

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-Q
April 01, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT
COMPANY

Investment Company Act file number 811-10345

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

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

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

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

Date of fiscal year end: 10/31

Date of reporting period: 1/31/11

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

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

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Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)
 Nuveen Dividend Advantage Municipal Fund 3 (NZF)
 January 31, 2011

Principal Amount	Description (1)	Optional Call Provisions	(2) Ratings (3)	Value
(000)	Municipal Bonds – 150.6% (99.6% of Total Investments)			
	Alabama – 1.7% (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	Aa1	\$ 3,280,655
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	BBB (4)	5,821,314
9,155	Total Alabama			9,101,969
	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	Baa3	589,340
3,390	Arizona – 0.9% (0.6% of Total Investments)			
	Arizona State Transportation Board, Highway Revenue Bonds, Series 2008, Trust 3151, 13.351%, 7/01/16 (IF)	No Opt. Call	AAA	3,336,167
2,200	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	A	1,871,958
5,590	Total Arizona			5,208,125
	Arkansas – 0.7% (0.5% of Total Investments)			
	Sebastian County Health Facilities Board, Arkansas, Hospital Revenue Improvement Bonds, Sparks Regional Medical Center, Series 2001A:			
1,805	5.500%, 11/01/13 (Pre-refunded 11/01/11)	11/11 at 101.00	N/R (4)	1,890,593
1,900	5.500%, 11/01/14 (Pre-refunded 11/01/11)	11/11 at 101.00	N/R (4)	1,990,098
3,705	Total Arkansas			3,880,691
	California – 11.4% (7.6% of Total Investments)			
	California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A:			
2,065	5.000%, 3/01/28	3/13 at 100.00	A	1,858,335
140	5.000%, 3/01/33	3/13 at 100.00	A	122,056

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3,400	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2009B, 5.500%, 10/01/39	10/19 at 100.00	AA	3,281,000
2,900	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 (UB)	11/16 at 100.00	AA-	2,419,035
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	A+	4,675,150
5,355	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.571%, 5/15/14 (IF)	No Opt. Call	AA-	4,174,330
2,575	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 – NPF	6/11 at 100.00	AA	2,575,077
	Insured (Alternative Minimum Tax)			
	Ceres Unified School District, Stanislaus County, California, General Obligation Bonds, Series 2002B:			
2,180	0.000%, 8/01/31 – FGIC Insured	8/12 at 32.87	A+	502,316
3,300	0.000%, 8/01/32 – FGIC Insured	8/12 at 30.97	A+	707,850
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	Baa3	6,995,367
	Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2001:			
10,510	5.750%, 1/01/16 – AMBAC Insured (Alternative Minimum Tax)	1/12 at 100.00	A-	10,727,347
5,000	5.375%, 1/01/21 – AMBAC Insured (Alternative Minimum Tax)	1/12 at 100.00	A-	5,018,350
1,500	5.250%, 1/01/23 – AMBAC Insured (Alternative Minimum Tax)	1/12 at 100.00	A-	1,488,795
10,000	5.500%, 1/01/32 – AMBAC Insured (Alternative Minimum Tax)	1/12 at 100.00	A-	9,312,400
12,000	Palomar Pomerado Health, California, General Obligation Bonds, Convertible Capital Appreciation, Election 2004 Series 2010A, 0.000%, 8/01/40	8/30 at 100.00	A+	6,247,080
10,000	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 – NPF	No Opt. Call	Baa1	1,213,700
3,000	Insured San Mateo County Community College District, California, General Obligation Bonds, Series 2006C, 0.000%, 9/01/30 – NPF	No Opt. Call	Aaa	918,900
90,790	Total California			62,237,088
	Colorado – 6.4% (4.2% 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	N/R (4)	2,483,415

