total liabilities	47,779,057

Auction Rate Preferred shares, at liquidation value	419,900,000

Net assets applicable to Common shares	\$ 893,854,452
=====	
Common shares outstanding	59,914,073
=====	
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.92
=====	
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:	

Common shares, \$.01 par value per share	\$ 599,141
Paid-in surplus	838,340,717
Undistributed (Over-distribution of) net investment income	14,929,704
Accumulated net realized gain (loss)	(3,527,539)
Net unrealized appreciation (depreciation)	43,512,429

Net assets applicable to Common shares	\$ 893,854,452
=====	
Authorized shares:	
Common	200,000,000
Auction Rate Preferred	1,000,000
MuniFund Term Preferred	--
Variable Rate Demand Preferred	--
=====	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

76 Nuveen Investments

DIVIDEND
ADVANTAGE
(NAD)

ASSETS

Investments, at value (cost \$852,049,233, \$627,361,192 and \$889,260,532, respectively)	\$ 858,364,556
---	----------------

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

Cash	5,573,225
Receivables:	
Dividends and interest	13,225,659
Investments sold	2,487,651
Deferred offering costs	2,495,617
Other assets	184,332

Total assets	882,331,040

LIABILITIES	
Floating rate obligations	51,605,000
Payables:	
Investments purchased	40,660
Auction Rate Preferred share dividends	16,417
Common share dividends	2,866,891
Interest	487,013
MuniFund Term Preferred shares, at liquidation value	144,300,000
Variable Rate Demand Preferred shares, at liquidation value	--
Accrued expenses:	
Management fees	429,096
Offering costs	382,110
Other	300,360

Total liabilities	200,427,547

Auction Rate Preferred shares, at liquidation value	120,075,000

Net assets applicable to Common shares	\$ 561,828,493
=====	
Common shares outstanding	39,287,298
=====	
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.30
=====	
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:	

Common shares, \$.01 par value per share	\$ 392,873
Paid-in surplus	551,021,444
Undistributed (Over-distribution of) net investment income	9,677,213
Accumulated net realized gain (loss)	(5,578,360)
Net unrealized appreciation (depreciation)	6,315,323

Net assets applicable to Common shares	\$ 561,828,493
=====	
Authorized shares:	
Common	Unlimited
Auction Rate Preferred	Unlimited
MuniFund Term Preferred	Unlimited
Variable Rate Demand Preferred	--
=====	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 77

| Statement of
| Operations

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

Six Months Ended April 30, 2010 (Unaudited)

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DI ADV
INVESTMENT INCOME	\$36,096,977	\$27,409,802	\$28,474,781	\$24,2
EXPENSES				
Management fees	4,088,039	2,894,140	3,026,918	2,5
Auction fees	312,337	230,350	278,637	1
Dividend disbursing agent fees	24,795	27,370	20,712	
Shareholders' servicing agent fees and expenses	56,489	35,944	37,256	
Interest expense and amortization of offering costs	153,584	356,961	292,978	6
Liquidity fees	--	462,798	308,434	
Custodian's fees and expenses	108,358	81,002	82,893	
Directors'/Trustees' fees and expenses	20,316	14,771	15,763	
Professional fees	61,604	43,711	48,725	
Shareholders' reports - printing and mailing expenses	99,893	65,541	72,869	
Stock exchange listing fees	10,094	7,306	7,675	
Investor relations expense	50,390	35,793	37,959	
Other expenses	42,619	34,211	35,026	
Total expenses before custodian fee credit and expense reimbursement	5,028,518	4,289,898	4,265,845	3,7
Custodian fee credit	(2,523)	(2,903)	(3,249)	
Expense reimbursement	--	--	--	
Net expenses	5,025,995	4,286,995	4,262,596	3,7
Net investment income	31,070,982	23,122,807	24,212,185	20,5
REALIZED AND UNREALIZED GAIN (LOSS)				
Net realized gain (loss) from investments	2,858,629	796,290	1,501,764	4
Change in net unrealized appreciation (depreciation) of investments	18,796,074	14,183,321	13,170,874	13,5
Net realized and unrealized gain (loss)	21,654,703	14,979,611	14,672,638	13,9
DISTRIBUTIONS TO AUCTION RATE PREFERRED SHAREHOLDERS				
From net investment income	(776,498)	(379,240)	(639,222)	(4
From accumulated net realized gains	(47,490)	(183,376)	--	
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(823,988)	(562,616)	(639,222)	(4
Net increase (decrease) in net assets from operations	\$51,901,697	\$37,539,802	\$38,245,601	\$34,1

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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

78 Nuveen Investments

| Statement of
| Changes in Net Assets (Unaudited)

	PERFORMANCE PLUS (NPP)		MUNICIPAL ADVANTAGE (NMA)	
	SIX MONTHS ENDED 4/30/10	YEAR ENDED 10/31/09	SIX MONTHS ENDED 4/30/10	YE END 10/31/
<hr/>				
OPERATIONS				
Net investment income	\$ 31,070,982	\$ 61,694,850	\$ 23,122,807	\$ 47,685,6
Net realized gain (loss) from:				
Investments	2,858,629	(3,345,387)	796,290	(953,2
Futures contracts	--	--	--	
Change in net unrealized appreciation (depreciation) of:				
Investments	18,796,074	101,733,867	14,183,321	77,128,8
Futures contracts	--	--	--	
Distributions to Auction Rate Preferred Shareholders:				
From net investment income	(776,498)	(3,512,067)	(379,240)	(2,612,7
From accumulated net realized gains	(47,490)	--	(183,376)	
<hr/>				
Net increase (decrease) in net assets applicable to Common shares from operations	51,901,697	156,571,263	37,539,802	121,248,5
<hr/>				
DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(27,105,126)	(47,194,320)	(20,879,161)	(36,309,1
From accumulated net realized gains	(814,831)	--	(2,827,574)	
<hr/>				
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(27,919,957)	(47,194,320)	(23,706,735)	(36,309,1
<hr/>				
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	--	--	1,428,464	271,4
<hr/>				
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	--	1,428,464	271,4
<hr/>				
Net increase (decrease) in net assets applicable to Common shares	23,981,740	109,376,943	15,261,531	85,210,8
Net assets applicable to Common shares at the beginning of period	869,872,712	760,495,769	608,813,165	523,602,2

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

Net assets applicable to Common shares at the end of period	\$ 893,854,452	\$ 869,872,712	\$ 624,074,696	\$ 608,813,1
Undistributed (Over-distribution of) net investment income at the end of period	\$ 14,929,704	\$ 11,740,346	\$ 10,849,549	\$ 8,985,1

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 79

| Statement of
| Changes in Net Assets (continued)

