

NUVEEN SELECT TAX FREE INCOME PORTFOLIO 3
Form N-Q
February 28, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT
COMPANY

Investment Company Act file number 811-6693

Nuveen Select Tax-Free Income Portfolio 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: 3/31

Date of reporting period: 12/31/13

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

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

Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)

Nuveen Select Tax-Free Income Portfolio 3
(NXR)
December 31, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|------------------------|--|------------------------------|-------------|--------------|
| | LONG-TERM INVESTMENTS – 97.0% | | | |
| | MUNICIPAL BONDS – 97.0% | | | |
| | Alaska – 1.1% | | | |
| \$ 2,675 | Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/32 | 6/14 at 100.00 | B2 | \$ 1,950,236 |
| | California – 17.6% | | | |
| 12,500 | Anaheim Public Financing Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/35 – AGM Insured | No Opt. Call | AA– | 3,378,750 |
| 1,000 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 5.600%, 6/01/36 | 12/18 at 100.00 | BB– | 770,790 |
| 1,125 | California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 5.000%, 6/01/26 | 6/15 at 100.00 | B– | 1,006,965 |
| 2,595 | California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37 | 4/16 at 100.00 | A+ | 2,596,168 |
| 890 | California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38 | 8/19 at 100.00 | Aa2 | 1,027,265 |
| 275 | California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled | 3/14 at 100.00 | BBB | 261,137 |

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| 2,275 | Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29 Folsom Cordova Unified School District, Sacramento County, California, General Obligation Bonds, School Facilities Improvement District 4, Series 2007A, 0.000%, 10/01/28 – NPFG Insured | No Opt. Call | AA– | 1,016,425 |
| 2,885 | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/28 – AMBAC Insured | No Opt. Call | A2 | 1,488,314 |
| 750 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: 4.500%, 6/01/27 | 6/17 at 100.00 | B | 631,928 |
| 2,090 | 5.000%, 6/01/33 | 6/17 at 100.00 | B | 1,516,859 |
| 4,055 | Kern Community College District, California, General Obligation Bonds, Series 2003A, 0.000%, 3/01/28 – FGIC Insured | No Opt. Call | Aa2 | 2,027,906 |
| 1,160 | Mount San Antonio Community College District, Los Angeles County, California, General Obligation Bonds, Election of 2008, Series 2013A, 0.000%, 8/01/43 | 8/35 at 100.00 | AA | 534,656 |
| 11,985 | Norwalk La Mirada Unified School District, Los Angeles County, California, General Obligation Bonds, Election of 2002, Series 2007C, 0.000%, 8/01/32 – AGM Insured | No Opt. Call | AA– | 4,368,052 |
| 3,000 | Palomar Pomerado Health, California, General Obligation Bonds, Election of 2004, Series 2007A, 0.000%, 8/01/25 – NPFG Insured | No Opt. Call | A+ | 1,728,570 |
| 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 | A+ | 2,381,689 |
| 1,500 | Placer Union High School District, Placer County, California, General Obligation Bonds, Series 2004C, 0.000%, 8/01/32 – AGM Insured | No Opt. Call | AA | 546,690 |
| 8,000 | Poway Unified School District, San Diego County, California, School Facilities Improvement District 2007-1 General Obligation Bonds, Series 2009A, 0.000%, 8/01/32 | No Opt. Call | Aa2 | 2,979,680 |