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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	N/R (4)	1,752,471
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	N/R (4)	1,815,683
3,220	Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Montessori Peaks Academy, Series 2006A, 5.400%, 5/01/26	5/16 at 102.00	N/R	2,603,821
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	AAA	3,355,326
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	N/R	3,663,950
3,300	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006, 5.000%, 11/15/24 – FGIC Insured	11/16 at 100.00	A+	3,348,279
5,365	Denver, Colorado, Airport Revenue Bonds, Series 2006A: 5.000%, 11/15/23 – FGIC Insured (UB)	11/16 at 100.00	A+	5,479,435
4,335	Denver City and County, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.000%, 11/15/25 – FGIC Insured (UB)	11/16 at 100.00	A+	4,369,333
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	A+	2,060,380
950	Maher Ranch Metropolitan District 4, Colorado, General Obligation Limited Tax Bonds, Series 2007: 5.125%, 12/01/27 – RAAI Insured	12/17 at 100.00	N/R	768,265
2,000	Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 5.250%, 12/01/36 – RAAI Insured	12/17 at 100.00	N/R	1,515,040
1,000	Regional Transportation District, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25	6/14 at 101.00	N/R	973,830
630	Regional Transportation District, Colorado, Certificates of Participation, Series 2010A, 5.375%, 6/01/31	6/20 at 100.00	Aa3	616,984
36,770	Total Colorado			34,806,212
	Delaware – 0.2% (0.1% of Total Investments)			
1,055	Delaware State Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24	7/12 at 100.00	Aa3	1,088,032
	District of Columbia – 0.6% (0.4% of Total Investments)			
1,335	Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007, Residuals 1606, 11.381%, 10/01/30 – AMBAC Insured (IF)	10/16 at 100.00	AA+	897,294
3,335			AA+	2,241,554

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	Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Tender Option Bond Trust 1730, 11.357%, 10/01/30 – AMBAC Insured (IF)	10/16 at 100.00		
4,670	Total District of Columbia Florida – 1.6% (1.0% of Total Investments) Orange County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G:			3,138,848
1,105	5.400%, 12/01/32 – AGM Insured	12/11 at 100.00	AA+	1,077,265
2,195	5.450%, 12/01/41 – AGM Insured	12/11 at 100.00	AA+	2,103,293
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	AA	4,700,301
1,000	Tolomato Community Development District, Florida, Special Assessment Bonds, Series 2007, 6.650%, 5/01/40	5/18 at 100.00	N/R	666,140
9,755	Total Florida Georgia – 5.6% (3.7% of Total Investments)			8,546,999
5,000	Atlanta, Georgia, Airport General Revenue Bonds, Series 2000B, 5.625%, 1/01/30 – FGIC Insured (Alternative Minimum Tax)	7/11 at 100.50	A+	4,869,250
15,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2010C, 5.250%, 1/01/30	1/21 at 100.00	A1	14,561,700
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	AAA	2,895,237
3,000	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.125%, 12/01/45	12/20 at 100.00	N/R	2,924,280
2,000	Fulton County Residential Care Facilities Authority, Georgia, Revenue Bonds, Elderly Care, Lenbrook Square Project, Series 2006A, 5.125%, 7/01/42	7/17 at 100.00	N/R	1,196,980
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	N/R (4)	3,795,988
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	N/R	360,405
31,940	Total Georgia Illinois – 16.5% (10.9% of Total Investments)			30,603,840
8,375	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.500%, 1/01/19 – AGM Insured (Alternative Minimum Tax)	1/12 at 100.00	AA+	8,460,676
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)	7/11 at 101.00	A2	4,472,028

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2,220	Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A, 5.500%, 1/01/16 – NPMFG Insured	No Opt. Call	Aa3	2,411,564
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	Aa2 (4)	10,346,200
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	A1	1,029,091
8,875	Cook County, Illinois, General Obligation Bonds, Refunding Series 2010A, 5.250%, 11/15/33	11/20 at 100.00	AA	8,510,149
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	A2	2,333,397
3,385	Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37	8/17 at 100.00	BBB	2,837,036
9,000	Illinois Health Facilities Authority, Revenue Bonds, Covenant Retirement Communities Inc., Series 2001, 5.875%, 12/01/31	12/11 at 101.00	BBB-	8,134,290
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	Baa3 (4)	15,347,100
5,000	Lake County School District 38, Big Hollow, Illinois, General Obligation Bonds, Series 2005, 0.000%, 2/01/22 – AMBAC Insured	No Opt. Call	N/R	2,410,000
7,000	Lombard Public Facilities Corporation, Illinois, First Tier Conference Center and Hotel Revenue Bonds, Series 2005A-1, 7.125%, 1/01/36	1/16 at 100.00	N/R	4,674,740
12,000	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 2010A, 5.500%, 6/15/50	6/20 at 100.00	AAA	10,970,880
45,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Capital Appreciation Refunding Series 2010B-1, 0.000%, 6/15/43 – AGM Insured	No Opt. Call	AAA	4,974,750
2,790	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A, 5.500%, 6/15/29 – FGIC Insured	No Opt. Call	AAA	2,792,037
137,175	Total Illinois			89,703,938
	Indiana – 6.2% (4.1% 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	AA+ (4)	1,308,363
1,000	5.000%, 1/15/26 (Pre-refunded 1/15/12) – AMBAC Insured	1/12 at 100.00	AA+ (4)	1,042,520
	Evansville Vanderburgh Public Library Lease Corporation, Indiana, First Mortgage Bonds, Series 2001:			
2,000	5.750%, 7/15/18 (Pre-refunded 1/15/12) – NPMFG Insured	1/12 at 100.00	A+ (4)	2,101,280