	DIVIDEND ADVANTAGE (NAD)		DIVIDEND ADVANTAGE 2 (NXZ)	
	SIX MONTHS ENDED 4/30/10	YEAR ENDED 10/31/09	SIX MONTHS ENDED 4/30/10	YEAR ENDED 10/31/09
OPERATIONS				
Net investment income	\$ 20,593,555	\$ 42,070,572	\$ 15,716,788	\$ 30,653,1
Net realized gain (loss) from:				
Investments	453,103	(762,348)	70,098	(3,563,7
Futures contracts	--	--	--	--
Change in net unrealized appreciation (depreciation) of:				
Investments	13,544,892	76,279,407	9,753,254	50,177,0
Futures contracts	--	--	--	--
Distributions to Auction Rate Preferred Shareholders:				
From net investment income	(460,774)	(2,117,175)	--	--
From accumulated net realized gains	--	--	--	--
Net increase (decrease) in net assets applicable to Common shares from operations	34,130,776	115,470,456	25,540,140	77,266,3
DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(17,836,433)	(32,490,598)	(14,480,087)	(26,078,7
From accumulated net realized gains	--	--	--	--
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(17,836,433)	(32,490,598)	(14,480,087)	(26,078,7
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	--	--	63,234	126,2
Net increase (decrease) in net				

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

assets applicable to Common shares from capital share transactions	--	--	63,234	126,2

Net increase (decrease) in net assets applicable to Common shares	16,294,343	82,979,858	11,123,287	51,313,8
Net assets applicable to Common shares at the beginning of period	545,534,150	462,554,292	425,253,447	373,939,5

Net assets applicable to Common shares at the end of period	\$ 561,828,493	\$ 545,534,150	\$ 436,376,734	\$ 425,253,4
=====				
Undistributed (Over-distribution of) net investment income at the end of period	\$ 9,677,213	\$ 7,380,865	\$ 4,775,143	\$ 3,538,4
=====				

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

80 Nuveen Investments

| Statement of
| Cash Flows

Six Months Ended April 30, 2010 (Unaudited)

	MUNICIPAL ADVANTAGE (NMA)	O

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS	\$ 37,539,802	\$
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(70,845,166)	(1
Proceeds from sales and maturities of investments	87,273,960	1
Proceeds from (Purchases of) short-term investments, net	--	
Amortization (Accretion) of premiums and discounts, net	(2,907,896)	
(Increase) Decrease in receivable for dividends and interest	180,347	
(Increase) Decrease in receivable for investments sold	1,136,707	
(Increase) Decrease in other assets	113,201	
Increase (Decrease) in payable for investments purchased	(17,334,534)	(
Increase (Decrease) in payable for Auction Rate Preferred share dividends	9,231	
Increase (Decrease) in payable for interest	17,727	
Increase (Decrease) in accrued management fees	(17,927)	
Increase (Decrease) in accrued other liabilities	(121,711)	
Net realized (gain) loss from investments	(796,290)	
Change in net unrealized (appreciation) depreciation of investments	(14,183,321)	(
Taxes paid on undistributed capital gains	--	

Net cash provided by (used in) operating activities	20,064,130	

CASH FLOWS FROM FINANCING ACTIVITIES:		

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

Increase (Decrease) in cash overdraft balance	--	
Cash distributions paid to Common shareholders	(22,075,962)	(
(Increase) Decrease in deferred offering costs	(2,125,419)	
Increase (Decrease) in accrued offering costs	381,451	
Increase (Decrease) in Auction Rate Preferred shares, at liquidation value	(293,200,000)	(3
Increase (Decrease) in MuniFund Term Preferred shares, at liquidation value	--	
Increase (Decrease) in Variable Rate Demand Preferred shares, at liquidation value	296,800,000	3

Net cash provided by (used in) financing activities	(20,219,930)	(

NET INCREASE (DECREASE) IN CASH	(155,800)	
Cash at the beginning of period	326,405	

Cash at the End of Period	\$ 170,605	\$
=====		

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

		MUNICIPAL ADVANTAGE (NMA)	O

Cash paid for interest (excluding amortization of offering costs, where applicable)	\$ 348,379		\$
=====			

Non-cash financing activities not included herein consist of reinvestments of Common share distributions of \$1,428,464 and \$795,414 for Municipal Advantage (NMA) and Market Opportunity (NMO), respectively.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 81

| Statement of
| Cash Flows (continued)

Six Months Ended April 30, 2010 (Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS

Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:

- Purchases of investments
- Proceeds from sales and maturities of investments

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

Proceeds from (Purchases of) short-term investments, net
 Amortization (Accretion) of premiums and discounts, net
 (Increase) Decrease in receivable for dividends and interest
 (Increase) Decrease in receivable for investments sold
 (Increase) Decrease in other assets
 Increase (Decrease) in payable for investments purchased
 Increase (Decrease) in payable for Auction Rate Preferred share dividends
 Increase (Decrease) in payable for interest
 Increase (Decrease) in accrued management fees
 Increase (Decrease) in accrued other liabilities
 Net realized (gain) loss from investments
 Change in net unrealized (appreciation) depreciation of investments
 Taxes paid on undistributed capital gains

 Net cash provided by (used in) operating activities

 CASH FLOWS FROM FINANCING ACTIVITIES:

Increase (Decrease) in cash overdraft balance
 Cash distributions paid to Common shareholders
 (Increase) Decrease in deferred offering costs
 Increase (Decrease) in payable for offering cost
 Increase (Decrease) in Auction Rate Preferred shares, at liquidation value
 Increase (Decrease) in MuniFund Term Preferred shares, at liquidation value
 Increase (Decrease) in Variable Rate Demand Preferred shares, at
 liquidation value

 Net cash provided by (used in) financing activities

 NET INCREASE (DECREASE) IN CASH

Cash at the beginning of period

 Cash at the End of Period

\$

=====

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

 Cash paid for interest (excluding amortization of offering costs, where
 applicable)

\$

 Non-cash financing activities not included herein consist of reinvestments of
 Common share distributions of \$63,234 for Dividend Advantage 2 (NXZ).

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

82 Nuveen Investments

| Notes to
 | Financial Statements (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

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

The funds covered in this report and their corresponding Common share stock exchange symbols are Nuveen Performance Plus Municipal Fund, Inc. (NPP), Nuveen Municipal Advantage Fund, Inc. (NMA), Nuveen Municipal Market Opportunity Fund, Inc. (NMO), Nuveen Dividend Advantage Municipal Fund (NAD), Nuveen Dividend Advantage Municipal Fund 2 (NXZ) and Nuveen Dividend Advantage Municipal Fund 3 (NZF) (collectively, the "Funds"). Performance Plus (NPP), Municipal Advantage (NMA), Market Opportunity (NMO) and Dividend Advantage (NAD) are traded on the New York Stock Exchange ("NYSE") while Dividend Advantage 2 (NXZ) and Dividend Advantage 3 (NZF) are traded on the NYSE Amex. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, management investment companies.

