

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

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
Form N-CSRS  
July 08, 2009

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, 2009  
-----

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, 2009

-----	-----	-----	-----
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 09)

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 Investments 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](http://WWW.INVESTORDELIVERY.COM)

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

OR

[WWW.NUVEEN.COM/ACCOUNTACCESS](http://WWW.NUVEEN.COM/ACCOUNTACCESS)

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

LOGO: NUVEEN Investments

Chairman's

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

Letter to Shareholders

[PHOTO OF ROBERT P. BREMNER]

DEAR SHAREHOLDER,

The problems in the U.S. financial system and the slowdown in global economic activity continue to create a very difficult environment for the U.S. economy. The administration, the Federal Reserve System and Congress have initiated a variety of programs directed at restoring liquidity to the financial markets, providing financial support for critical financial institutions and stimulating economic activity. There are encouraging signs that these initiatives are beginning to have a constructive impact. It is not possible to predict whether the actions taken to date will be sufficient to restore more normal conditions in the financial markets or enable the economy to stabilize and set a course toward recovery. However, the speed and scope of the government's actions are very encouraging and more importantly, reflect a commitment to act decisively to meet the economic challenges we face.

The performance information in the attached report reflects the impact of many forces at work in the equity and fixed income markets. The comments by the portfolio managers describe the strategies being used to pursue your Fund's long-term investment goals. Parts of the financial markets continue to experience serious dislocations and thorough research and strong investment disciplines have never been more important in identifying risks and opportunities. I hope you will read this information carefully.

Your Board is particularly sensitive to our shareholders' concerns in these uncertain times. We believe that frequent and thorough communication is essential in this regard and encourage you to visit the Nuveen website: [www.nuveen.com](http://www.nuveen.com), for recent developments in all Nuveen funds. We also encourage you to communicate with your financial consultant for answers to your questions and to seek advice on your long-term investment strategy in the current market environment.

Nuveen continues to work on resolving the issues related to the auction rate preferred shares situation, but the unsettled conditions in the credit markets have slowed progress. Nuveen is actively pursuing a number of solutions, all with the goal of providing liquidity for preferred shareholders while preserving the potential benefits of leverage for common shareholders. We appreciate the patience you have shown as we work through the many issues involved.

On behalf of myself and 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 Nuveen Fund Board  
June 19, 2009

Nuveen Investments 3

PORTFOLIO MANAGERS' COMMENTS

NUVEEN INVESTMENTS MUNICIPAL CLOSED-END FUNDS NPP, NMA, NMO, NAD, NXZ, NZF

Portfolio managers Tom Spalding and Paul Brennan review key investment

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

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 THE FUNDS DURING THE SIX-MONTH PERIOD ENDED APRIL 30, 2009?

During this time, the municipal market remained under pressure from price volatility, reduced liquidity and fundamental economic concerns. After a very difficult start to the period, market conditions began to show signs of improvement in mid-December 2008 and municipal bonds were on an improving trend during the first four months of 2009. In this environment, we continued to focus on finding bonds that offered relative value while seeking to manage liquidity and invest for the long term.

Much of our investment activity during this period was driven by opportunities created by market conditions. We sought to capitalize on this environment by continuing to take a bottom-up approach to finding undervalued sectors and individual credits with the potential to perform well over the long term. This was true in both the new issuance (or primary) municipal bond market and secondary markets. In the new issuance market, we found bonds with better structures (such as higher coupons or longer call protection) than we have seen in a long time, as market conditions required issuers to enhance offerings to make them more attractive to buyers. In the secondary markets, we were able to purchase bonds, especially lower-rated issues, at discounted prices as the result of selling by some municipal market participants, particularly in November and December 2008.

Although we were able to find some bonds at extremely discounted prices during this period, our emphasis was always on carefully selecting bonds we believed to offer exceptional value. In general, the bonds we purchased were ones where we were already familiar with the credit being offered or where we were adding to positions or sectors currently held in the portfolio. Our focus was on bonds issued by essential service providers--including water and sewer, utilities, local public schools, hospitals and state and local general obligation and other tax-backed bonds--with the view that these issuers would continue to have the resources necessary to cover debt service in a difficult economic environment. In general, we focused our purchases on bonds with longer maturities.

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.

#### 4 Nuveen Investments

Some of the cash needed for new purchases was generated by bond calls and redemptions. We also monitored the types of credits and bond structures that were attractive to the retail market and took advantage of strong bids to sell selected bonds into relatively consistent retail demand. The bonds we sold tended to have shorter maturities, as these generally offered more liquidity and were in greater demand by retail buyers.

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

We continued to use inverse floating rate securities(1) in all six Funds. We employed inverse floaters for a variety of reasons, including duration(2) management, income enhancement, and as a form of leverage. NZF also invested in additional types of derivatives(3) intended to help manage its duration and common share net asset value (NAV) volatility without having a negative impact on its income stream or common share dividends over the short term. As of April 30, 2009, the inverse floaters remained in place in all six Funds, while we had removed the derivative positions from NZF.

### 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 4/30/09

	SIX-MONTH	1-YEAR	5-YEAR	10-YEAR
NPP	10.01%	-2.68%	3.22%	4.73%
NMA	10.53%	-4.88%	2.39%	4.56%
NMO	6.91%	-5.43%	2.39%	3.89%
NAD	10.58%	-6.04%	2.48%	N/A
NXZ	8.83%	-5.01%	3.90%	N/A
NZF	12.01%	-4.24%	3.75%	N/A
Lipper General Leveraged Municipal Debt Funds Average(4)	9.55%	-8.84%	1.64%	3.73%
Barclays Capital Municipal Bond Index(5)	8.20%	3.11%	4.11%	4.78%
S&P National Municipal Bond Index(6)	7.73%	1.14%	3.84%	4.61%

For the six months ended April 30, 2009, the cumulative returns on common share NAV for NPP, NMA, NAD and NZF exceeded the average return for the Lipper General Leveraged Municipal Debt Funds Average, while NMO and NXZ slightly underperformed. For the same period, NPP, NMA, NAD, NXZ and NZF outperformed the returns on both the Barclays Capital Municipal Bond Index and the Standard & Poor's (S&P) National Municipal Bond Index, while NMO lagged the returns for these two indexes.

Key management factors that influenced the Funds' returns during this six-month period included duration and yield curve positioning, the use of derivatives, credit and sector allocations and individual security selection. In addition, the use of leverage was an important factor affecting the Funds' performances over this period. The impact of leverage is discussed in more detail on page 7.

Over this period, the municipal bond yield curve remained steep, with longer-term yields significantly higher than shorter-term yields. Bonds in the Barclays Capital Municipal Bond

\* 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 inverse floaters, 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 the reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in this Report sections of this report.
- 2 Duration is a measure of a bond's price sensitivity as interest rates change, with longer duration bonds displaying more sensitivity to these changes than bonds with shorter durations.
- 3 Each Fund may invest in derivative instruments such as forwards, futures, options and swap transactions. For additional information on the derivative instruments in which each Fund was invested during and at the end of the reporting period, see the Portfolio of Investments, Financial Statements, and Notes to Financial Statements sections of this report.
- 4 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: Six months, 54 funds; 1-year, 54 funds; 5-year, 52 funds; and 10-year, 38 funds. Fund and Lipper returns assume reinvestment of dividends.
- 5 The Barclays Capital (formerly Lehman Brothers) Municipal Bond Index is an unleveraged, unmanaged national index comprising a broad range of investment-grade municipal bonds. Results for the Barclays Capital index do not reflect any expenses.
- 6 The Standard & Poor's (S&P) National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the U.S. municipal bond market.

Nuveen Investments 5

Index maturing in ten years or more, especially bonds with maturities of approximately 15 years and 22 years and longer, benefited the most from this interest rate environment. While NAD and NMA had relatively better overall duration and yield curve positioning than NMO and NXZ, all six Funds had good exposure to the longer part of the yield curve, which benefited their performances during this period.

As mentioned earlier, all these Funds continued to use inverse floating rate securities. During this six-month period, these instruments generally had a positive impact on the Funds' overall performances, while also helping to support their income streams. In addition, NZF, which had a duration that was shorter than our strategic target, used derivative positions during part of this period to synthetically extend its duration closer to our target level. These derivative positions, which boosted the Fund's interest rate sensitivity, performed well and made a positive contribution to NZF's return.

Credit quality exposure was also an important positive performance factor. Risk-averse investors put a priority on higher quality investments, causing bonds with higher credit quality to typically perform very well. Bonds rated BBB or below and non-rated bonds generally posted poorer returns.

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

Bonds supporting "essential service" sectors provided the biggest boost to the Funds' returns during this period and included general obligation/tax-supported, utility and health care sectors. On the whole, the Funds had good weightings in the top-performing sectors.

The Funds' sector allocations that generally detracted from the performance included industrial development revenue (IDR) and resource recovery bonds. Zero coupon bonds also were among the worst performing categories in the municipal market. NMO, in particular, had a relatively high concentration of zero coupon bonds, which hurt its return for the period. Lower-rated bonds backed by the 1998 master tobacco settlement agreement performed poorly and pre-refunded(7) bonds, which had been the top-performing segment of the municipal market for some time, also underperformed. As of April 30, 2009, NMO and NXZ had the heaviest weightings of pre-refunded bonds among these Funds.