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| 3,940 | Rancho Mirage Redevelopment Agency, California, Tax Allocation Bonds, Combined Whitewater and 1984 Project Areas, Series 2003A, 0.000%, 4/01/35 – NPMG Insured | No Opt. Call | A+ | 1,108,007 |
| 1,030 | Riverside Public Financing Authority, California, Tax Allocation Bonds, University Corridor, Series 2007C, 5.000%, 8/01/37 – NPMG Insured | 8/17 at 100.00 | A | 966,243 |
| 1,250 | San Jose, California, Airport Revenue Bonds, Series 2004D, 5.000%, 3/01/28 – NPMG Insured | 3/14 at 100.00 | A | 1,256,063 |
| 70,345 | Total California Colorado – 5.3% | | | 31,592,157 |
| 1,540 | Arkansas River Power Authority, Colorado, Power Revenue Bonds, Series 2006, 5.250%, 10/01/40 – SYNCORA GTY Insured | 10/16 at 100.00 | BBB– | 1,404,080 |
| 400 | Colorado Department of Transportation, Certificates of Participation, Series 2004, 5.000%, 6/15/34 (Pre-refunded 6/15/14) – NPMG Insured | 6/14 at 100.00 | AA– (4) | 408,864 |
| 2,000 | Colorado Health Facilities Authority, Colorado, Revenue Bonds, Sisters of Charity of Leavenworth Health Services Corporation, Series 2010A, 5.000%, 1/01/40 | 1/20 at 100.00 | AA– | 1,979,900 |
| 1,000 | Colorado Health Facilities Authority, Colorado, Revenue Bonds, Valley View Hospital Association, Series 2007, 5.250%, 5/15/42 | 5/17 at 100.00 | BBB+ | 967,710 |
| 1,935 | Denver City and County, Colorado, Airport System Revenue Bonds, Subordinate Lien Series 2013B, 5.000%, 11/15/43 | 11/23 at 100.00 | A | 1,929,311 |
| 1,295 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/32 – NPMG Insured | No Opt. Call | A | 427,998 |
| 5,520 | E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B, 0.000%, 9/01/28 – NPMG Insured | 9/20 at 63.98 | A | 2,458,884 |
| 13,690 | Total Colorado District of Columbia – 0.1% | | | 9,576,747 |
| 240 | District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24 | 5/14 at 100.00 | A1 | 238,788 |

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| | Florida – 0.6% | | | |
| 1,000 | Hillsborough County Industrial Development Authority, Florida, Hospital Revenue Bonds, Tampa General Hospital, Series 2006, 5.250%, 10/01/41 | 10/16 at 100.00 | A3 | 1,003,850 |
| | Illinois – 14.0% | | | |
| 3,500 | Chicago Board of Education, Illinois, General Obligation Bonds, Series 1999A, 0.000%, 12/01/28 – FGIC Insured | No Opt. Call | A+ | 1,382,675 |
| 2,000 | Chicago, Illinois, General Obligation Bonds, Project & Refunding Series 2006A, 4.625%, 1/01/31 – AGM Insured | 1/16 at 100.00 | AA– | 1,890,680 |
| 1,050 | Illinois Finance Authority, Revenue Bonds, Loyola University of Chicago, Tender Option Bond Trust 1137, 9.252%, 7/01/15 (IF) | No Opt. Call | Aa1 | 1,057,686 |
| 260 | Illinois Finance Authority, Revenue Bonds, Rehabilitation Institute of Chicago, Series 2013A, 6.000%, 7/01/43 | 7/23 at 100.00 | A– | 268,645 |
| 1,600 | Illinois Finance Authority, Revenue Bonds, Resurrection Health Care System, Series 1999B, 5.000%, 5/15/24 – AGM Insured | 5/18 at 100.00 | AA– | 1,672,848 |
| 2,185 | Illinois Finance Authority, Revenue Bonds, YMCA of Southwest Illinois, Series 2005, 5.000%, 9/01/31 – RAAI Insured | 9/15 at 100.00 | Aa3 | 1,896,187 |
| 1,500 | Illinois Finance Authority, Revenue Refunding Bonds, Silver Cross Hospital and Medical Centers, Series 2008A, 5.500%, 8/15/30 | 8/18 at 100.00 | BBB+ | 1,507,485 |
| 750 | Illinois Finance Authority, Student Housing Revenue Bonds, Educational Advancement Fund Inc., University Center Project, Series 2006B, 5.000%, 5/01/25 | 11/16 at 100.00 | BBB+ | 739,748 |
| 1,500 | Illinois Health Facilities Authority, Revenue Bonds, Evangelical Hospitals Corporation, Series 1992C, 6.250%, 4/15/22 (ETM) | No Opt. Call | N/R (4) | 1,859,430 |
| 1,675 | Illinois Housing Development Authority, Homeowner Mortgage Revenue Bonds, Series 2006C2, 5.050%, 8/01/27 (Alternative Minimum Tax) | 2/16 at 100.00 | AA | 1,690,293 |
| 2,190 | Illinois State, General Obligation Bonds, Refunding Series 2012, 5.000%, 8/01/23 | No Opt. Call | A– | 2,327,291 |
| 1,000 | | No Opt. Call | Aa3 | 675,380 |