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

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

INVESTMENT VALUATION

Exchange-listed securities are generally valued at the last sales price on the security exchange on which such securities are primarily traded. Securities traded on a securities exchange for which there are no transactions on a given day or securities not listed on a securities exchange are valued at the mean of the closing bid and asked prices. Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. Futures contracts are valued using the closing settlement price or, in the absence of such a price, at the mean of the bid and asked prices. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service or, in the absence of a pricing service for a particular investment or derivative instrument, the Board of Directors/Trustees of the Fund, or its designee, may establish fair value using a wide variety of market data including yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. Temporary investments in securities that have variable rate and demand features qualifying them as short-term investments are valued at amortized cost, which approximates value.

INVESTMENT TRANSACTIONS

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At April 30, 2010, Municipal Advantage (NMA) and Dividend Advantage 3 (NZF) had outstanding when-issued/delayed delivery purchase commitments of \$2,194,071 and \$8,119,360, respectively. There were no such outstanding purchase commitments in any of the other Funds.

INVESTMENT INCOME

Dividend income is recorded on the ex-dividend date. Dividend income is recorded on the ex-dividend date or when information is available. Interest income, which

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

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

INCOME TAXES

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions that will

Nuveen Investments 83

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

enable interest from municipal securities, which is exempt from regular federal income tax, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

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

DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS

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

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

AUCTION RATE PREFERRED SHARES

The following Funds have issued and outstanding Auction Rate Preferred Shares ("ARPS"), \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's ARPS are issued in more than one Series. The dividend rate paid by the Funds on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period. As of April 30, 2010, the number of ARPS outstanding, by Series and in total, for each Fund is as follows:

PER

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

Number of shares:

Series M
 Series T
 Series W
 Series TH
 Series F

 Total
 =====

Beginning in February 2008, more shares for sale were submitted in the regularly scheduled auctions for the ARPS issued by the Funds than there were offers to buy. This meant that these auctions "failed to clear," and that many ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. ARPS shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions as calculated in accordance with the pre-established terms of the ARPS. As of April 30, 2010, the aggregate amount of outstanding ARPS redeemed by each Fund is as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIV ADVA
ARPS redeemed, at liquidation value	\$59,100,000	\$358,000,000	\$380,000,000	\$174,92

MUNIFUND TERM PREFERRED SHARES

Dividend Advantage (NAD) has issued and outstanding \$144,300,000, of 2.70%, Series 2015 MuniFund Term Preferred ("MTP") Shares, with a \$10 liquidation value per share. Dividends, which are recognized as interest expense for financial reporting purposes, will be paid monthly at a fixed annual rate of 2.70%, subject to adjustment in certain circumstances. Proceeds from the issuance of MTP Shares, net of offering expenses, were used to redeem a portion of the Fund's outstanding ARPS.

The Fund is obligated to redeem the MTP Shares on April 1, 2015, unless earlier redeemed or repurchased by the Fund. MTP Shares are subject to optional and mandatory redemption in certain circumstances. As of April 1, 2011, the MTP Shares will be subject to redemption at the option of the Fund, subject to payment of a premium until March 31, 2012, and at par thereafter. The MTP Shares also will be subject to redemption, at the option of the Fund, at par in the event of certain changes in the credit rating of the MTP Shares. The Fund may be obligated to redeem certain of the MTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date.

84 Nuveen Investments

The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. The MTP Shares trade on NYSE under the symbol "NAD Pr C".

During the period from March 16, 2010 (first issuance date of shares) through April 30, 2010, Dividend Advantage (NAD) had an average balance of \$143,582,609

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

MTP Shares outstanding.

Net amounts earned by Nuveen as underwriter of the Fund's MTP Share offering are passed directly to the Fund and recognized as a component of "Investment Income" on the Statement of Operations. For the six months ended April 30, 2010 there were no amounts earned by Nuveen Investments, Inc. ("Nuveen").

For financial reporting purposes only, the liquidation value of MTP Shares is recorded as a liability on the Statement of Assets and Liabilities. Unpaid dividends on the MTP Shares are recognized as a component of "Interest payable" on the Statement of Assets and Liabilities. Dividends paid on MTP Shares are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

VARIABLE RATE DEMAND PREFERRED SHARES

Municipal Advantage (NMA), Market Opportunity (NMO) and Dividend Advantage 2 (NXZ) have issued and outstanding 2,968, 3,509 and 1,960 Series 1 Variable Rate Demand Preferred ("VRDP") Shares, \$100,000 liquidation value per share, respectively. Dividend Advantage 2 (NXZ) issued its VRDP Shares in a privately negotiated offering in August 2008, and Municipal Advantage (NMA) and Market Opportunity (NMO) issued their respective VRDP Shares in March 2010. Proceeds of each Fund's offering were used to redeem a portion of each Fund's outstanding ARPS. The VRDP Shares were offered to institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933, have a maturity date of August 1, 2038, for Dividend Advantage 2 (NXZ) and March 1, 2040, for Municipal Advantage (NMA) and Market Opportunity (NMO).

VRDP Shares include a liquidity feature that allows VRDP shareholders to have their shares purchased by a liquidity provider with whom the Fund has contracted in the event that purchase orders for VRDP Shares in a remarketing are not sufficient in number to be matched with the sale orders in that remarketing. Municipal Advantage (NMA) and Market Opportunity (NMO) are required to redeem any VRDP Shares that are still owned by the liquidity provider after six months of continuous, unsuccessful remarketing. As to Dividend Advantage 2 (NXZ), the terms of whose VRDP Shares do not presently provide the liquidity provider with the right to cause the Fund to redeem VRDP Shares after six months of continuous, unsuccessful remarketing, the Board of Directors/Trustees has approved, in connection with renewing its liquidity provider contract in June 2010, the issuance of replacement VRDP Shares that would provide the liquidity provider with a right of redemption after six months of continuous unsuccessful remarketing.

Dividends on the VRDP Shares (which are treated as interest payments for financial reporting purposes) are set weekly at a rate established by a remarketing agent; therefore, the market value of the VRDP Shares is expected to approximate its liquidation value. If remarketings for VRDP Shares are continuously unsuccessful for six months, the maximum rate is designed to escalate according to a specified schedule in order to enhance the remarketing agent's ability to successfully remarket the VRDP Shares.

Subject to certain conditions, VRDP Shares may be redeemed, in whole or in part, at any time at the option of the Fund. The Fund may also redeem certain of the VRDP Shares if the Fund fails to maintain certain asset coverage requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends.

Municipal Advantage (NMA) and Market Opportunity (NMO) issued all \$296,800,000 and \$350,900,000 of its VRDP Shares on March 18, 2010 and March 31, 2010, with annualized interest rates of 0.37% and 0.44%, respectively. Dividend Advantage 2 (NXZ) had all \$196,000,000 of its VRDP Shares outstanding during the six months

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

ended April 30, 2010, with an annualized interest rate of 0.31%.

For financial reporting purposes only, the liquidation value of VRDP Shares is recognized as a liability on the Statement of Assets and Liabilities. Unpaid dividends on VRDP Shares are recognized as a component of "Interest payable" on the Statement of Assets and Liabilities. Dividends paid on the VRDP Shares are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations. In addition to this interest expense, the Funds also pay a per annum liquidity fee to the liquidity provider, which is recognized as "Liquidity fees" on the Statement of Operations.