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		1/12 at		
2,750	5.125%, 1/15/24 (Pre-refunded 1/15/12) – NPMG Insured	100.00	A+ (4)	2,872,898
	Hamilton Southeastern Cumberland Campus School Building	1/12 at		
1,250	Corporation, Indiana, First Mortgage	100.00	A (4)	1,305,863
	Bonds, Series 2001, 5.125%, 1/15/23 (Pre-refunded 1/15/12) – AMBAC			
	Insured			
9,500	Indiana Educational Facilities Authority, Revenue Bonds, Butler	2/11 at		
	University, Series 2001,	100.00	Baa1	9,499,620
	5.500%, 2/01/26 – NPMG Insured			
4,230	Indiana Finance Authority, Educational Facilities Revenue Bonds,	6/15 at		
	Tudor Park Foundation, Series	100.00	Aa3	4,283,425
	2005B, 5.000%, 6/01/24			
2,600	Indiana Health Facility Financing Authority, Revenue Bonds,	5/15 at		
	Community Hospitals of Indiana,	100.00	A	2,260,804
	Series 2005A, 5.000%, 5/01/35 – AMBAC Insured			
3,500	University of Southern Indiana, Student Fee Revenue Bonds, Series	10/11 at		
	2001H, 5.000%, 10/01/21 –	100.00	A1	3,517,850
	AMBAC Insured			
	Vigo County Hospital Authority, Indiana, Revenue Bonds, Union			
	Hospital, Series 2007:			
		9/17 at		
2,500	5.750%, 9/01/42	100.00	N/R	2,052,925
		9/17 at		
2,500	5.800%, 9/01/47	100.00	N/R	2,037,300
	Wayne County Jail Holding Corporation, Indiana, First Mortgage	1/13 at		
1,090	Bonds, Series 2001, 5.500%,	101.00	A1 (4)	1,200,831
	7/15/22 (Pre-refunded 1/15/13) – AMBAC Insured			
34,175	Total Indiana			33,483,679
	Iowa – 5.7% (3.8% of Total Investments)			
2,000	Iowa Finance Authority, Healthcare Revenue Bonds, Great River	5/11 at		
	Medical Center, Series 2001,	100.00	Aa3	1,870,740
	5.250%, 5/15/31 – AGM Insured			
1,000	Iowa Tobacco Settlement Authority, Asset Backed Settlement	6/15 at		
	Revenue Bonds, Series 2005C,	100.00	BBB	657,030
	5.625%, 6/01/46			
	Iowa Tobacco Settlement Authority, Tobacco Settlement			
	Asset-Backed Revenue Bonds, Series 2001B:			
23,665	5.300%, 6/01/25 (Pre-refunded 6/01/11)	6/11 at		
		101.00	AAA	24,259,228
3,950	5.600%, 6/01/35 (Pre-refunded 6/01/11)	6/11 at		
		101.00	AAA	4,057,480
30,615	Total Iowa			30,844,478
	Kansas – 0.3% (0.2% of Total Investments)			
	Manhattan Health Care Facility Revenue Bonds, Kansas, Meadowlarks			
	Hills Retirement, Series 2007B:			
		5/14 at		
1,000	5.125%, 5/15/37	103.00	N/R	744,860
		5/14 at		
1,000	5.125%, 5/15/42	103.00	N/R	728,330
2,000	Total Kansas			1,473,190
	Kentucky – 3.6% (2.4% of Total Investments)			