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| | Kankakee & Will Counties Community Unit School District 5, Illinois, General Obligation Bonds, | | | |
| | Series 2006, 0.000%, 5/01/23 – AGM Insured Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A: | | | |
| 2,500 | 0.000%, 12/15/30 – NPF Insured | No Opt. Call | AAA | 970,375 |
| 4,775 | 0.000%, 12/15/31 – NPF Insured | No Opt. Call | AAA | 1,704,532 |
| 5,000 | 0.000%, 12/15/36 – NPF Insured | No Opt. Call | AAA | 1,313,150 |
| 2,000 | 0.000%, 6/15/37 – NPF Insured | No Opt. Call | AAA | 510,180 |
| | Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.250%, 12/01/34 | | | |
| 1,300 | (Pre-refunded 12/01/14) – FGIC Insured | 12/14 at 100.00 | AAA | 1,360,008 |
| | Springfield, Illinois, Electric Revenue Bonds, Senior Lien Series 2007, 5.000%, 3/01/22 – NPF Insured | | | |
| 2,000 | | 3/17 at 100.00 | A | 2,067,180 |
| | University of Illinois, Health Services Facilities System Revenue Bonds, Series 2013, | | | |
| 310 | | 10/23 at 100.00 | A | 314,132 |
| | 6.000%, 10/01/42 | | | |
| 37,095 | Total Illinois Indiana – 4.6% | | | 25,207,905 |
| | Franklin Community Multi-School Building Corporation, Johnson County, Indiana, First Mortgage | | | |
| 1,000 | | 7/14 at 100.00 | A+ (4) | 1,026,130 |
| | Revenue Bonds, Series 2004, 5.000%, 7/15/22 (Pre-refunded 7/15/14) – FGIC Insured | | | |
| | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Methodist Hospitals Inc., | | | |
| 3,520 | | 3/14 at 100.00 | BBB | 3,522,992 |
| | Series 2001, 5.375%, 9/15/22 | | | |
| | Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, | | | |
| 840 | | No Opt. Call | AA– | 886,939 |
| | Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 – AGM Insured | | | |
| | Shelbyville Central Renovation School Building Corporation, Indiana, First Mortgage | | | |
| 2,295 | | 7/15 at 100.00 | AA+ | 2,342,323 |
| | Bonds, Series 2005, 4.375%, 7/15/25 – NPF Insured | | | |
| | Zionsville Community Schools Building Corporation, Indiana, First Mortgage Bonds, Series | | | |
| 1,000 | | No Opt. Call | AA– | 523,960 |
| | 2005Z, 0.000%, 7/15/28 – AGM Insured | | | |
| 8,655 | Total Indiana Iowa – 2.7% | | | 8,302,344 |
| | Iowa Finance Authority, Health Facility Revenue Bonds, Care Initiatives Project, | | | |
| 2,745 | | 7/16 at 100.00 | BB+ | 2,752,027 |