Individual security selection was also a factor in the Funds' performances during this period. In particular, NMO's returns were negatively impacted by its holding of Ambac-insured bonds issued for the Las Vegas monorail project, which links various casinos on the Las Vegas strip. The project has struggled to build ridership and turn a profit, and proposals to extend the monorail to McCarran International Airport remain on hold. NPP, NMA, NAD, NXZ and NZF had smaller holdings of the monorail bonds. Also during this period, the Funds' returns were impacted to varying degrees by their holdings of insured bonds. As noted below, many insurers have seen their credit ratings downgraded, causing the bonds they issued to begin trading according to their underlying credit characteristics. While the insured bond segment of the municipal market generally performed very well during this six-month period, insured bonds with weaker underlying credits rated BBB or non-rated, originally purchased because of the higher yields they offered, generally underperformed insured bonds with underlying credits rated AA or A.

7 Pre-refundings, also known as advance refundings or refinancings, occur when an issuer sells new bonds and uses the proceeds to fund principal and interest payments of older existing bonds. This process often results in lower borrowing costs for bond issuers.

6 Nuveen Investments

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

In addition to the factors previously discussed, one of the primary reasons for the strong six-month returns recorded by Funds was the Funds' use of financial leverage. This positive contribution to performance stands in sharp contrast to the preceding six-month period, when leverage had a generally detrimental impact on the Funds' returns. This can be seen by comparing the six-month and one-year Fund returns shown on page 5.

Financial leverage offers opportunities to generate additional income and total return for common shareholders under a variety of market conditions. However, leverage may work to the common shareholders' disadvantage during periods when bond prices are extraordinarily volatile or in sharp decline. During the six months covered by this report, overall conditions within the municipal bond market were relatively favorable, in contrast to the relatively unfavorable market conditions during the fall of 2008.

### RECENT DEVELOPMENTS REGARDING BOND INSURANCE COMPANIES

Another factor that had an impact on the performance of these Funds was their positions in bonds backed by municipal bond insurers that experienced downgrades in their credit ratings. At the time this report was prepared, there were no

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

bond insurers rated AAA by all three of the major rating agencies (Moody's Investor Service, S&P and Fitch) and at least one rating agency has placed each insurer on "negative credit watch," "credit watch evolving," "credit outlook developing," or "rating withdrawn," which may presage one or more rating reductions in the future. As concern increased about the balance sheets of insurers, prices on insured bonds - especially those bonds issued by weaker underlying credits - declined, detracting from the Funds' performance. By the end of this period, most insured bonds were being valued according to their fundamentals as if they were uninsured. On the whole, the holdings of all these Funds continued to be well diversified, and it is important to note that municipal bonds historically have had a very low rate of default.

### RECENT DEVELOPMENTS IN THE AUCTION RATE PREFERRED SECURITIES MARKETS

As noted in past shareholder reports, beginning in February 2008, more shares were submitted for sale in the regularly scheduled auctions for the auction rate preferred shares issued by these Funds than there were offers to buy. This meant that these auctions "failed to clear," and that many, or all, of the Funds' auction rate preferred shareholders who wanted to sell their shares in these auctions were unable to do so. This decline in liquidity in auction rate preferred shares did not lower the credit quality of these shares, and auction rate preferred 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 auction rate preferred shares.

These developments generally have not affected the portfolio management or investment policies of these Funds. However, one continuing implication for common shareholders of these auction failures is that the Funds' cost of leverage will likely be higher, at least temporarily, than it otherwise would have been had the auctions

Nuveen Investments 7

continued to be successful. As a result, the Funds' future common share earnings may be lower than they otherwise might have been.

As noted in the last shareholder report, the Funds' Board of Directors/Trustees authorized a plan to use tender option bonds (TOBs), also known as floating rate securities, to refinance a portion of the Funds' outstanding auction rate preferred shares. As of April 30, 2009, the amount of auction rate preferred securities redeemed by the Funds are as shown in the accompanying table.

	AUCTION RATE PREFERRED SHARES REDEEMED	% OF ORIGINAL AUCTION RATE PREFERRED SHARES
NPP	\$ 53,625,000	11.2%
NMA	\$ 59,325,000	16.6%
NMO	\$ 33,325,000	8.8%
NAD	\$ 28,200,000	9.6%
NXZ	\$ 222,000,000	100.0%
NZF	\$ 75,050,000	24.1%

As noted in the last shareholder report, all of NXZ's redemptions were achieved through the issuance of variable rate demand preferred shares (VRDP) in conjunction with the proceeds from the creation of TOBs. VRDP is a new instrument designed to replace the auction rate preferred shares used as leverage in Nuveen closed-end funds. VRDP is offered only to qualified

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

institutional buyers, defined pursuant to Rule 144A under the Securities Act of 1933. As of April 30, 2009, NXZ has \$196 million of VRDP outstanding.

While the Funds' Board of Directors/Trustees and management continue to work to resolve this situation, the Funds cannot provide any assurance on when the remaining outstanding auction rate preferred shares might be redeemed.

As of April 30, 2009, sixty-seven Nuveen closed-end municipal funds have redeemed and/or noticed for redemption at par a portion of their outstanding auction rate preferred shares. These redemptions bring the total amount of Nuveen's municipal closed-end funds' auction rate preferred share redemptions to approximately \$2.1 billion of the original \$11 billion outstanding.

For up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at:

<http://www.nuveen.com/ResourceCenter/AuctionRatePreferred.aspx>.

8 Nuveen Investments

### COMMON SHARE DIVIDEND AND SHARE PRICE INFORMATION

During the six-month period ended April 30, 2009, NPP, NMA, NMO and NZF each had one monthly dividend increase, while the dividends of NAD and NXZ remained stable throughout the period.

As the result of normal portfolio activity, common shareholders of the following Funds received net ordinary income distributions at the end of December 2008 as follows:

	NET ORDINARY INCOME (PER SHARE)
NPP	\$0.0007
NMA	\$0.0021
NZF	\$0.0057

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, 2009, all six Funds had positive UNII balances, based upon our best estimate, for tax purposes, and positive UNII balances for financial statement purposes.

Nuveen Investments 9

### COMMON SHARE REPURCHASE AND SHARE PRICE INFORMATION

The Funds' Board of Directors/Trustees approved an open-market share repurchase program on July 30, 2008, under which each Fund may repurchase an aggregate of up to 10% of its outstanding common shares. Since the inception of this program, the Funds have not repurchased any of their outstanding common shares.

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

As of April 30, 2009, the Funds' common share prices were trading at discounts to their common share NAVs as shown in the accompanying chart:

	4/30/09 DISCOUNT	SIX-MONTH AVERAGE DISCOUNT
NPP	-8.47%	-11.61%
NMA	-5.63%	-7.73%
NMO	-7.57%	-11.47%
NAD	-6.98%	-11.17%
NXZ	-4.19%	-7.36%
NZF	-7.55%	-12.26%

10 Nuveen Investments

NPP Performance OVERVIEW | Nuveen Performance Plus Municipal Fund, Inc.  
as of April 30, 2009

Credit Quality (as a % of total investments) (1)

[PIE CHART]

AAA/U.S.	47%
Guaranteed	29%
AA	11%
A	10%
BBB	1%
BB or Lower	2%
N/R	

2008-2009 Monthly Tax-Free Dividends Per Common Share (3)

[BAR CHART]

May	\$ 0.0575
Jun	0.0575
Jul	0.0575
Aug	0.0575
Sep	0.0605
Oct	0.0605
Nov	0.0605
Dec	0.0605
Jan	0.0605
Feb	0.0605
Mar	0.0645
Apr	0.0645

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

5/01/08	\$ 13.4
	13.46
	13.48
	13.53
	13.56
	13.53
	13.49

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

	13.15
	12.86
	12.95
	13.06
	13.06
	12.71
	12.64
	12.58
	12.74
	12.74
	12.76
	12.87
	12.97
	12.69
	12.28
	11.43
	11.32
	8.35
	10.24
	11.72
	11.5
	11.86
	11.5
	10.08
	11.1
	10.39
	9.4
	10.39
	10.49
	11.55
	12.29
	12.3
	12.17
	12.17
	12.15
	12.06
	11.39
	11.75
	11.12
	11.68
	11.79
	12.03
	12.02
	11.96
	12.11
	12.2
4/30/09	12.42

FUND SNAPSHOT

Common Share Price	\$	12.42
Common Share Net Asset Value	\$	13.57
Premium/(Discount) to NAV		-8.47%
Market Yield		6.23%
Taxable-Equivalent Yield(2)		8.65%
Net Assets Applicable to		

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

Common Shares (\$000)	\$ 812,988
-----	
Average Effective Maturity on Securities (Years)	13.97
-----	
Leverage-Adjusted Duration	11.67
-----	

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

	ON SHARE PRICE	ON NAV
-----		
6-Month (Cumulative)	11.45%	10.01%
-----		
1-Year	-1.19%	-2.68%
-----		
5-Year	4.25%	3.22%
-----		
10-Year	4.40%	4.73%
-----		

STATES  
(as a % of total investments)

Illinois	16.3%
-----	
California	10.1%
-----	
New Jersey	5.2%
-----	
New York	5.1%
-----	
Florida	5.0%
-----	
Texas	4.8%
-----	
Colorado	4.5%
-----	
Ohio	4.2%
-----	
Massachusetts	3.8%
-----	
Indiana	3.8%
-----	
Washington	3.5%
-----	
Michigan	3.2%
-----	
South Carolina	2.8%
-----	
Georgia	2.2%
-----	
Pennsylvania	2.1%
-----	
Utah	2.1%
-----	
Minnesota	2.0%
-----	
Wisconsin	1.9%
-----	

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

Louisiana	1.8%
-----	
Nevada	1.7%
-----	
Other	13.9%
-----	

### INDUSTRIES

(as a % of total investments)

U.S. Guaranteed	24.0%
-----	
Tax Obligation/General	16.0%
-----	
Tax Obligation/Limited	15.4%
-----	
Transportation	11.0%
-----	
Utilities	9.5%
-----	
Health Care	9.3%
-----	
Other	14.8%
-----	

- 1     The percentages shown in the foregoing chart may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
  
- 2     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.
  