INVERSE FLOATING RATE SECURITIES

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

Nuveen Investments 85

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

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

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

During the six months ended April 30, 2010, each Fund invested in externally-deposited inverse floaters and/or self-deposited inverse floaters.

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

At April 30, 2010, each Fund's maximum exposure to externally-deposited Recourse Trusts is as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIV ADVA
Maximum exposure to Recourse Trusts	\$18,750,000	\$11,250,000	\$ 7,500,000	\$11,250,000

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the fiscal year ended October 31, 2009, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIV ADVA
Average floating rate obligations outstanding	\$42,838,840	\$67,694,983	\$48,745,000	\$51,600,000
Average annual interest rate and fees	0.72%	0.64%	0.62%	

FUTURES CONTRACTS

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

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

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

Risks of investments in futures contracts include the possible adverse movement of the securities or indices underlying the contracts, the possibility that there may not be a liquid secondary market for the contracts and/or that a change in the value of the contract may not correlate with a change in the value of the underlying securities or indices. The Funds did not invest in futures contracts during the six months ended April 30, 2010.

86 Nuveen Investments

MARKET AND COUNTERPARTY CREDIT RISK

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts, when applicable, expose a Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

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

ZERO COUPON SECURITIES

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

OFFERING COSTS

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

Costs incurred by Municipal Advantage (NMA), Market Opportunity (NMO) and Dividend Advantage 2 (NXZ) in connection with their offerings of VRDP Shares (\$2,134,000), (\$4,214,000) and (\$2,270,000), respectively, were recorded as deferred charges which will be amortized over the 30-year life of the shares. Cost incurred by Dividend Advantage (NAD) in connection with its offering of MTP Shares (\$2,559,500) were recorded as a deferred charge which will be amortized over the 5-year life of the shares. Each Fund's amortized deferred charges are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

CUSTODIAN FEE CREDIT

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

INDEMNIFICATIONS

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

USE OF ESTIMATES

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

Nuveen Investments 87

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

2. FAIR VALUE MEASUREMENTS

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

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

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

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

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of April 30, 2010:

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

PERFORMANCE PLUS (NPP)	LEVEL 1	LEVEL 2	LEVEL 3	TO
Investments:				
Municipal Bonds	\$ --	\$ 1,323,806,376	\$ --	\$ 1,323,806,376
=====				
MUNICIPAL ADVANTAGE (NMA)	LEVEL 1	LEVEL 2	LEVEL 3	TO
Investments:				
Municipal Bonds	\$ --	\$ 949,281,447	\$ 974,100	\$ 950,255,547
=====				
MARKET OPPORTUNITY (NMO)	LEVEL 1	LEVEL 2	LEVEL 3	TO
Investments:				
Municipal Bonds	\$ --	\$ 1,012,295,592	\$ --	\$ 1,012,295,592
=====				
DIVIDEND ADVANTAGE (NAD)	LEVEL 1	LEVEL 2	LEVEL 3	TO
Investments:				
Municipal Bonds	\$ --	\$ 856,844,817	\$ 974,100	\$ 857,818,917
Investment Companies	545,639	--	--	545,639
Total	\$ 545,639	\$ 856,844,817	\$ 974,100	\$ 858,364,453
=====				
DIVIDEND ADVANTAGE 2 (NXZ)	LEVEL 1	LEVEL 2	LEVEL 3	TO
Investments:				
Municipal Bonds	\$ --	\$ 646,267,891	\$ --	\$ 646,267,891
=====				
DIVIDEND ADVANTAGE 3 (NZF)	LEVEL 1	LEVEL 2	LEVEL 3	TO
Investments:				
Municipal Bonds	\$ --	\$ 886,420,820	\$ 2,337,840	\$ 888,758,660
Investment Companies	3,428,973	--	--	3,428,973
Total	\$3,428,973	\$ 886,420,820	\$ 2,337,840	\$ 892,187,433
=====				

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

	MUNICIPAL ADVANTAGE (NMA) LEVEL 3 MUNICIPAL BONDS	DIVIDEND ADVANTAGE (NAD) LEVEL 3 MUNICIPAL BONDS	DIVIDEND ADVANTAGE 2 (NXZ) LEVEL 3 MUNICIPAL BONDS
Balance at the beginning of period	\$ --	\$ --	\$ --
Gains (losses):			
Net realized gains (losses)	--	--	--
Net change in unrealized appreciation (depreciation)	--	--	--

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

Net purchases at cost (sales at proceeds)		--		--
Net discounts (premiums)		--		--
Net transfers in to (out of) at end of period fair value		974,100		974,100
-----		-----		-----
Balance at the end of period	\$	974,100	\$	974,100
=====		=====		=====

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

		MUNICIPAL ADVANTAGE (NMA)		DIVIDEND ADVANTAGE (NAD)		D ADVA
-----		-----		-----		-----
Level 3 net appreciation (depreciation)	\$	404,384	\$	404,384	\$	
=====		=====		=====		=====

88 Nuveen Investments

3. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes. The Funds did not invest in derivative instruments during the six months ended April 30, 2010.

4. FUND SHARES

COMMON SHARES

Since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding Common shares.

Transactions in Common shares were as follows:

		PERFORMANCE PLUS (NPP)			MUNICIPAL ADVANTAGE (NM)
-----		-----	-----	-----	-----
		SIX MONTHS ENDED	YEAR ENDED	SIX MONTHS ENDED	
		4/30/10	10/31/09	4/30/10	10/
-----		-----	-----	-----	-----
Common shares issued to shareholders due to reinvestment of distributions		--	--	101,028	2
=====		=====	=====	=====	=====

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

	DIVIDEND ADVANTAGE (NAD)		DIVIDEND ADVANTAGE 2 (NAD)	
	SIX MONTHS ENDED 4/30/10	YEAR ENDED 10/31/09	SIX MONTHS ENDED 4/30/10	YEAR ENDED 10/31/09
	Common shares issued to shareholders due to reinvestment of distributions	--	--	4,328

PREFERRED SHARES

Transactions in ARPS were as follows:

	PERFORMANCE PLUS (NPP)				MUNICIPAL BOND	
	SIX MONTHS ENDED 4/30/10		YEAR ENDED 10/31/09		SIX MONTHS ENDED 4/30/10	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
ARPS redeemed:						
Series M	--	\$ --	165	\$ 4,125,000	2,457	\$ 61,425,000
Series T	--	\$ --	165	4,125,000	2,457	61,425,000
Series W	--	\$ --	166	4,150,000	2,456	61,400,000
Series TH	--	\$ --	130	3,250,000	1,901	47,525,000
Series F	--	\$ --	164	4,100,000	2,457	61,425,000
Total	--	\$ --	790	\$19,750,000	11,728	\$293,200,000