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| | Series 2006A, 5.000%, 7/01/20 Iowa Finance Authority, Iowa, Midwestern Disaster Area Revenue Bonds, Iowa Fertilizer Company | No Opt. Call | BB- | 1,279,859 |
| 1,330 | Project, Series 2013, 5.000%, 12/01/19 Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34 | 6/17 at 100.00 | B+ | 787,313 |
| 950 | Total Iowa Kansas – 1.2% | | | 4,819,199 |
| 5,025 | Lawrence, Kansas, Hospital Revenue Bonds, Lawrence Memorial Hospital, Refunding Series 2006: 5.125%, 7/01/26 | 7/16 at 100.00 | A1 | 1,450,565 |
| 1,425 | 4.875%, 7/01/36 | 7/16 at 100.00 | A1 | 683,179 |
| 700 | Total Kansas Maryland – 0.3% | | | 2,133,744 |
| 2,125 | Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/23 – SYNCORA GTY Insured | 9/16 at 100.00 | BB+ | 550,836 |
| 550 | Michigan – 2.3% | | | |
| | Detroit Water and Sewerage Department, Michigan, Sewage Disposal System Revenue Bonds, Refunding Senior Lien Series 2012A, 5.250%, 7/01/39 | 7/22 at 100.00 | BBB+ | 322,340 |
| 355 | Detroit, Michigan, Sewer Disposal System Revenue Bonds, Second Lien, Series 2006B, 4.625%, 7/01/34 – FGIC Insured | 7/16 at 100.00 | A | 3,021,753 |
| 3,535 | Detroit, Michigan, Water Supply System Second Lien Revenue Refunding Bonds, Series 2006C, 5.000%, 7/01/33 – AGM Insured | No Opt. Call | AA- | 592,640 |
| 640 | 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 | A1 | 298,285 |
| 250 | Total Michigan Mississippi – 0.4% | | | 4,235,018 |
| 4,780 | Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 | 9/14 at 100.00 | AA- | 743,988 |
| 725 | Missouri – 0.2% | | | |
| | Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Mass Transit Sales | 10/18 at 100.00 | AA+ | 288,093 |
| 270 | | | | |

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| | Tax Appropriation Bonds, Refunding Combined Lien Series 2013A, 5.000%, 10/01/28 Montana – 0.8% | | | |
| 1,440 | Montana Facilities Finance Authority, Revenue Bonds, Sisters of Charity of Leavenworth Health | 1/20 at 100.00 | AA– | 1,414,670 |
| | Services Corporation, Camposite Deal Series 2010A, 4.750%, 1/01/40 Nevada – 2.7% | | | |
| 1,000 | Clark County, Nevada, Passenger Facility Charge Revenue Bonds, Las Vegas-McCarran International Airport, Series 2010A, 5.250%, 7/01/42 | 1/20 at 100.00 | A+ | 1,013,860 |
| 1,625 | Las Vegas Valley Water District, Nevada, General Obligation Bonds, Series 2005A, 5.000%, 6/01/18 – FGIC Insured | 6/15 at 100.00 | AA+ | 1,727,814 |
| 2,500 | North Las Vegas, Nevada, General Obligation Bonds, Series 2006, 5.000%, 5/01/36 – NPF Insured | 5/16 at 100.00 | A | 2,198,600 |
| 5,125 | Total Nevada New Jersey – 2.3% | | | 4,940,274 |
| 2,000 | New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A, 5.000%, 7/01/34 – NPF Insured | 7/14 at 100.00 | A | 2,027,300 |
| 4,570 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/28 – AMBAC Insured | No Opt. Call | A+ | 2,120,891 |
| 6,570 | Total New Jersey New Mexico – 2.8% | | | 4,148,191 |
| 1,000 | New Mexico Mortgage Finance Authority, Multifamily Housing Revenue Bonds, St Anthony, Series 2007A, 5.250%, 9/01/42 (Alternative Minimum Tax) | 9/17 at 100.00 | N/R | 957,120 |
| 4,000 | University of New Mexico, FHA-Insured Hospital Mortgage Revenue Bonds, University of Mexico Hospital Project, Series 2004, 4.625%, 1/01/25 – AGM Insured | 7/14 at 100.00 | AA– | 4,021,799 |
| 5,000 | Total New Mexico New York – 6.4% | | | 4,978,919 |
| 1,025 | Dormitory Authority of the State of New York, FHA Insured Mortgage Hospital Revenue Bonds, Kaleida Health, Series 2006, 4.700%, 2/15/35 | 8/16 at 100.00 | AAA | 989,658 |
| 3,750 | Long Island Power Authority, New York, Electric System General Revenue Bonds, | 9/14 at 100.00 | AA+ | 3,822,974 |