- 3     The Fund paid shareholders a net ordinary income distribution in December 2008 of \$0.007 per share.

Nuveen Investments 11

NMA Performance OVERVIEW | Nuveen Municipal Advantage Fund, Inc.  
as of April 30, 2009

### FUND SNAPSHOT

Common Share Price	\$	12.24
-----		
Common Share Net Asset Value	\$	12.97
-----		
Premium/(Discount) to NAV		-5.63%
-----		
Market Yield		6.67%
-----		
Taxable-Equivalent Yield(2)		9.26%
-----		
Net Assets Applicable to		

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

Common Shares (\$000) \$ 560,322

Average Effective Maturity  
on Securities (Years) 15.01

Leverage-Adjusted Duration 13.09

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	11.04%	10.53%
1-Year	-3.63%	-4.88%
5-Year	3.14%	2.39%
10-Year	3.93%	4.56%

### STATES (as a % of total investments)

California	11.5%
Illinois	10.2%
Washington	9.4%
Texas	9.2%
Louisiana	8.4%
New York	7.0%
Colorado	4.8%
Ohio	4.8%
Tennessee	4.1%
Nevada	2.6%
New Jersey	2.6%
South Carolina	2.2%
Florida	2.2%
Oklahoma	2.1%
Wisconsin	2.1%
Puerto Rico	1.9%
Other	14.9%

### INDUSTRIES

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

(as a % of total investments)

U.S. Guaranteed	31.1%
Utilities	13.4%
Health Care	12.5%
Tax Obligation/Limited	12.2%
Tax Obligation/General	10.3%
Transportation	6.9%
Other	13.6%

Credit Quality (as a % of total investments) (1)

[PIE CHART]

AAA/U.S. Guaranteed	40%
AA	32%
A	14%
BBB	12%
BB or Lower	2%

2008-2009 Monthly Tax-Free Dividends Per Common Share (3)

[BAR CHART]

May	\$ 0.064
Jun	0.064
Jul	0.064
Aug	0.064
Sep	0.066
Oct	0.066
Nov	0.066
Dec	0.066
Jan	0.066
Feb	0.066
Mar	0.068
Apr	0.068

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

5/01/08	\$ 13.57
	13.56
	13.57
	13.78
	13.75
	13.824
	13.73
	13.48
	13.23
	13.06
	13.18
	13.19
	13.09

13.06  
 13.22  
 13.15  
 13.11  
 13.01  
 13.35  
 13.44  
 13.21  
 12.59  
 11.8  
 11.85  
 8.43  
 10.36  
 11.4  
 11.41  
 12.09  
 11.45  
 10.07  
 10.45  
 9.6  
 8.88  
 10.31  
 10.15  
 10.952  
 12.2  
 11.9601  
 11.84  
 12.12  
 12.75  
 12.33  
 11.15  
 12.12  
 11.19  
 11.6  
 11.79  
 11.92  
 11.7  
 11.86  
 12.01  
 12.35  
 12.24

4/30/09

- 1 The percentages shown in the foregoing chart may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- 2 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.
- 3 The Fund paid shareholders a net ordinary income distribution in December 2008 of \$0.0021 per share.

12 Nuveen Investments

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

NMO Performance OVERVIEW | Nuveen Municipal Market Opportunity Fund, Inc.  
as of April 30, 2009

Credit Quality (as a % of total investments)(1)

[PIE CHART]

AAA/U.S. Guaranteed	53%
AA	27%
A	11%
BBB	7%
BB or Lower	2%

2008-2009 Monthly Tax-Free Dividends Per Common Share

[BAR CHART]

May	\$ 0.0605
Jun	0.0605
Jul	0.0605
Aug	0.0605
Sep	0.063
Oct	0.063
Nov	0.063
Dec	0.063
Jan	0.063
Feb	0.063
Mar	0.0645
Apr	0.0645

Common Share Price Performance -- Weekly Closing Price

[LINE GRAPH]

5/01/08	\$ 13.18
	13.23
	13.32
	13.37
	13.58
	13.65
	13.35
	13.04
	12.61
	12.65
	12.73
	12.56
	12.35
	12.3
	12.35
	12.4
	12.28
	12.32
	12.4
	12.49
	12.23
	11.98
	11.42
	10.99
	8.09
	10.06
	11.8

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

11.52  
 11.63  
 11.15  
 9.86  
 10.15  
 9.5  
 9.03  
 9.71  
 9.94  
 10.87  
 11.35  
 11.27  
 11.32  
 11.54  
 11.78  
 11.75  
 10.83  
 11.36  
 10.59  
 10.96  
 11.23  
 11.27  
 11.2002  
 11.25  
 11.43  
 11.69  
 11.72

4/30/09

FUND SNAPSHOT

Common Share Price	\$	11.72
Common Share Net Asset Value	\$	12.68
Premium/(Discount) to NAV		-7.57%
Market Yield		6.60%
Taxable-Equivalent Yield(2)		9.17%
Net Assets Applicable to Common Shares (\$000)	\$	577,567
Average Effective Maturity on Securities (Years)		11.74
Leverage-Adjusted Duration		10.18

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	5.26%	6.91%
1-Year	-4.98%	-5.43%
5-Year	3.58%	2.39%

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

10-Year	3.10%	3.89%
---------	-------	-------

STATES  
(as a % of total investments)

Texas		13.9%
Washington		11.0%
Illinois		8.8%
New York		6.3%
California		6.0%
Minnesota		5.6%
New Jersey		4.4%
South Carolina		4.1%
Colorado		4.0%
Ohio		3.9%
Georgia		3.3%
North Dakota		3.0%
Massachusetts		2.5%
Puerto Rico		2.3%
Pennsylvania		1.9%
Oregon		1.7%
Louisiana		1.5%
North Carolina		1.4%
Other		14.4%

INDUSTRIES  
(as a % of total investments)

U.S. Guaranteed		38.6%
Tax Obligation/General		15.2%
Tax Obligation/Limited		10.0%
Transportation		9.2%
Health Care		8.6%
Utilities		5.5%
Consumer Staples		5.3%

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

Other	7.6%
-------	------

- 1     The percentages shown in the foregoing chart may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- 2     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.

Nuveen Investments 13

NAD Performance OVERVIEW | Nuveen Dividend Advantage Municipal Fund  
as of April 30, 2009

FUND SNAPSHOT

Common Share Price	\$ 11.73
Common Share Net Asset Value	\$ 12.61
Premium/(Discount) to NAV	-6.98%
Market Yield	6.70%
Taxable-Equivalent Yield(2)	9.31%
Net Assets Applicable to Common Shares (\$000)	\$ 495,469
Average Effective Maturity on Securities (Years)	15.28
Leverage-Adjusted Duration	13.22

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	13.39%	10.58%
1-Year	-6.30%	-6.04%
5-Year	2.76%	2.48%
Since Inception	3.84%	4.93%

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

### STATES

(as a % of municipal bonds)

Illinois	20.7%
New York	7.8%
Washington	7.4%
Florida	6.4%
Wisconsin	5.7%
Texas	4.7%
Louisiana	4.6%
Indiana	4.4%
New Jersey	4.0%
California	3.9%
Pennsylvania	3.7%
Ohio	3.2%
Colorado	2.6%
Michigan	2.4%
Rhode Island	2.2%
Puerto Rico	2.1%
Other	14.2%

### INDUSTRIES

(as a % of total investments)

Tax Obligation/Limited	18.9%
Health Care	16.8%
Tax Obligation/General	15.7%
U.S. Guaranteed	15.5%
Transportation	11.3%
Utilities	5.8%
Consumer Staples	5.1%
Other	10.9%

Credit Quality (as a % of municipal bonds) (1)

[PIE CHART]

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

AAA/U.S.	35%
Guaranteed	41%
AA	10%
A	8%
BBB	4%
BB or Lower	2%
N/R	

### 2008-2009 Monthly Tax-Free Dividends Per Common Share

[BAR CHART]

May	\$ 0.0635
Jun	0.0635
Jul	0.0635
Aug	0.0635
Sep	0.0655
Oct	0.0655
Nov	0.0655
Dec	0.0655
Jan	0.0655
Feb	0.0655
Mar	0.0655
Apr	0.0655

### Common Share Price Performance -- Weekly Closing Price

[LINE GRAPH]

5/01/08	\$ 13.47
	13.54
	13.45
	13.5
	13.43
	13.64
	13.56
	13.11
	12.9
	12.85
	13.1
	13.04
	12.71
	12.82
	12.82
	12.78
	12.8
	12.79
	12.71
	12.8
	12.5
	12.02
	11.68
	11.06
	7.9
	9.783
	10.9
	10.72
	11.23
	10.71
	9.36
	10.3
	8.94

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

	8.46
	9.75
	9.73
	10.46
	11.39
	11.25
	11.07
	11.3
	11.6
	11.53
	10.81
	11.3
	10.35
	10.74
	10.86
	11.22
	11.01
	10.98
	11.25
	11.49
4/30/09	11.73

1 The percentages shown in the foregoing chart may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

2 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.