Nuveen Investments 89

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

	MARKET OPPORTUNITY (NMO)				DIVIDEND	
	SIX MONTHS ENDED 4/30/10		YEAR ENDED 10/31/09		SIX MONTHS ENDED 4/30/10	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
ARPS redeemed:						
Series M	3,649	\$ 91,225,000	158	\$ 3,950,000	1,922	\$ 48,050,000
Series T	3,648	91,200,000	159	3,975,000	1,921	48,025,000
Series W	2,920	73,000,000	126	3,150,000	--	--

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

Series TH	--	--	--	--	1,826	45,650,
Series F	3,650	91,250,000	157	3,925,000	--	
Total	13,867	\$346,675,000	600	\$15,000,000	5,669	\$141,725,

	DIVIDEND ADVANTAGE 2 (NXZ)				DIVIDEND	
	SIX MONTHS ENDED 4/30/10		YEAR ENDED 10/31/09		SIX MONTHS ENDED 4/30/10	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMO
ARPS redeemed:						
Series M	N/A	N/A	N/A	N/A	--	\$
Series T	N/A	N/A	N/A	N/A	--	
Series W	N/A	N/A	N/A	N/A	--	
Series TH	N/A	N/A	N/A	N/A	--	
Series F	N/A	N/A	N/A	N/A	--	
Total	N/A	N/A	N/A	N/A	--	\$

N/A - Dividend Advantage 2 (NXZ) redeemed all \$222,000,000 of its outstanding ARPS during the fiscal year ended October 31, 2008.

Transactions in MTP Shares were as follows:

	DIVIDEND	
	SIX MONTHS ENDED 4/30/10	
	SHARES	AMO
MTP Shares issued:		
Series 2015	14,430,000	\$144,300,

Transactions in VRDP Shares were as follows:

	MUNICIPAL ADVANTAGE (NMA)				MARKET O	
	SIX MONTHS ENDED 4/30/10		YEAR ENDED 10/31/09		SIX MONTHS ENDED 4/30/10	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMO

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

VRDP Shares issued:							
Series 1	2,968	\$296,800,000	--	\$	--	3,509	\$350,900,

5. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments) during the six months ended April 30, 2010, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)
Purchases	\$ 78,116,635	\$ 70,845,166	\$115,354,228	\$ 37,322,616
Sales and maturities	92,533,124	87,273,960	119,855,350	33,284,260

90 Nuveen Investments

6. INCOME TAX INFORMATION

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

At April 30, 2010, the cost and unrealized appreciation (depreciation) of investments as determined on a federal income tax basis, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVI ADVAN
Cost of investments	\$1,241,244,476	\$874,200,679	\$963,944,405	\$799,253
Gross unrealized:				
Appreciation	\$ 76,353,180	\$ 43,959,872	\$ 47,508,576	\$ 44,577
Depreciation	(36,415,716)	(35,597,171)	(47,902,389)	(37,069)
Net unrealized appreciation (depreciation) of investments	\$ 39,937,464	\$ 8,362,701	\$ (393,813)	\$ 7,508

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

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

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVI ADVAN
Undistributed net tax-exempt income *	\$ 14,778,549	\$ 10,307,023	\$ 11,839,667	\$ 8,600
Undistributed net ordinary income **	22,973	63,544	665	
Undistributed net long-term capital gains	863,865	3,011,399	--	

* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on October 1, 2009, paid on November 2, 2009.

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

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

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVI ADVAN
Distributions from net tax-exempt income	\$ 50,061,453	\$ 38,441,112	\$ 39,112,569	\$ 34,327
Distributions from net ordinary income **	60,857	126,563	--	
Distributions from net long-term capital gains	--	--	--	

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

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

Expiration:
October 31, 2011

MA
OPPORTU

\$ 4,216

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

October 31, 2012	973
October 31, 2013	
October 31, 2014	3,141
October 31, 2015	1,902
October 31, 2016	1,398
October 31, 2017	

 Total \$ 11,633
 =====

Nuveen Investments 91

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

7. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

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

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

AVERAGE DAILY NET ASSETS*	PERFORMANCE PLUS (NPP) MUNICIPAL ADVANTAGE (NMA) MARKET OPPORTUNITY (NMO) FUND-LEVEL FEE RATE
For the first \$125 million	.4500%
For the next \$125 million	.4375
For the next \$250 million	.4250
For the next \$500 million	.4125
For the next \$1 billion	.4000
For the next \$3 billion	.3875
For net assets over \$5 billion	.3750

AVERAGE DAILY NET ASSETS*	DIVIDEND ADVANTAGE (NAD) DIVIDEND ADVANTAGE 2 (NXZ) DIVIDEND ADVANTAGE 3 (NZF) FUND-LEVEL FEE RATE
For the first \$125 million	.4500%
For the next \$125 million	.4375
For the next \$250 million	.4250
For the next \$500 million	.4125
For the next \$1 billion	.4000
For net assets over \$2 billion	.3750

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

COMPLEX-LEVEL ASSET BREAKPOINT LEVEL*	EFFECTIVE RATE AT BREAKPOINT LEVEL
-----	-----

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

\$55 billion	.2000%
\$56 billion	.1996
\$57 billion	.1989
\$60 billion	.1961
\$63 billion	.1931
\$66 billion	.1900
\$71 billion	.1851
\$76 billion	.1806
\$80 billion	.1773
\$91 billion	.1691
\$125 billion	.1599
\$200 billion	.1505
\$250 billion	.1469
\$300 billion	.1445

* The complex-level fee component of the management fee for the funds is calculated based upon the aggregate daily managed assets of all Nuveen funds, with such daily managed assets defined separately for each fund in its management agreement, but excluding assets attributable to investments in other Nuveen funds. For the complex-level and fund-level fees, daily managed assets include assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds' use of preferred stock and borrowings and investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser to limit the amount of such assets for determining managed assets in certain circumstances. As of April 30, 2010, the complex-level fee rate was .1852%.

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

92 Nuveen Investments

As of July 31, 2009, the Adviser is no longer reimbursing Dividend Advantage (NAD) for any fees or expenses.

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

YEAR ENDING MARCH 31,		YEAR ENDING MARCH 31,	
2001*	.30%	2007	.25%
2002	.30	2008	.20
2003	.30	2009	.15
2004	.30	2010	.10

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

2005	.30	2011	.05
2006	.30		

=====

* From the commencement of operations.

The Adviser has not agreed to reimburse Dividend Advantage 2 (NXZ) for any portion of its fees and expenses beyond March 31, 2011.

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

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

=====

* From the commencement of operations.

The Adviser has not agreed to reimburse Dividend Advantage 3 (NZF) for any portion of its fees and expenses beyond September 30, 2011.