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| | Series 2004A, 5.000%, 9/01/34 – BHAC Insured Long Island Power Authority, New York, Electric System Revenue Bonds, Refunding | | | |
| 2,385 | Series 2010A, 5.000%, 5/01/14 (ETM) Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Refunding | No Opt. Call 11/22 at 100.00 | A– (4) A | 2,422,993 1,345,325 |
| 1,250 | Series 2012F, 5.000%, 11/15/26 New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal | 5/17 at 100.00 | AAA | 2,653,525 |
| 2,500 | Series 2007B, 4.750%, 11/01/27 Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Eighth Series 2010, 6.000%, 12/01/42 | 12/20 at 100.00 | BBB | 281,915 |
| 265 | Total New York Ohio – 3.8% | | | 11,516,390 |
| 11,175 | Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2: | | | |
| 1,345 | 5.375%, 6/01/24 | 6/17 at 100.00 | B– | 1,143,411 |
| 1,465 | 6.000%, 6/01/42 | 6/17 at 100.00 | BB+ | 1,082,869 |
| 435 | 5.875%, 6/01/47 | 6/17 at 100.00 | B | 323,888 |
| | Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-3, 6.250%, 6/01/37 | | | |
| 3,720 | Ohio Turnpike Commission, Turnpike Revenue Bonds, Infrastructure Project, Junior Lien Series | 6/22 at 100.00 2/23 at 100.00 | B A+ | 2,890,589 1,456,990 |
| 1,475 | 2013A-1, 5.000%, 2/15/48 | | | |
| 8,440 | Total Ohio Oklahoma – 1.7% | | | 6,897,747 |
| | Oklahoma Development Finance Authority, Revenue Bonds, St. John Health System, Series 2004, 5.000%, 2/15/24 (Pre-refunded 2/15/14) Pennsylvania – 2.1% | 2/14 at 100.00 | A+ (4) | 3,017,760 |
| 3,000 | Dauphin County Industrial Development Authority, Pennsylvania, Water Development Revenue Refunding Bonds, Dauphin Consolidated Water Supply Company, Series 1992B, 6.700%, 6/01/17 | No Opt. Call | A– | 2,809,941 |
| 2,435 | Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special | 12/20 at 100.00 | AA | 917,460 |
| 1,000 | | | | |

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| | Revenue | | | |
| | Bonds, Series 2010B, 0.000%, 12/01/30 | | | |
| 3,435 | Total Pennsylvania | | | 3,727,401 |
| | Puerto Rico – 2.2% | | | |
| | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, | No Opt. Call | BBB | 708,249 |
| 945 | 7/01/31 – AMBAC Insured | | | |
| | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series | 8/19 at 100.00 | A+ | 747,340 |
| 1,000 | 2009A, 6.000%, 8/01/42 | | | |
| | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A: | | | |
| 1,170 | 0.000%, 8/01/40 – NPFPG Insured | No Opt. Call | AA– | 183,105 |
| 12,000 | 0.000%, 8/01/41 – NPFPG Insured | No Opt. Call | AA– | 1,751,520 |
| 9,015 | 0.000%, 8/01/54 – AMBAC Insured | No Opt. Call | AA– | 535,401 |
| 24,130 | Total Puerto Rico | | | 3,925,615 |
| | Rhode Island – 0.6% | | | |
| | Rhode Island Economic Development Corporation, Airport Revenue Bonds, Refunding Series 2005A, | 7/15 at 100.00 | A | 1,123,872 |
| 1,150 | 4.625%, 7/01/26 – NPFPG Insured (Alternative Minimum Tax) | | | |
| | South Carolina – 2.6% | | | |
| | Dorchester County School District 2, South Carolina, Installment Purchase Revenue Bonds, | 12/14 at 100.00 | AA– (4) | 3,139,290 |
| 3,000 | GROWTH, Series 2004, 5.250%, 12/01/29 (Pre-refunded 12/01/14) | | | |
| | Medical University Hospital Authority, South Carolina, FHA-Insured Mortgage Revenue Bonds, | 8/14 at 100.00 | A (4) | 1,546,980 |
| 1,500 | Series 2004A, 5.250%, 8/15/20 (Pre-refunded 8/15/14) – NPFPG Insured | | | |
| 4,500 | Total South Carolina | | | 4,686,270 |
| | South Dakota – 0.6% | | | |
| | South Dakota Health and Educational Facilities Authority, Revenue Bonds, Sioux Valley | 11/14 at 100.00 | A+ | 1,001,900 |
| 1,000 | Hospitals, Series 2004A, 5.250%, 11/01/34 | | | |
| | Tennessee – 0.4% | | | |
| | Chattanooga Health, Educational and Housing Facility Board, Tennessee, Hospital Revenue Bonds, | 1/23 at 100.00 | A+ | 784,808 |
| 795 | Catholic Health Initiatives, Series 2013A, 5.250%, 1/01/45 | | | |
| | Texas – 9.2% | | | |
| | Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2005, | 1/15 at 100.00 | A (4) | 1,571,505 |
| 1,500 | 5.000%, | | | |