14 Nuveen Investments

NXZ Performance OVERVIEW | Nuveen Dividend Advantage Municipal Fund 2  
as of April 30, 2009

Credit Quality (as a % of total investments)(1)

[PIE CHART]

AAA/U.S.	
Guaranteed	49%
AA	22%
A	11%
BBB	12%
BB or Lower	4%
N/R	2%

2008-2009 Monthly Tax-Free Dividends Per Common Share

[BAR CHART]

May	\$	0.073
Jun		0.073
Jul		0.073
Aug		0.073

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

Sep	0.073
Oct	0.073
Nov	0.073
Dec	0.073
Jan	0.073
Feb	0.073
Mar	0.073
Apr	0.073

Common Share Price Performance -- Weekly Closing Price

[LINE GRAPH]

5/01/08	\$ 15.03
	15.01
	15.03
	15.22
	15.21
	15.3
	15.27
	14.9
	14.47
	14.5269
	14.8
	14.73
	14.28
	14.37
	14.47
	14.8
	14.52
	14.6399
	14.56
	14.39
	14.1
	13.47
	12.13
	12.2604
	8.94
	10.71
	12.06
	12.35
	12.4
	11.45
	10.4199
	11.2
	10.19
	9.616
	10.78
	11.75
	11.9
	12.66
	12.63
	12.53
	12.96
	13.07
	12.71
	11.69
	12.57
	11.6031
	11.69
	11.7
	11.97

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

	12.24
	12.45
	12.46
	12.39
4/30/09	12.81

FUND SNAPSHOT

Common Share Price	\$	12.81
Common Share Net Asset Value	\$	13.37
Premium/(Discount) to NAV		-4.19%
Market Yield		6.84%
Taxable-Equivalent Yield(2)		9.50%
Net Assets Applicable to Common Shares (\$000)	\$	393,654
Average Effective Maturity on Securities (Years)		15.55
Leverage-Adjusted Duration		10.25

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	7.48%	8.83%
1-Year	-8.65%	-5.01%
5-Year	4.37%	3.90%
Since Inception	4.46%	5.54%

STATES  
(as a % of total investments)

Texas	17.6%
Illinois	9.0%
Michigan	8.2%
California	7.8%
New York	6.6%
Colorado	5.5%
New Mexico	4.2%
Minnesota	3.4%

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

Alabama	3.4%
Florida	3.0%
Washington	3.0%
Louisiana	2.8%
Kansas	2.8%
Pennsylvania	2.4%
Indiana	2.3%
Oregon	2.2%
Massachusetts	2.2%
Other	13.6%

INDUSTRIES

(as a % of total investments)

U.S. Guaranteed	33.6%
Tax Obligation/Limited	18.0%
Health Care	14.5%
Transportation	10.8%
Consumer Staples	5.5%
Utilities	5.5%
Other	12.1%

1 The percentages shown in the foregoing chart may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

2 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.

Nuveen Investments 15

NZF Performance OVERVIEW | Nuveen Dividend Advantage Municipal Fund 3  
as of April 30, 2009

FUND SNAPSHOT

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

Common Share Price	\$	12.13
-----		
Common Share Net Asset Value	\$	13.12
-----		
Premium/(Discount) to NAV		-7.55%
-----		
Market Yield		6.73%
-----		
Taxable-Equivalent Yield(2)		9.35%
-----		
Net Assets Applicable to Common Shares (\$000)	\$	529,576
-----		
Average Effective Maturity on Securities (Years)		14.37
-----		
Leverage-Adjusted Duration		11.58
-----		

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

	ON SHARE PRICE	ON NAV
-----		
6-Month (Cumulative)	17.39%	12.01%
-----		
1-Year	-5.34%	-4.24%
-----		
5-Year	4.42%	3.75%
-----		
Since Inception	3.53%	4.93%
-----		

STATES  
(as a % of municipal bonds)

Texas	13.5%
-----	
Washington	11.1%
-----	
Illinois	10.3%
-----	
California	8.2%
-----	
Michigan	6.5%
-----	
Iowa	4.5%
-----	
Indiana	4.0%
-----	
Colorado	3.6%
-----	
Wisconsin	3.2%
-----	
New York	2.6%
-----	
New Jersey	2.4%
-----	
Kentucky	2.4%

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

Louisiana	2.3%
Missouri	2.1%
Oregon	1.8%
Georgia	1.6%
Oklahoma	1.6%
Florida	1.6%
Massachusetts	1.5%
Ohio	1.4%
Other	13.8%

INDUSTRIES  
(as a % of total investments)

U.S. Guaranteed	25.1%
Transportation	15.6%
Health Care	14.2%
Tax Obligation/General	10.5%
Tax Obligation/Limited	6.4%
Utilities	5.4%
Education and Civic Organizations	5.1%
Water and Sewer	4.4%
Other	13.3%

Credit Quality (as a % of municipal bonds) (1)

[PIE CHART]

AAA/U.S. Guaranteed	44%
AA	27%
A	16%
BBB	6%
BB or Lower	2%
N/R	5%

2008-2009 Monthly Tax-Free Dividends Per Common Share (3)

[BAR CHART]

May	\$ 0.064
Jun	0.064
Jul	0.064
Aug	0.064

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

Sep	0.0665
Oct	0.0665
Nov	0.0665
Dec	0.0665
Jan	0.0665
Feb	0.0665
Mar	0.068
Apr	0.068

Common Share Price Performance -- Weekly Closing Price

[LINE GRAPH]

	\$	13.79
5/01/08		13.77
		13.83
		13.79
		13.85
		13.8
		13.84
		13.45
		13.05
		13.14
		13.15
		13.1
		12.93
		12.98
		12.9
		12.97
		12.9
		12.83
		12.94
		13.03
		12.82
		12.6
		11.64
		11.35
		7.55
		9.821
		11.3
		10.72
		11.39
		10.64
		9.25
		10.2
		9.26
		8.8568
		9.8
		9.77
		10.59
		11.56
		11.67
		11.37
		11.95
		12.42
		11.95
		10.71
		11.4
		10.74
		11.14
		11.09
		11.3699

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

	11.33
	11.5
	11.8
	11.92
4/30/09	12.13

- 1 The percentages shown in the foregoing chart may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.
- 2 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.
- 3 The Fund paid shareholders a net ordinary income distribution in December 2008 of \$0.0057 per share.

16 Nuveen Investments

NPP | Nuveen Performance Plus Municipal Fund, Inc.  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ALABAMA - 0.2% (0.1% OF TOTAL INVESTMENTS)		
Jefferson County, Alabama, Sewer Revenue Refunding Warrants, Series 1997A:		
\$ 1,435	5.625%, 2/01/22 - FGIC Insured	6/09 at 100.00
1,505	5.375%, 2/01/27 - FGIC Insured	6/09 at 100.00
2,940	Total Alabama	
ALASKA - 0.1% (0.1% OF TOTAL INVESTMENTS)		
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 - 1.4% (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 - 0.4% (0.3% OF TOTAL INVESTMENTS)		

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

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 - 15.9% (10.1% 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 - FSA 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
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

Nuveen Investments 17

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)  
 | (continued) Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	CALIFORNIA (continued)	
\$ 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, 5.000%, 8/01/32 - FSA Insured	8/18 at 100.00
1,500	Golden State Tobacco Securitization Corporation, California, Enhanced 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,	6/22 at 100.00

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

	Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-2, 0.000%, 6/01/37	
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
1,000	Mt. Diablo Hospital District, California, Insured Hospital Revenue Bonds, Series 1993A, 5.125%, 12/01/23 - AMBAC Insured (ETM)	6/09 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 - MBIA Insured	No Opt. Call
4,020	Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991A, 7.150%, 2/01/10 (ETM)	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
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 - MBIA Insured	No Opt. Call
2,510	Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1, 4.750%, 6/01/23	6/15 at 100.00
15,374	Walnut Valley Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 7.200%, 2/01/16 - MBIA Insured	8/11 at 103.00
-----		
140,534	Total California	
-----		
	COLORADO - 7.0% (4.5% OF TOTAL INVESTMENTS)	
5,240	Adams 12 Five Star Schools, Adams County, Colorado, General Obligation Bonds, Series 2005, 5.000%, 12/15/24 - FSA 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
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
12,615	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/21 - MBIA Insured	No Opt. Call
	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B:	
15,700	0.000%, 9/01/32 - MBIA Insured	No Opt. Call
33,120	0.000%, 9/01/33 - MBIA Insured	No Opt. Call
18,500	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004A, 0.000%, 3/01/36 - MBIA Insured	No Opt. Call
755	Jefferson County School District R1, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/15/22 - FSA	12/14 at 100.00

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

Insured (UB)