8. NEW ACCOUNTING PRONOUNCEMENTS

ACCOUNTING FOR TRANSFERS OF FINANCIAL ASSETS

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

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

FAIR VALUE MEASUREMENTS

On January 21, 2010, FASB issued changes to the authoritative guidance under U.S. GAAP for fair value measurements. The objective of this guidance is to provide guidance on how investment assets and liabilities are to be valued and disclosed. Specifically, the amendment requires reporting entities to disclose i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for both Level 2 and Level 3 positions, ii) transfers between all levels (including Level 1 and Level 2) on a

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

gross basis (i.e., transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer and iii) purchases, sales, issuances and settlements in the Level 3 rollforward must be shown on a gross basis rather than as one net number. The effective date of the amendment is for interim and annual periods beginning after December 15, 2009, however, the requirement to provide the Level 3 activity for purchases, sales, issuances and settlements on a gross basis will be effective for interim and annual periods beginning after December 15, 2010. At this time, the management is evaluating the implications of this guidance and the impact it will have to the financial statement amounts and footnote disclosures, if any.

Nuveen Investments 93

| Financial
| Highlights (Unaudited)

Selected data for a Common share outstanding throughout each period:

	INVESTMENT OPERATIONS						LESS DISTRIBUTIONS	
	BEGINNING COMMON SHARE NET ASSET VALUE	NET INVESTMENT INCOME	REALIZED/ UNREALIZED GAIN (LOSS)	DISTRI- BUTIONS FROM NET INVESTMENT INCOME TO AUCTION RATE PREFERRED SHARE- HOLDERS+	DISTRI- BUTIONS FROM CAPITAL GAINS TO AUCTION RATE PREFERRED SHARE- HOLDERS+	TOTAL	NET INVESTMENT INCOME TO COMMON SHARE- HOLDERS	CAPITAL GAINS TO COMMON SHARE- HOLDERS
PERFORMANCE PLUS (NPP)								
Year Ended 10/31:								
2010 (d)	\$14.52	\$.52	\$.35	\$ (.01)	\$ --**	\$.86	\$ (.45)	\$ (
2009	12.69	1.03	1.65	(.06)	--	2.62	(.79)	
2008	15.22	1.02	(2.56)	(.29)	--	(1.83)	(.70)	
2007	15.78	.99	(.47)	(.27)	(.01)	.24	(.75)	
2006	15.51	1.00	.38	(.25)	--	1.13	(.84)	
2005	15.87	1.02	(.26)	(.16)	--	.60	(.94)	
MUNICIPAL ADVANTAGE (NMA)								
Year Ended 10/31:								
2010 (d)	14.08	.53	.35	(.01)	--**	.87	(.48)	
2009	12.12	1.10	1.76	(.06)	--	2.80	(.84)	
2008	15.20	1.08	(3.06)	(.30)	(.01)	(2.29)	(.77)	
2007	15.88	1.07	(.63)	(.29)	--	.15	(.83)	
2006	15.70	1.08	.27	(.26)	--	1.09	(.90)	
2005	16.02	1.09	(.24)	(.16)	--	.69	(1.00)	

AUCTION RATE
PREFERRED SHARES

VARIABLE RATE DEMAND
PREFERRED SHARES

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

	AT END OF PERIOD			AT END OF PERIOD		
	AGGREGATE	LIQUIDATION	ASSET	AGGREGATE	LIQUIDATION	ASSET
	AMOUNT	AND MARKET		AMOUNT	AND MARKET	
OUTSTANDING	VALUE	COVERAGE	OUTSTANDING	VALUE	COVERAGE	
	(000)	PER SHARE	PER SHARE	(000)	PER SHARE	PER SHARE
PERFORMANCE PLUS (NPP)						
Year Ended 10/31:						
2010 (d)	\$419,900	\$25,000	\$78,218	\$ --	\$ --	\$ --
2009	419,900	25,000	76,790	--	--	--
2008	439,650	25,000	68,244	--	--	--
2007	479,000	25,000	72,603	--	--	--
2006	479,000	25,000	74,333	--	--	--
2005	479,000	25,000	73,515	--	--	--

MUNICIPAL ADVANTAGE (NMA)						
Year Ended 10/31:						
2010 (d)	--	--	--	296,800	100,000	310,268
2009	293,200	25,000	76,911	--	--	--
2008	341,650	25,000	63,314	--	--	--
2007	358,000	25,000	70,866	--	--	--
2006	358,000	25,000	72,743	--	--	--
2005	358,000	25,000	72,184	--	--	--

94 Nuveen Investments

	RATIOS/SUPPLEMENTAL DATA					
	TOTAL RETURNS			RATIOS TO AVERAGE NET ASSETS		
	APPLICABLE TO COMMON SHARES++ (B)					
	BASED	BASED	ENDING	EXPENSES	EXPENSES	NET
ON	ON	NET	INCLUDING	EXCLUDING	INVESTMENT	
MARKET	SHARE	ASSETS	INTEREST (C)	INTEREST	INCOME	
VALUE (A)	NET	TO COMMON				
VALUE (A)	VALUE (A)	SHARES (000)				
PERFORMANCE PLUS (NPP)						
Year Ended 10/31:						
2010 (d)	9.49%	6.04%	\$893,854	1.15%*	1.12%*	7.11%*
2009	24.78	21.20	869,873	1.23	1.18	7.59
2008	(10.71)	(12.49)	760,496	1.25	1.17	6.96
2007	(4.97)	1.53	912,066	1.16	1.14	6.38
2006	10.78	7.50	945,222	1.15	1.15	6.44
2005	3.02	3.83	929,544	1.15	1.15	6.45

MUNICIPAL ADVANTAGE (NMA)						
Year Ended 10/31:						

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

2010 (d)	10.99	6.29	624,075	1.41*	1.30*	7.62*
2009	25.70	23.89	608,813	1.31	1.22	8.51
2008	(13.16)	(15.65)	523,602	1.38	1.21	7.50
2007	(7.08)	1.06	656,806	1.40	1.17	6.87
2006	10.68	7.16	683,675	1.18	1.18	6.92
2005	3.29	4.42	675,678	1.17	1.17	6.81

* Annualized.

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

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares and/or Variable Rate Demand Preferred Shares, where applicable.

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

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

(b) Expense ratios do not reflect the reduction of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.

(c) The expense ratios reflect, among other things, payments to Variable Rate Demand Preferred shareholders and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, as described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.