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| 250 | 1/01/45 (Pre-refunded 1/01/15) – FGIC Insured Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2011, 6.000%, 1/01/41 | 1/21 at 100.00 | Baa2 | 254,713 |
| 4,640 | Grand Parkway Transportation Corporation, Texas, System Toll Revenue Bonds, First Tier Series 2013A, 5.500%, 4/01/53 | 10/23 at 100.00 | BBB+ | 4,452,635 |
| 1,345 | Harris County-Houston Sports Authority, Texas, Revenue Bonds, Junior Lien Series 2001H: 0.000%, 11/15/32 – NPFPG Insured | 11/31 at 94.05 | A | 382,505 |
| 2,510 | 0.000%, 11/15/36 – NPFPG Insured | 11/31 at 73.51 | A | 517,411 |
| 2,235 | Harris County-Houston Sports Authority, Texas, Revenue Bonds, Third Lien Series 2004A-3, 0.000%, 11/15/32 – NPFPG Insured | 11/24 at 62.70 | A | 635,612 |
| 2,695 | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A: 0.000%, 11/15/34 – NPFPG Insured | 11/30 at 78.27 | A | 728,755 |
| 4,095 | 0.000%, 11/15/38 – NPFPG Insured | 11/30 at 61.17 | A | 821,293 |
| 1,275 | Kerrville Health Facilities Development Corporation, Texas, Revenue Bonds, Sid Peterson Memorial Hospital Project, Series 2005, 5.375%, 8/15/35 | 2/16 at 100.00 | BBB– | 1,265,259 |
| 2,255 | Love Field Airport Modernization Corporation, Texas, Special Facilities Revenue Bonds, Southwest Airlines Company, Series 2010, 5.250%, 11/01/40 | 11/20 at 100.00 | BBB– | 2,254,820 |
| 290 | North Texas Tollway Authority, First Tier System Revenue Refunding Bonds, Capital Appreciation Series 2008I, 0.000%, 1/01/42 – AGC Insured | 1/25 at 100.00 | AA– | 307,731 |
| 2,000 | Texas Municipal Gas Acquisition and Supply Corporation III, Gas Supply Revenue Bonds, Series 2012, 5.000%, 12/15/32 | No Opt. Call | A3 | 1,896,620 |
| 2,410 | Texas Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier Series 2002A, 0.000%, 8/15/25 – AMBAC Insured | No Opt. Call | A– | 1,397,607 |
| 27,500 | Total Texas Utah – 0.8% | | | 16,486,466 |
| 5,465 | Utah Transit Authority, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 6/15/36 Virginia – 3.4% | 6/17 at 38.77 | A1 | 1,523,533 |
| 3,500 | Chesapeake, Virginia, Transportation System Senior Toll Road Revenue Bonds, Capital | 7/28 at 100.00 | BBB | 1,822,800 |