18 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	COLORADO (continued)	
\$ 1,330	University of Colorado Hospital Authority, Revenue Bonds, Series 1999A, 5.000%, 11/15/29 - AMBAC Insured	11/09 at 101.00
-----		
120,620	Total Colorado	
-----		
	DISTRICT OF COLUMBIA - 1.8% (1.1% 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
5,590	District of Columbia, General Obligation Bonds, Series 1999B, 5.500%, 6/01/13 - FSA Insured	6/09 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
-----		
15,460	Total District of Columbia	
-----		
	FLORIDA - 7.8% (5.0% OF TOTAL INVESTMENTS)	
	Broward County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Venice Homes Apartments, Series 2001A:	
1,545	5.700%, 1/01/32 - FSA Insured (Alternative Minimum Tax)	7/11 at 100.00
1,805	5.800%, 1/01/36 - FSA 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
2,090	Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, Series 2000-11, 5.850%, 1/01/22 - FSA Insured (Alternative Minimum Tax)	1/10 at 100.00
5,375	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 - MBIA 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 - FSA 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)	6/09 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 - FSA Insured (Alternative Minimum Tax)	6/11 at 100.00

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

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
1,700	Miami-Dade County, Florida, Beacon Tradeport Community Development District, Special Assessment Bonds, Commercial Project, Series 2002A, 5.625%, 5/01/32 - RAAI Insured	5/12 at 102.00
4,500	Port Saint Lucie, Florida, Special Assessment Revenue Bonds, Southwest Annexation District 1B, Series 2007, 5.000%, 7/01/40 - MBIA Insured	7/17 at 100.00

-----  
66,185 Total Florida

GEORGIA - 3.4% (2.2% OF TOTAL INVESTMENTS)		
4,920	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.600%, 1/01/30 (Pre-refunded 1/01/10) - FGIC Insured	1/10 at 101.00
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 - MBIA Insured (Alternative Minimum Tax)	7/10 at 101.00

Nuveen Investments 19

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	GEORGIA (continued)	
\$ 15,000	Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series 1999A, 5.500%, 11/01/25 (Pre-refunded 11/01/09)	11/09 at 101.00

-----  
26,920 Total Georgia

IDAHO - 0.1% (0.1% OF TOTAL INVESTMENTS)		
355	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.200%, 7/01/14 (Alternative Minimum Tax)	1/10 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

-----  
630 Total Idaho

ILLINOIS - 25.5% (16.3% 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	No Opt. Call

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

	Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured	
	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 - MBIA Insured	7/09 at 100.00
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
2,000	Illinois Finance Authority, Revenue Bonds, Children's Memorial Hospital, Series 2008, 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, 9.118%, 7/01/46 (IF)	7/17 at 100.00
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
3,500	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
2,160	Illinois Health Facilities Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series 1999, 5.250%, 8/15/15 (Mandatory put 8/15/09)	8/09 at 101.00
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
3,700	Libertyville, Illinois, Affordable Housing Revenue Bonds, Liberty Towers Project, Series 1999A, 7.000%, 11/01/29 (Pre-refunded 11/01/09) (Alternative Minimum Tax)	11/09 at 100.00
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 - MBIA 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

20 Nuveen Investments

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

---

ILLINOIS (continued)  
Metropolitan Pier and Exposition Authority, Illinois,

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

	Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A:		
\$	9,400	0.000%, 12/15/18 - MBIA Insured	No Opt. Call
	16,570	0.000%, 12/15/20 - MBIA Insured	No Opt. Call
	23,550	0.000%, 12/15/22 - MBIA Insured	No Opt. Call
	13,000	0.000%, 12/15/24 - MBIA 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
	17,865	Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999, 5.750%, 6/01/23 - FSA Insured	No Opt. Call
	6,090	Sherman, Illinois, GNMA Mortgage Revenue Refunding Bonds, Villa Vianney, Series 1999A, 6.450%, 10/01/29	10/09 at 102.00
	10,000	Will County Community High School District 210 Lincoln-Way, Illinois, General Obligation Bonds, Series 2006, 0.000%, 1/01/23 - FSA Insured	No Opt. Call
-----			
	281,640	Total Illinois	
-----			
		INDIANA - 5.9% (3.8% 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) - MBIA 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
	2,500	Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - FSA 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 - MBIA Insured (ETM)	7/09 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, 5.250%, 8/01/20 - FGIC Insured	8/13 at 100.00
	1,000	Marion County Convention and Recreational Facilities Authority, Indiana, Excise Taxes Lease	6/11 at 100.00
		Rental Revenue Refunding Senior Bonds, Series 2001A, 5.000%, 6/01/21 - MBIA Insured	
	2,395	Shelbyville Central Renovation School Building Corporation,	7/15 at 100.00

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

	Indiana, First Mortgage Bonds, Series 2005, 4.375%, 7/15/26 - MBIA Insured	
1,800	Sunman Dearborn High School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 5.000%, 7/15/25 - MBIA Insured	1/15 at 100.00
-----		
48,335	Total Indiana	

Nuveen Investments 21

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	IOWA - 2.2% (1.4% 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
3,750	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
-----		
25,150	Total Iowa	
-----		
	KANSAS - 1.6% (1.0% OF TOTAL INVESTMENTS)	
3,790	Kansas Department of Transportation, Highway Revenue Bonds, Series 2004, 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 - FSA Insured	9/11 at 100.00
-----		
12,780	Total Kansas	
-----		
	LOUISIANA - 2.8% (1.8% OF TOTAL INVESTMENTS)	
650	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	10/09 at 101.00
4,000	Lafayette City and Parish, Louisiana, Utilities Revenue Bonds, Series 2004, 5.250%, 11/01/25 - MBIA Insured	11/14 at 100.00
4,650	Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 -	7/14 at 100.00

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

	MBIA Insured		
	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B:		
10,000	5.500%, 5/15/30		5/11 at 101.00
6,680	5.875%, 5/15/39		5/11 at 101.00
-----			
25,980	Total Louisiana		
-----			
	MAINE - 0.7% (0.4% OF TOTAL INVESTMENTS)		
5,680	Portland, Maine, Airport Revenue Bonds, Series 2003A, 5.000%, 7/01/32 - FSA Insured		7/13 at 100.00
-----			
	MARYLAND - 1.7% (1.1% 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
5,660	Takoma Park, Maryland, Hospital Facilities Revenue Refunding and Improvement Bonds, Washington Adventist Hospital, Series 1995, 6.500%, 9/01/12 - FSA Insured (ETM)		No Opt. Call
-----			
13,380	Total Maryland		
-----			
	MASSACHUSETTS - 6.0% (3.8% OF TOTAL INVESTMENTS)		
	Massachusetts Development Finance Authority, Revenue Bonds, 100 Cambridge Street Redevelopment, M/SRBC Project, Series 2002A:		
4,000	5.125%, 8/01/28 - MBIA Insured		2/12 at 100.00
5,625	5.125%, 2/01/34 - MBIA Insured		2/12 at 100.00
970	Massachusetts Educational Finance Authority, Student Loan Revenue Refunding Bonds, Series 2000G, 5.700%, 12/01/11 - MBIA Insured (Alternative Minimum Tax)		12/09 at 101.00

22 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	MASSACHUSETTS (continued)	
\$ 8,730	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System, Series 2005, 5.000%, 10/01/19 - AGC Insured (UB)	10/15 at 100.00
500	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, CareGroup Inc., Series 2008E-1, 5.125%, 7/01/38	7/18 at 100.00
1,530	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Southcoast Health System Obligated Group, Series 1998A, 4.750%, 7/01/27 - MBIA Insured	7/09 at 100.50
5,745	Massachusetts Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds, Ogden Haverhill Project, Series 1998A, 5.600%, 12/01/19 (Alternative Minimum Tax)	6/09 at 102.00
10,675	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%,	7/09 at 100.00

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

	1/01/37 - MBIA Insured	
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) - MBIA Insured	6/10 at 100.00
-----		
52,165	Total Massachusetts	
-----		
	MICHIGAN - 5.0% (3.2% OF TOTAL INVESTMENTS)	
6,155	Birmingham City School District, Oakland County, Michigan, School Building and Site Bonds, Series 1998, 4.750%, 11/01/24 - FSA Insured	11/09 at 100.00
5,000	Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A, 5.000%, 7/01/35 - MBIA Insured	7/15 at 100.00
1,500	Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.000%, 10/15/24	10/11 at 100.00
5,000	Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2003II, 5.000%, 10/15/29 - MBIA 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 - MBIA Insured (Alternative Minimum Tax)	9/09 at 102.00
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
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 - MBIA Insured (Alternative Minimum Tax)	6/09 at 101.00
-----		
41,970	Total Michigan	
-----		
	MINNESOTA - 3.1% (2.0% 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
18,820	St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured	11/15 at 103.00
-----		
21,820	Total Minnesota	
-----		

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

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)

| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	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	10/09 at 100.00
2,475	Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004, 5.000%, 9/01/24 (UB)	9/14 at 100.00
-----		
12,225	Total Mississippi	
-----		
	MISSOURI - 1.8% (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
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 - FSA Insured	10/13 at 100.00
-----		
14,010	Total Missouri	
-----		
	MONTANA - 0.6% (0.3% OF TOTAL INVESTMENTS)	
595	Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29(Alternative Minimum Tax)	12/09 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)	6/09 at 101.00
-----		
5,390	Total Montana	
-----		
	NEBRASKA - 0.1% (0.1% OF TOTAL INVESTMENTS)	
1,110	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 - 2.7% (1.7% 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) - MBIA Insured	6/12 at 100.00
3,500	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000: 0.000%, 1/01/21 - AMBAC Insured	No Opt. Call
2,780	0.000%, 1/01/28 - AMBAC Insured	No Opt. Call