(d) For the six months ended April 30, 2010.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 95

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

Selected data for a Common share outstanding throughout each period:

BEGINNING COMMON SHARE NET ASSET VALUE	NET INVESTMENT INCOME	NET REALIZED/ UNREALIZED GAIN (LOSS)	INVESTMENT OPERATIONS		TOTAL	LESS DISTRIB	
			DISTRI- BUTIONS FROM NET INVESTMENT INCOME TO AUCTION RATE PREFERRED SHARE- HOLDERS+	DISTRI- BUTIONS FROM CAPITAL GAINS TO AUCTION RATE PREFERRED SHARE- HOLDERS+		NET INVESTMENT COMMON SHARE- HOLDERS	NET CAPITAL GAINS COMMON SHARE HOLDERS

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

2010 (d)	\$13.59	\$.53	\$.32	\$ (.01)	\$ --	\$.84	\$ (.47)	\$
2009	12.23	1.10	1.13	(.06)	--	2.17	(.81)	
2008	14.83	1.03	(2.59)	(.31)	--	(1.87)	(.73)	
2007	15.41	1.04	(.56)	(.30)	--	.18	(.76)	
2006	15.14	1.02	.34	(.26)	--	1.10	(.83)	
2005	15.48	1.03	(.29)	(.16)	--	.58	(.92)	

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

2010 (d)	13.89	.52	.35	(.01)	--	.86	(.45)	
2009	11.77	1.07	1.93	(.05)	--	2.95	(.83)	
2008	14.90	1.05	(3.14)	(.27)	--	(2.36)	(.77)	
2007	15.54	1.04	(.60)	(.27)	--	.17	(.81)	
2006	15.28	1.04	.32	(.24)	--	1.12	(.86)	
2005	15.62	1.06	(.25)	(.15)	--	.66	(1.00)	

AGGREGATE LIQUIDATION AMOUNT AND MARKET OUTSTANDING (000)	ASSET VALUE PER SHARE	ASSET COVERAGE PER SHARE	AGGREGATE LIQUIDATION AMOUNT AND MARKET OUTSTANDING (000)	ASSET VALUE PER SHARE	AVERAGE MARKET VALUE PER SHARE	ASSET COVERAGE PER SHARE	AUCTION RATE PREFERRED SHARES AND MUNIFUND TERM PREFERRED SHARES AT END OF PERIOD

MARKET OPPORTUNITY (NMO)

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

Year Ended 10/31:

Year Ended 10/31:	2010 (d)	2009	2008	2007	2006	2005
	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
	346,675	25,000	69,661	--	--	--
	361,675	25,000	63,525	--	--	--
	380,000	25,000	69,446	--	--	--
	380,000	25,000	71,155	--	--	--
	380,000	25,000	70,374	--	--	--

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

Year Ended 10/31:	2010 (d)	2009	2008	2007	2006	2005
	120,075	25,000	78,128	144,300	10	10.00**
	261,800	25,000	77,095	--	--	31.25
	266,800	25,000	68,343	--	--	3.13
	295,000	25,000	74,618	--	--	--
	295,000	25,000	76,722	--	--	--
	295,000	25,000	75,838	--	--	--

96 Nuveen Investments

RATIOS/SUPPLEMENTAL DATA

TOTAL RETURNS			RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT++			RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES AFTER REIMBURSEMENT++	
BASED ON MARKET VALUE (a)	BASED ON COMMON SHARE NET ASSET VALUE (a)	ENDING NET ASSETS APPLICABLE TO COMMON SHARES (000)	EXPENSES INCLUDING INTEREST (c)	EXPENSES EXCLUDING INTEREST	NET INVESTMENT INCOME	EXPENSES INCLUDING INTEREST (c)	EXPENSES EXCLUDING INTEREST
8.49%	6.31%	\$636,756	1.37%*	1.28%*	7.80%*	N/A%	N/A%
23.67	18.30	619,319	1.32	1.25	8.58	N/A	N/A
(9.87)	(13.07)	557,346	1.36	1.23	7.33	N/A	N/A
(5.00)	1.20	675,577	1.38	1.19	6.87	N/A	N/A
11.92	7.49	701,559	1.19	1.19	6.73	N/A	N/A
4.70	3.78	689,682	1.19	1.19	6.66	N/A	N/A

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

Year Ended 10/31:	2010 (d)	2009	2008	2007	2006	2005
	12.97	6.31	561,828	1.35*	1.10*	7.52*
	28.86	25.78	545,534	1.26	1.17	8.38
	(16.46)	(16.42)	462,554	1.36	1.15	7.33
	(5.96)	1.10	585,496	1.24	1.13	6.60
	11.19	7.59	610,316	1.12	1.12	6.54
	1.77	4.27	599,887	1.17	1.17	6.48

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

Year Ended 10/31:	2010 (d)	2009	2008	2007	2006	2005
	12.97	6.31	561,828	1.35*	1.10*	7.52*
	28.86	25.78	545,534	1.26	1.17	8.38
	(16.46)	(16.42)	462,554	1.36	1.15	7.33
	(5.96)	1.10	585,496	1.24	1.13	6.60
	11.19	7.59	610,316	1.12	1.12	6.54
	1.77	4.27	599,887	1.17	1.17	6.48

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

- * Annualized.
- ** For the period March 16, 2010 (first issuance date of shares) through April 30, 2010.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares, MuniFund Term Preferred Shares and/or Variable Rate Demand Preferred Shares, where applicable.
- (a) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.
- (b) After expense reimbursement from the Adviser, where applicable. Expense ratios do not reflect the reduction of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable. As of July 31, 2009, the Adviser is no longer reimbursing Dividend Advantage (NAD) for any fees and expenses.
- (c) The expense ratios reflect, among other things, payments to MuniFund Term Preferred shareholders, Variable Rate Demand Preferred shareholders and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, as described in Footnote 1 - MuniFund Term Preferred Shares, Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.
- (d) For the six months ended April 30, 2010.
- N/A Fund does not have a contractual reimbursement agreement with the Adviser.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 97

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

Selected data for a Common share outstanding throughout each period:

BEGINNING COMMON SHARE NET ASSET VALUE	INVESTMENT OPERATIONS					LESS DISTRIBUTIONS		
	NET INVESTMENT INCOME	NET REALIZED/ UNREALIZED GAIN (LOSS)	DISTR- IBUTION FROM NET INVESTMENT INCOME TO AUCTION RATE PREFERRED SHARE- HOLDERS+	DISTR- IBUTIONS FROM CAPITAL GAINS TO AUCTION RATE PREFERRED SHARE- HOLDERS+	TOTAL	NET INVESTMENT COMMON SHARE- HOLDERS	CAPITA GAIN T COMM SHARE HOLDER	

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

2010 (d)	\$14.45	\$.52	\$.34	\$ --	\$ --	\$.86	\$ (.48)	\$ (.00)
2009	12.71	1.04	1.59	--	--	2.63	(.89)	--
2008	15.55	1.05	(2.81)	(.20)	--	(1.96)	(.88)	--
2007	16.02	1.13	(.43)	(.27)	--	.43	(.90)	--
2006	15.80	1.12	.32	(.24)	--	1.20	(.98)	--
2005	15.63	1.13	.22	(.15)	--	1.20	(1.03)	--

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

2010 (d)	14.19	.54	.28	(.01)	--**	.81	(.46)	(.00)
2009	12.10	1.08	1.91	(.05)	--	2.94	(.85)	--
2008	15.03	1.06	(2.95)	(.27)	--	(2.16)	(.77)	--
2007	15.54	1.07	(.44)	(.27)	(.01)	.35	(.84)	(.00)
2006	15.32	1.07	.29	(.24)	--	1.12	(.90)	--
2005	15.36	1.06	.01	(.15)	--	.92	(.96)	--