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| | | | | |
|------------|---|--------------------|------|-------------|
| 1,000 | Appreciation Series 2012B, 0.000%, 7/15/32 Henrico County Economic Development Authority, Virginia, Residential Care Facility Revenue | 3/14 at 100.00 | BBB | 975,960 |
| 1,500 | Bonds, Westminster Canterbury of Richmond, Series 2006, 5.000%, 10/01/35 Route 460 Funding Corporation, Virginia, Toll Road Reveue Bonds, Series 2012A, 5.125%, 7/01/49 | No Opt. Call | BBB- | 1,362,945 |
| 500 | Virginia Small Business Financing Authority, Senior Lien Revenue Bonds, Elizabeth River Crossing, Opco LLC Project, Series 2012: 6.000%, 1/01/37 (Alternative Minimum Tax) | 7/22 at 100.00 | BBB- | 514,195 |
| 1,510 | 5.500%, 1/01/42 (Alternative Minimum Tax) | 7/22 at 100.00 | BBB- | 1,461,846 |
| 8,010 | Total Virginia Washington – 2.8% | | | 6,137,746 |
| 990 | Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research | 1/21 at 100.00 | A | 1,008,899 |
| 4,000 | Center, Series 2011A, 5.625%, 1/01/35 Washington Health Care Facilities Authority, Revenue Bonds, Providence Health & Services, | 10/22 at 100.00 | AA | 4,079,959 |
| 4,990 | Series 2012A, 5.000%, 10/01/32 Total Washington Wisconsin – 1.4% | | | 5,088,858 |
| 1,250 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2012B, 5.000%, 2/15/32 | 2/22 at 100.00 | A- | 1,234,525 |
| 1,325 | Wisconsin, General Obligation Refunding Bonds, Series 2003-3, 5.000%, 11/01/26 | 3/14 at 100.00 | AA | 1,330,141 |
| 2,575 | Total Wisconsin | | | 2,564,666 |
| \$ 271,475 | Total Municipal Bonds (cost \$172,903,977) | | | 174,607,991 |

Principal
Amount

| (000) | Description (1) | Coupon | Maturity | Ratings (3) | Value |
|--------|---|--------|----------|-------------|-------------|
| | CORPORATE BONDS - 0.0% | | | | |
| | Transportation - 0.0% | | | | |
| \$ 86 | Las Vegas Monorail Company, Senior Interest Bonds (5), (6) | 5.500% | 7/15/19 | N/R | \$ 15,552 |
| 25 | Las Vegas Monorail Company, Senior Interest Bonds (5), (6) | 3.000% | 7/15/55 | N/R | 3,291 |
| \$ 111 | Total Corporate Bonds (cost \$4,394) | | | | 18,843 |
| | Total Long-Term Investments (cost \$172,908,371) | | | | 174,626,834 |
| | Other Assets Less Liabilities – 3.0% | | | | 5,323,174 |
| | | | | | \$ |
| | Net Assets – 100% | | | | 179,950,008 |

Fair Value Measurements

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

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

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

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

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of the end of the reporting period:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------|---------|---------------|----------|---------------|
| Long-Term Investments: | | | | |
| Municipal Bonds | \$ — | \$174,607,991 | \$ — | \$174,607,991 |
| Corporate Bonds | — | — | 18,843 | 18,843 |
| Total | \$ — | \$174,607,991 | \$18,843 | \$174,626,834 |

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

As of December 31, 2013, the cost of investments was \$171,973,900.

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

| | |
|-------------------|--------------|
| Gross unrealized: | |
| Appreciation | \$ 7,509,758 |

| | |
|---|--------------|
| Depreciation | (4,856,824) |
| Net unrealized appreciation (depreciation) of investments | \$ 2,652,934 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment classified as Level 3.
- (6) During January 2010, Las Vegas Monorail Company ("Las Vegas Monorail") filed for federal bankruptcy protection. During March 2012, Las Vegas Monorail emerged from federal bankruptcy with the acceptance of a reorganization plan assigned by the Federal Bankruptcy Court. Under the reorganization plan, the Fund surrendered its Las Vegas Monorail Project Revenue Bonds, First Tier, Series 2000 and in turn received two senior interest corporate bonds: the first with an annual coupon rate of 5.500% maturing on July 15, 2019 and the second with an annual coupon rate of 3.000% (5.500% after December 31, 2015) maturing on July 15, 2055. The Fund's custodian is not accruing income on the Fund's records for either senior interest corporate bond.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.

Item 2. Controls and Procedures.

- a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: See EX-99 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Select Tax-Free Income Portfolio 3

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

Date: February 28, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer (principal executive officer)

Date: February 28, 2014

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

Date: February 28, 2014