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

6,980	5.375%, 1/01/40 - AMBAC Insured	1/10 at 100.00
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 Healthcare West, Trust 2634, 16.017%, 7/01/31 - BHAC Insured (IF)	7/17 at 100.00
-----		
31,660	Total Nevada	
-----		
NEW HAMPSHIRE - 1.3% (0.8% OF TOTAL INVESTMENTS)		
New Hampshire Housing Finance Authority, FHLMC Multifamily Housing Remarketed Revenue Bonds, Countryside LP, Series 1994:		
3,725	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
-----		
10,670	Total New Hampshire	
-----		

24 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
NEW JERSEY - 8.1% (5.2% OF TOTAL INVESTMENTS)		
\$ 2,110	New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 - MBIA 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 - FSA 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
New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C:		
35,000	0.000%, 12/15/29 - FSA 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 - FSA Insured (UB)	7/13 at 100.00
11,070	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
West Deptford Township, Gloucester County, New Jersey, General Obligation Bonds, Series 2000:		
3,150	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
-----		
92,865	Total New Jersey	
-----		
NEW YORK - 8.0% (5.1% OF TOTAL INVESTMENTS)		

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

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
2,070	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	7/09 at 100.50
1,580	Dormitory Authority of the State of New York, Revenue Bonds, Marymount Manhattan College, Series 1999: 6.375%, 7/01/13 - RAAI Insured	7/09 at 101.00
9,235	6.125%, 7/01/21 - RAAI Insured	7/09 at 101.00
1,500	Dormitory Authority of the State of New York, Revenue Bonds, St. Barnabas Hospital, Series 1997, 5.450%, 8/01/35 - AMBAC Insured	8/09 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 - FSA Insured	11/12 at 100.00
13,600	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2009, 4.500%, 11/15/32 - FSA Insured (UB)	11/16 at 100.00
7,810	New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded 8/15/09)	8/09 at 101.00
6,300	New York City, New York, General Obligation Bonds, Fiscal Series 2000A, 6.250%, 5/15/26 - FSA Insured	5/10 at 101.00
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 - MBIA Insured(Alternative Minimum Tax)	9/09 at 101.00
-----		
65,315	Total New York	
-----		

Nuveen Investments 25

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
\$ 4,900	NORTH CAROLINA - 1.6% (1.0% OF TOTAL INVESTMENTS) 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
2,000	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 1998A, 5.000%, 1/01/20 - MBIA Insured	7/09 at 101.00
5,500	The Charlotte-Mecklenburg Hospital Authority, North Carolina, Doing Business as Carolinas HealthCare System, Health Care Refunding Revenue Bonds, Series 2008A, 5.000%, 1/15/39	1/18 at 100.00
-----		

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

12,400	Total North Carolina	
-----		
	OHIO - 6.6% (4.2% OF TOTAL INVESTMENTS)	
10,000	American Municipal Power Ohio Inc., General Revenue Bonds, Series 2008, 5.250%, 2/15/43 Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement	2/18 at 100.00
	Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:	
340	5.125%, 6/01/24	6/17 at 100.00
3,570	5.875%, 6/01/30	6/17 at 100.00
4,675	5.750%, 6/01/34	6/17 at 100.00
2,400	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 - FSA Insured	1/10 at 101.00
780	Cleveland, Ohio, Airport System Revenue Bonds, Series 2001A, 5.000%, 1/01/31 (Pre-refunded 1/01/10) - FSA Insured	1/10 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
5,800	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax)	9/09 at 101.00
12,400	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax)	9/09 at 102.00
-----		
70,315	Total Ohio	
-----		
	OREGON - 1.1% (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 - 3.2% (2.1% OF TOTAL INVESTMENTS)	
	Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 1998:	
3,125	0.000%, 5/15/22 - FSA Insured	No Opt. Call
3,125	0.000%, 5/15/23 - FSA Insured	No Opt. Call
3,135	0.000%, 5/15/24 - FSA Insured	No Opt. Call
3,155	0.000%, 5/15/26 - FSA Insured	No Opt. Call
4,145	0.000%, 11/15/26 - FSA Insured	No Opt. Call
2,800	0.000%, 5/15/28 - FSA Insured	No Opt. Call
3,000	0.000%, 11/15/28 - FSA 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
11,000	Delaware County Authority, Pennsylvania, Revenue Bonds, Catholic Health East, Series 1998A, 4.875%, 11/15/18 - AMBAC Insured	5/09 at 102.00
1,250	Erie, Pennsylvania, Water Authority, Water Revenue Bonds, Series 2008, 5.000%, 12/01/43 - FSA Insured	12/18 at 100.00

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	PENNSYLVANIA (continued)	
\$ 4,500	Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A, 6.500%, 1/01/13 (Alternative Minimum Tax)	7/09 at 100.00
300	Pennsylvania Economic Development Financing Authority, Subordinate Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994C, 6.875%, 1/01/11 (Alternative Minimum Tax)	7/09 at 100.00
-----		
40,570	Total Pennsylvania	
-----		
	PUERTO RICO - 0.6% (0.4% 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) - MBIA Insured	7/10 at 101.00
25,000	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 8/01/47 - AMBAC Insured	No Opt. Call
3,750	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Trust 2653, 13.702%, 8/01/57 (IF)	8/17 at 100.00
-----		
30,000	Total Puerto Rico	
-----		
	RHODE ISLAND - 0.7% (0.4% OF TOTAL INVESTMENTS)	
2,000	Kent County Water Authority, Rhode Island, General Revenue Bonds, Series 2002A, 5.000%, 7/15/23 - MBIA 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 - 4.3% (2.8% OF TOTAL INVESTMENTS)	
2,625	Medical University Hospital Authority, South Carolina, FHA-Insured Mortgage Revenue Bonds, Series 2004A, 5.250%, 2/15/25 - MBIA Insured	8/14 at 100.00
22,855	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/31 - AMBAC Insured	No Opt. Call
6,925	South Carolina, General Obligation Bonds, Series 1999A, 4.000%, 10/01/14	10/09 at 101.00
18,825	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
-----		
51,230	Total South Carolina	

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

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) - MBIA Insured	7/23 at 100.00
1,700	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 - AMBAC Insured (Alternative Minimum Tax)	3/10 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
10,560	Total Tennessee	

Nuveen Investments 27

NPP | Nuveen Performance Plus Municipal Fund, Inc. (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
TEXAS - 7.5% (4.8% OF TOTAL INVESTMENTS)		
\$ 3,975	Bell County Health Facilities Development Corporation, Texas, Revenue Bonds, Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation, Series 2000A, 6.125%, 8/15/23 (Pre-refunded 2/15/10) - MBIA Insured	2/10 at 101.00
5,000	Bexar Metropolitan Water District, Texas, Waterworks System Revenue Bonds, Series 2006, 5.000%, 5/01/35 - MBIA Insured	5/16 at 100.00
4,000	Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005: 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
4,000	Houston Community College, 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 - AMBAC Insured	No Opt. Call
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
4,930	Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1998: 0.000%, 8/15/20	8/09 at 54.76
3,705	0.000%, 8/15/22	8/09 at 48.30
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
6,835	San Antonio, Texas, Electric and Gas System Revenue	8/09 at 100.00

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

6,000	Refunding Bonds, New Series 1998A, 4.500%, 2/01/21 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 - FSA Insured	3/13 at 100.00
1,740	Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 1999C, 5.500%, 8/01/29 - MBIA Insured	8/09 at 100.00
-----		
98,405	Total Texas	

UTAH - 3.2% (2.1% OF TOTAL INVESTMENTS)		
Utah County, Utah, Hospital Revenue Bonds, IHC Health Services Inc., Series 1997:		
12,885	5.250%, 8/15/21 - MBIA Insured (ETM)	8/09 at 100.00
3,900	5.250%, 8/15/26 - MBIA Insured (ETM)	8/09 at 100.00
2,120	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2002A-1, 5.300%, 7/01/18(Alternative Minimum Tax)	1/12 at 100.00
5	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000B, 6.250%, 7/01/22(Alternative Minimum Tax)	1/10 at 100.00
755	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000D-1, 6.050%, 7/01/14(Alternative Minimum Tax)	7/10 at 100.00
550	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
1,010	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
785	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001A-2, 5.650%, 7/01/27(Alternative Minimum Tax)	7/11 at 100.00

28 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
\$ 610	UTAH (continued) 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
-----		
25,620	Total Utah	

VIRGIN ISLANDS - 0.7% (0.4% 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

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

7,200	Total Virgin Islands	
-----		
	WASHINGTON - 5.4% (3.5% 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 - MBIA Insured	No Opt. Call
465	Cowlitz County Public Utilities District 1, Washington, Electric Production Revenue Bonds, Series 2004: 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
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
4,685	Washington State Healthcare Facilities Authority, Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 (Pre-refunded 12/01/09) - MBIA Insured	12/09 at 101.00
5,000	Washington State Housing Finance Commission, Non-Profit Housing Revenue Bonds, Kline Galland Center, Series 1999, 6.000%, 7/01/29 - RAAI Insured	7/09 at 101.00
12,000	Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2001D, 5.250%, 1/01/26	1/11 at 100.00
-----		
52,485	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 - 2.9% (1.9% OF TOTAL INVESTMENTS)	
11,620	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1999, 6.250%, 2/15/29 - RAAI Insured	2/10 at 101.00
7,315	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Millennium Housing Foundation Inc., Series 1998, 6.100%, 1/01/28	7/09 at 103.00
-----		
Nuveen Investments 29		
NPP   Nuveen Performance Plus Municipal Fund, Inc. (continued)		
Portfolio of INVESTMENTS April 30, 2009 (Unaudited)		
PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
\$ 9,400	WISCONSIN (continued) 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
-----		
28,335	Total Wisconsin	
-----		
\$ 1,602,344	Total Investments (cost \$1,294,912,858) - 156.4%	

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

Floating Rate Obligations - (6.5)%
Other Assets Less Liabilities - 2.4%
Auction Rate Preferred Shares, at Liquidation Value - (52.3)% (5)
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.