AUCTION RATE PREFERRED SHARES AT END OF PERIOD			VARIABLE RATE DEMAND PREFERRED SHARES AT END OF PERIOD		
AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION AND MARKET VALUE PER SHARE	ASSET COVERAGE PER SHARE	AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION AND MARKET VALUE PER SHARE	ASSET COVERAGE PER SHARE

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

2010 (d)	\$ --	\$ --	\$ --	\$196,000	\$100,000	\$322,641
2009	--	--	--	196,000	100,000	316,966
2008	--	--	--	196,000	100,000	290,785
2007	222,000	25,000	76,463	--	--	--
2006	222,000	25,000	77,949	--	--	--
2005	222,000	25,000	77,124	--	--	--

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

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

2010 (d)	236,950	25,000	86,675	--	--	--
2009	236,950	25,000	85,465	--	--	--
2008	270,775	25,000	70,108	--	--	--
2007	312,000	25,000	73,630	--	--	--
2006	312,000	25,000	75,227	--	--	--
2005	312,000	25,000	74,468	--	--	--

98 Nuveen Investments

RATIOS/SUPPLEMENTAL DATA

TOTAL RETURNS		RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT++				RATIOS TO APPLICABLE AFTER R	
		BASED ON MARKET VALUE (a)	ENDING NET ASSETS APPLICABLE TO COMMON SHARES (000)	EXPENSES INCLUDING INTEREST (c)	EXPENSES EXCLUDING INTEREST	NET INVESTMENT INCOME	EXPENSES INCLUDING INTEREST (c)
BASED ON MARKET VALUE (a)	SHARE NET ASSET VALUE (a)						

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

2010 (d)	6.46%	6.06%	\$436,377	1.58%*	1.38%*	7.25%*	1.45%*
2009	22.63	21.41	425,253	1.91	1.47	7.59	1.73
2008	(15.21)	(13.23)	373,940	1.71	1.22	6.82	1.45
2007	(.78)	2.76	456,992	1.25	1.11	6.83	.93
2006	11.95	7.86	470,189	1.11	1.11	6.70	.72
2005	8.58	7.83	462,862	1.12	1.12	6.66	.68

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

2010 (d)	9.47	5.87	584,560	1.19*	1.10*	7.41*	1.03*
2009	33.89	25.08	573,088	1.26	1.15	7.98	1.04
2008	(17.85)	(14.99)	488,561	1.34	1.15	7.08	1.04
2007	(7.72)	2.31	606,908	1.32	1.13	6.65	.94
2006	16.90	7.57	626,836	1.13	1.13	6.51	.68
2005	6.11	6.09	617,358	1.13	1.13	6.39	.69

* Annualized.

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

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; Net Investment Income ratios reflect income earned

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

and expenses incurred on assets attributable to Auction Rate Preferred Shares and/or Variable Rate Demand Preferred Shares, where applicable.

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

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

- (b) After expense reimbursement from the Adviser, where applicable. Expense ratios do not reflect the reduction of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.
- (c) The expense ratios reflect, among other things, payments to Variable Rate Demand Preferred shareholders and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, as described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.
- (d) For the six months ended April 30, 2010.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 99

Reinvest Automatically
Easily and Conveniently

NUVEEN MAKES REINVESTING EASY. A PHONE CALL IS ALL IT TAKES TO SET UP YOUR REINVESTMENT ACCOUNT.

NUVEEN CLOSED-END FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

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

EASY AND CONVENIENT

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

HOW SHARES ARE PURCHASED

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

100 Nuveen Investments

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

FLEXIBLE

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

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

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

CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS

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

Glossary of Terms
Used in this Report

- o AUCTION RATE BOND: An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have "failed", with current holders receiving a formula-based interest rate until the next scheduled auction.
- o AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.
- o AVERAGE EFFECTIVE MATURITY: The average of the number of years to maturity of the bonds in a Fund's portfolio, computed by weighting each bond's time to maturity (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions unless an escrow account has been established to redeem the bond before maturity. The market value weighting for an investment in an inverse floating rate security is the value of the portfolio's residual interest in the inverse floating rate trust, and does not include the value of the floating rate securities issued by the trust.
- o DURATION: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change.
- o INVERSE FLOATERS: Inverse floating rate securities, also known as inverse floaters, are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an "inverse floater") to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

102 Nuveen Investments

- o LEVERAGE-ADJUSTED DURATION: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently

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

is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.

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

Nuveen Investments 103

Notes

104 Nuveen Investments

Other Useful Information

BOARD OF DIRECTORS/TRUSTEES

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

FUND MANAGER

Nuveen Asset Management
333 West Wacker Drive

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

Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust Company
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

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

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Chicago, IL

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

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

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

CEO CERTIFICATION DISCLOSURE

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

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

COMMON AND PREFERRED SHARE INFORMATION

Each Fund intends to repurchase and/or redeem shares of its own common and/or auction rate preferred stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Funds repurchased and/or redeemed shares of their common and/or auction rate preferred stock as shown in the accompanying table.

FUND	COMMON SHARES REPURCHASED	AUCTION RATE
		PREFERRED SHARES REDEEMED
NPP	--	--

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

NMA	--	11,728
NMO	--	13,867
NAD	--	5,669
NXZ	--	--
NZF	--	--

Any future repurchases and/or redemptions will be reported to shareholders in the next annual or semi-annual report.

Nuveen Investments 105

Nuveen Investments:
Serving Investors for Generations

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

FOCUSED ON MEETING INVESTOR NEEDS.

Nuveen Investments is a global investment management firm that seeks to help secure the long-term goals of institutions and high net worth investors as well as the consultants and financial advisors who serve them. We market our growing range of specialized investment solutions under the high-quality brands of HydePark, NWQ, Nuveen, Santa Barbara, Symphony, Tradewinds and Winslow Capital. In total, Nuveen Investments managed approximately \$150 billion of assets on March 31, 2010.

FIND OUT HOW WE CAN HELP YOU.

To learn more about how the products and services of Nuveen Investments may be able to help you meet your financial goals, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest.

Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain a prospectus, which contains this and other relevant information. To obtain a prospectus, please contact your securities representative or NUVEEN INVESTMENTS, 333 W. WACKER DR., CHICAGO, IL 60606. Please read the prospectus carefully before you invest or send money.

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

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

Distributed by
Nuveen Investments, LLC
333 West Wacker Drive
Chicago, IL 60606

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

www.nuveen.com

ESA-B-0410D

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) See Portfolio of Investments in Item 1.

(b) Not applicable.

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

Not applicable to this filing.

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

Not applicable to this filing.

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

Not applicable.

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

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

ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).

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

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

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

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

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

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference: See Ex-99.906 CERT attached hereto.

SIGNATURES

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

(Registrant) Nuveen Dividend Advantage Municipal Fund 3

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

Kevin J. McCarthy
(Vice President and Secretary)

Date: July 8, 2010

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

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

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

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

Date: July 8, 2010

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

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

Date: July 8, 2010