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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	AA+	1,015,650
18,500	Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 2001A, 5.125%, 5/15/27 – NPF Insured	11/11 at 101.00	AA-	18,620,250
19,500	Total Kentucky			19,635,900
	Louisiana – 4.6% (3.0% 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	BBB-	3,030,600
3,700	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47	5/17 at 100.00	Baa1	2,966,771
20,890	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39	5/11 at 101.00	A-	19,057,529
27,590	Total Louisiana			25,054,900
	Maine – 0.3% (0.2% of Total Investments)			
1,440	Maine State Housing Authority, Single Family Mortgage Purchase Bonds, Series 2001B, 5.500%, 11/15/32 (Alternative Minimum Tax)	5/11 at 100.00	AA+	1,421,870
	Maryland – 2.7% (1.8% of Total Investments)			
1,000	Howard County, Maryland, Retirement Community Revenue Bonds, Vantage House, Series 2007B, 5.250%, 4/01/37	4/17 at 100.00	N/R	704,430
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	Aa2	1,573,234
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	N/R	1,252,880
10,600	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	3/11 at 100.00	N/R	10,598,092
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	A-	485,336
15,725	Total Maryland			14,613,972
	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	N/R	1,098,446
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	BB-	713,470
1,600			BBB	1,542,496

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	Massachusetts Health and Educational Facilities Authority, Revenue Refunding Bonds, Suffolk University Issue, Series 2009A, 5.750%, 7/01/39	7/19 at 100.00		
4,860	Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 2008, Trust 3145, 15.199%, 6/01/16 (IF)	No Opt. Call	AA	4,794,244
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)	7/11 at 101.00	N/R	4,517,600
3,465	Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007A, 4.500%, 8/01/46 – AGM Insured (UB) (5)	2/17 at 100.00	AA+	3,039,117
17,300	Total Massachusetts Michigan – 9.4% (6.2% of Total Investments)			15,705,373
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	AA+	14,889,900
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	N/R	1,247,960
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	AA (4)	11,363,440
1,165	Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.500%, 10/15/18	10/11 at 100.00	Aa3	1,193,368
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	A+ (4)	72,471
3,210	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 – NPFG Insured (ETM)	No Opt. Call	AAA	3,437,910
1,400	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sparrow Obligated Group, Series 2001: 5.500%, 11/15/21 (Pre-refunded 11/15/11)	11/11 at 101.00	A+ (4)	1,469,034
2,500	Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 (UB)	11/11 at 101.00	A+ (4)	2,625,725
3,500	Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Series 2001M, 5.250%, 11/15/31 – NPFG Insured	12/16 at 100.00	AA	3,199,210
12,640	Total Michigan Minnesota – 1.3% (0.8% of Total Investments)	11/11 at 100.00	A1	11,355,144
52,485				50,854,162
2,215			Aaa	2,236,884

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	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		
3,000	Minnesota State, General Obligation Bonds, Various Purpose, Refunding Series 2010D, 5.000%, 8/01/18	No Opt. Call	AAA	3,482,640
1,375	Saint Paul Port Authority, Minnesota, Lease Revenue Bonds, Regions Hospital Parking Ramp Project, Series 2007-1, 5.000%, 8/01/36	8/16 at 100.00	N/R	1,118,329
6,590	Total Minnesota Mississippi – 0.9% (0.6% of Total Investments)			6,837,853
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	5/11 at 101.00	AAA	2,095,263
3,000	Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 (UB)	9/14 at 100.00	AA	3,012,570
5,155	Total Mississippi Missouri – 3.1% (2.1% of Total Investments)			5,107,833
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	N/R	1,230,908
1,000	Clinton County Industrial Development Authority, Missouri, Revenue Bonds, Cameron Regional Medical Center, Series 2007, 5.000%, 12/01/32	12/17 at 100.00	N/R	689,420
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	N/R (4)	1,979,651
	Missouri Development Finance Board, Cultural Facilities Revenue Bonds, Nelson Gallery Foundation, Series 2001A:			
3,335	5.250%, 12/01/19 (Pre-refunded 12/01/11) – NPFG Insured	12/11 at 100.00	AA– (4)	3,470,034
3,510	5.250%, 12/01/20 (Pre-refunded 12/01/11) – NPFG Insured	12/11 at 100.00	AA– (4)	3,652,120
3,695				