The Portfolio of Investments may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (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) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.5%

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 pursuant to the provisions of SFAS No. 140. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

30 Nuveen Investments

NMA | Nuveen Municipal Advantage Fund, Inc.  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL

OPTIONAL CALL

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

AMOUNT (000)	DESCRIPTION (1)	PROVISIONS (2)
-----		
	ALABAMA - 1.5% (0.9% OF TOTAL INVESTMENTS)	
\$ 5,075	Lauderdale County and Florence Healthcare Authority, Alabama, Revenue Bonds, Coffee Health Group, Series 1999A, 5.250%, 7/01/24 - MBIA Insured	7/09 at 101.00
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)	
	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:	
1,035	4.625%, 6/01/23	6/14 at 100.00
3,250	5.000%, 6/01/46	6/14 at 100.00
-----		
6,690	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	6/09 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 - 18.4% (11.5% 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

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

9,955 Capistrano Unified School District, Orange County, California, No Opt. Call  
 Special Tax Bonds, Community Facilities District, Series  
 2005, 0.000%, 9/01/31 - FGIC Insured

Nuveen Investments 31

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	CALIFORNIA (continued)	
\$ 3,800	Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2006C: 0.000%, 2/01/33 - FGIC Insured	2/15 at 38.73
3,795	0.000%, 2/01/37 - FGIC Insured	No Opt. Call
7,535	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 - MBIA Insured	No Opt. Call
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 - MBIA 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
1,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47	6/17 at 100.00
3,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/26 - FSA Insured	No Opt. Call
1,275	Madera Unified School District, Madera County, California, General Obligation Bonds, Series 2002, 5.250%, 8/01/23 - FSA Insured	8/12 at 100.00
	North Orange County Community College District, California, General Obligation Bonds, Series 2003B:	
7,735	0.000%, 8/01/25 - FGIC Insured	No Opt. Call
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

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

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 - MBIA 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 - MBIA Insured	9/15 at 47.82
-----		
170,080	Total California	
-----		

COLORADO - 7.7% (4.8% 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
8,350	Colorado Health Facilities Authority, Remarketed Revenue Bonds, Kaiser Permanente System, Series 1994A, 5.350%, 11/01/16 (ETM)	7/09 at 100.50
1,150	Colorado Health Facilities Authority, Revenue Bonds, Poudre Valley Health System, Series 2005C, 5.250%, 3/01/40 - FSA 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

32 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
COLORADO (continued)		
\$ 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
1,340	Denver, Colorado, Airport Revenue Bonds, Trust 2365: 12.496%, 11/15/23 - FGIC Insured (IF)	11/16 at 100.00
1,085	12.488%, 11/15/25 - FGIC Insured (IF)	11/16 at 100.00
	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B:	
2,650	0.000%, 9/01/16 - MBIA Insured	No Opt. Call
8,645	0.000%, 9/01/26 - MBIA Insured	No Opt. Call
1,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 5.750%, 9/01/35(Pre-refunded 9/01/10) - MBIA Insured	9/10 at 102.00
	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B:	
7,500	0.000%, 9/01/29 - MBIA Insured	No Opt. Call
10,000	0.000%, 9/01/31 - MBIA Insured	No Opt. Call
10,000	0.000%, 9/01/32 - MBIA 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

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

	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
75,060	Total Colorado		
	DISTRICT OF COLUMBIA - 0.2% (0.1% OF TOTAL INVESTMENTS)		
1,305	District of Columbia Housing Finance Agency, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 1997B, 5.900%, 12/01/28 (Alternative Minimum Tax)		6/09 at 100.00
	FLORIDA - 3.5% (2.2% OF TOTAL INVESTMENTS)		
2,770	Florida Housing Finance Corporation, Housing Revenue Bonds, Stratford Point Apartments, Series 20000-1, 5.850%, 12/01/31 - FSA Insured (Alternative Minimum Tax)		12/10 at 100.00
8,100	South Miami Health Facilities Authority, Florida, Revenue Bonds, Baptist Health Systems of South Florida, Trust 1025, 8.242%, 8/15/42 (IF)		8/17 at 100.00
10,130	Tampa, Florida, Healthcare System Revenue Bonds, Allegany Health System - St. Mary's Hospital, Series 1993, 5.125%, 12/01/23 - MBIA Insured (ETM)		6/09 at 100.00
21,000	Total Florida		
	GEORGIA - 1.1% (0.7% OF TOTAL INVESTMENTS)		
4,000	Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.250%, 10/01/39 - FSA 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
6,900	Total Georgia		
	HAWAII - 0.5% (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		7/10 at 102.00
525	Hawaii Housing Finance and Development Corporation, Single Family Mortgage Purchase Revenue Bonds, Series 1997A, 5.750%, 7/01/30 (Alternative Minimum Tax)		7/09 at 100.00
2,740	Total Hawaii		

Nuveen Investments 33

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

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

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

		ILLINOIS - 16.2% (10.2% 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
	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, 9.118%, 7/01/46 (IF)	7/17 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	8/09 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 - FSA 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	12/09 at 101.00
	10,430	5.250%, 12/15/28 - FGIC Insured	12/09 at 101.00
	3,175	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A, 0.000%, 6/15/41 - MBIA 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 - MBIA 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 - MBIA 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 - FSA Insured	No Opt. Call

---

124,085 Total Illinois

---

INDIANA - 1.6% (1.0% OF TOTAL INVESTMENTS)

	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) - MBIA Insured	8/10 at 101.50
	2,435	Indiana Health Facility Financing Authority, Revenue Bonds, Community Foundation of Northwest Indiana, Series 2007,	3/17 at 100.00

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

	5.500%, 3/01/37	
1,475	St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.450%, 2/15/12	8/09 at 101.50
9,115	Total Indiana	

34 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	IOWA - 0.6% (0.4% OF TOTAL INVESTMENTS)	
\$ 6,000	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
6,250	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 - MBIA Insured	6/14 at 100.00
	KENTUCKY - 1.4% (0.9% OF TOTAL INVESTMENTS)	
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 2008A-1, 6.000%, 12/01/33 - AGC Insured	6/18 at 100.00
5,500	Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 5.250%, 5/15/27 - MBIA Insured	5/09 at 100.00
8,000	Total Kentucky	
	LOUISIANA - 13.4% (8.4% 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	9/09 at 102.00
625	Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994: 11.000%, 2/01/14 (ETM)	No Opt. Call
5,650	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 - MBIA 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, 13.832%, 5/01/41 - FGIC Insured (IF)	5/16 at 100.00

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

	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:		
6,050	5.500%, 5/15/30		5/11 at 101.00
11,855	5.875%, 5/15/39		5/11 at 101.00
-----			
84,048	Total Louisiana		
-----			
	MASSACHUSETTS - 2.0% (1.2% OF TOTAL INVESTMENTS)		
620	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, CareGroup Inc., Series 2008E-1, 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		7/09 at 101.00
130	Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 77, 5.950%, 6/01/25 - FSA Insured (Alternative Minimum Tax)		12/09 at 100.00

Nuveen Investments 35

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	MASSACHUSETTS (continued)	
	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A:	
\$ 2,000	5.125%, 1/01/17 - MBIA Insured	6/09 at 100.00
500	5.000%, 1/01/27 - MBIA Insured	6/09 at 100.00
5,000	5.000%, 1/01/37 - MBIA Insured	7/09 at 100.00
2,690	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Subordinate Series 1997B, 5.250%, 1/01/29 - MBIA Insured	7/09 at 100.00
-----		
12,690	Total Massachusetts	
-----		
	MICHIGAN - 1.8% (1.1% 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	8/09 at 100.00
3,000	5.250%, 8/15/28	8/09 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	8/09 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
-----		

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

14,320	Total Michigan	
-----		
	MINNESOTA - 1.1% (0.7% 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
915	Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000J, 5.400%,1/01/23 (Alternative Minimum Tax)	1/10 at 100.00
-----		
5,915	Total Minnesota	
-----		
	MISSOURI - 1.0% (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
130	Missouri Housing Development Commission, Single Family Mortgage Revenue Bonds, Homeownership Loan Program, Series 2000A-1, 7.500%, 3/01/31 (Alternative Minimum Tax)	9/09 at 102.00
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 - FSA Insured	10/13 at 100.00
-----		
13,635	Total Missouri	
-----		
	NEVADA - 4.2% (2.6% OF TOTAL INVESTMENTS)	
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) - MBIA 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	1/10 at 100.00
3,750	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 2007B, Trust 2633, 16.277%, 7/01/31 - BHAC Insured (IF)	7/17 at 100.00
265	Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1997C-2, 5.750%, 4/01/29(Alternative Minimum Tax)	10/09 at 100.00
-----		
29,760	Total Nevada	
-----		

36 Nuveen Investments

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

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

		NEW JERSEY - 4.1% (2.6% 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
	12,075	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
	5,050	6.125%, 6/01/42 (Pre-refunded 6/01/12)	6/12 at 100.00
	32,125	Total New Jersey	
<hr/>			
		NEW MEXICO - 1.2% (0.7% 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	10/09 at 100.00
<hr/>			
		NEW YORK - 11.1% (7.0% 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
	3,980	Nassau County, New York, General Obligation Improvement Bonds, Series 2000F: 7.000%, 3/01/11 (Pre-refunded 3/01/10) - FSA Insured	3/10 at 100.00
	4,070	7.000%, 3/01/12 (Pre-refunded 3/01/10) - FSA Insured	3/10 at 100.00
	3,925	7.000%, 3/01/15 (Pre-refunded 3/01/10) - FSA Insured	3/10 at 100.00
	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)	6/09 at 102.00
	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
	9,850	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/31 (Pre-refunded 6/15/09) - FGIC Insured	6/09 at 101.00
	5,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Series 2008, Trust 1199, 8.606%, 6/15/36 - FSA Insured (IF)	12/14 at 100.00
	10,000	New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000B, 6.000%, 11/15/29 (Pre-refunded 5/15/10)	5/10 at 101.00
	7,435	New York City, New York, General Obligation Bonds, Fiscal Series 2000A, 5.750%, 5/15/20 (Pre-refunded 5/15/10)	5/10 at 101.00
	4,595	New York State Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 94, 5.800%, 10/01/20 (Alternative Minimum Tax)	4/10 at 100.00
	63,830	Total New York	
<hr/>			
		NORTH CAROLINA - 1.9% (1.2% OF TOTAL INVESTMENTS)	
	1,105	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
	4,945	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 7A, 6.250%, 1/01/29 (Alternative Minimum Tax)	7/09 at 100.00
	305	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 8A, 5.950%, 1/01/27 (Alternative Minimum Tax)	1/10 at 100.00

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

4,370	North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, 1998 Trust Agreement, Series 9A, 5.875%, 7/01/31 (Alternative Minimum Tax)	1/10 at 100.00
10,725	Total North Carolina	
-----		
NORTH DAKOTA - 0.5% (0.3% OF TOTAL INVESTMENTS)		
1,340	North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Series 1998B, 5.500%, 7/01/29 - MBIA Insured (Alternative Minimum Tax)	7/09 at 101.00
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
3,590	Total North Dakota	

Nuveen Investments 37

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
OHIO - 7.6% (4.8% OF TOTAL INVESTMENTS)		
\$ 5,025	Akron, Bath and Copley Joint Township Hospital District, Ohio, Hospital Facilities Revenue Bonds, Summa Health System, Series 1998A, 5.375%, 11/15/18	11/09 at 101.00
10,000	American Municipal Power Ohio Inc., General Revenue Bonds, Series 2008, 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:	
260	5.125%, 6/01/24	6/17 at 100.00
2,700	5.875%, 6/01/30	6/17 at 100.00
2,635	5.750%, 6/01/34	6/17 at 100.00
2,400	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
	Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999:	
7,840	6.750%, 4/01/18 (Pre-refunded 4/01/10)	4/10 at 101.00
5,000	6.750%, 4/01/22 (Pre-refunded 4/01/10)	4/10 at 101.00
1,160	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
50,715	Total Ohio	

OKLAHOMA - 3.3% (2.1% OF TOTAL INVESTMENTS)

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

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
2,110	Oklahoma State Industries Authority, Health System Revenue Bonds, Integris Baptist Medical Center, Series 1999A: 5.750%, 8/15/29 (Pre-refunded 8/15/09) - MBIA Insured	8/09 at 101.00
2,890	5.750%, 8/15/29 (Pre-refunded 8/15/09) - MBIA Insured	8/09 at 101.00
-----		
20,675	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 - 1.1% (0.7% OF TOTAL INVESTMENTS)		
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
1,250	Erie, Pennsylvania, Water Authority, Water Revenue Bonds, Series 2008, 5.000%, 12/01/43 - FSA 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
2,600	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2004A, 5.500%, 12/01/31 - AMBAC Insured	12/14 at 100.00
145	Washington County Authority, Pennsylvania, Capital Funding Revenue Bonds, Capital Projects and Equipment Acquisition Program, Series 1999, 6.150%, 12/01/29 - AMBAC Insured	No Opt. Call
-----		
6,080	Total Pennsylvania	

38 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
PUERTO RICO - 3.0% (1.9% 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
10,070	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/39 - FGIC Insured	No Opt. Call
4,000	Puerto Rico, General Obligation Bonds, Series 2000B, 5.625%, 7/01/19 - MBIA Insured	7/10 at 100.00
-----		
19,070	Total Puerto Rico	

RHODE ISLAND - 1.3% (0.8% OF TOTAL INVESTMENTS)

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

1,235	Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group, Series 1996, 5.500%, 5/15/16 - MBIA Insured	5/09 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
<hr/>		
8,235	Total Rhode Island	
<hr/>		
SOUTH CAROLINA - 3.6% (2.2% 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
<hr/>		
18,845	Total South Carolina	
<hr/>		
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
<hr/>		
TENNESSEE - 6.5% (4.1% 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 - FSA Insured	1/13 at 75.87
14,385	Metropolitan Government of Nashville-Davidson County Health and Educational Facilities Board, Tennessee, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/28 (Pre-refunded 11/15/09) - AMBAC Insured	11/09 at 101.00
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
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	11/17 at 100.00
<hr/>		
44,050	Total Tennessee	
<hr/>		
TEXAS - 14.7% (9.2% OF TOTAL INVESTMENTS)		
2,000	Abilene Higher Education Authority, Inc., Texas, Student Loan	5/09 at 100.00

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

	Revenue Bonds, Subordinate Series 1998B, 5.050%, 7/01/13 (Alternative Minimum Tax)	
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

Nuveen Investments 39

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	TEXAS (continued)	
\$ 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
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)	10/09 at 101.00
7,500	Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 - MBIA Insured	11/13 at 100.00
1,540	Houston Community College, 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, 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)	5/09 at 101.00
7,000	North Texas Thruway Authority, First Tier System Revenue Refunding Bonds, Capital Appreciation Series 2008I, 0.000%, 1/01/43	1/25 at 100.00
3,425	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
4,000	Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 1999C, 5.500%, 8/01/35	8/09 at 100.00
6,840	Travis County Health Facilities Development Corporation, Texas, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/24 (Pre-refunded 11/15/09) -	11/09 at 101.00

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

	AMBAC Insured	
245	Wood Glen Housing Finance Corporation, Texas, FHA-Insured Section 8 Assisted Mortgage Revenue Bonds, Copperwood I Project, Series 1990A, 7.625%, 1/01/10 - MBIA Insured (ETM)	7/09 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

-----  
107,310 Total Texas  
-----

	VIRGINIA - 0.2% (0.1% 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

	WASHINGTON - 14.9% (9.4% 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	8/09 at 101.00

40 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	WASHINGTON (continued)	
\$ 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 2009: 5.650%, 7/01/32 - MBIA Insured (Alternative Minimum Tax) (UB)	7/11 at 101.00
8,810	5.600%, 1/01/36 - MBIA Insured (Alternative Minimum Tax) (UB)	7/11 at 101.00
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) - FSA Insured	12/10 at 100.00
10,550	Port of Seattle, Washington, General Obligation Bonds, Series 2000B, 5.750%, 12/01/25 (Alternative Minimum Tax) (UB)	12/10 at 100.00
5,315	Port of Seattle, Washington, Revenue Bonds, Series 2000B, 6.000%, 2/01/10 - MBIA Insured (Alternative Minimum Tax)	No Opt. Call
19,475	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999A, 6.000%, 9/01/29 (Pre-refunded 3/01/10) - MBIA Insured	3/10 at 101.00
5,000	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B, 6.000%, 9/01/20 - MBIA Insured (Alternative Minimum Tax)	3/10 at 101.00
5,000	Washington State Healthcare Facilities Authority, Revenue Bonds, Providence Services, Series 1999, 5.375%, 12/01/19 (Pre-refunded 12/01/09) - MBIA Insured	12/09 at 101.00
1,270	Washington State, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2003F, 0.000%, 12/01/24 - MBIA Insured	No Opt. Call

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

83,805	Total Washington	
-----		
	WEST VIRGINIA - 0.9% (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 - 3.3% (2.1% 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
1,440	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002: 6.000%, 6/01/17 (Pre-refunded 6/01/12)	6/12 at 100.00
6,315	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 - FSA 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 - MBIA Insured	No Opt. Call

Nuveen Investments 41

NMA | Nuveen Municipal Advantage Fund, Inc. (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	WISCONSIN (continued)	
\$ 430	Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, Series 2000B, 5.750%, 3/01/22 (Alternative Minimum Tax)	3/10 at 100.00
17,285	Total Wisconsin	
\$ 1,123,618	Total Investments (cost \$938,166,767) - 159.6%	
=====		
	Floating Rate Obligations - (8.7)%	
	Other Assets Less Liabilities - 2.4%	
	Auction Rate Preferred Shares, at Liquidation Value - (53.3)% (5)	
	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.

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

- (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.

The Portfolio of Investments may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (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) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.4%

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 pursuant to the provisions of SFAS No. 140. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

42 Nuveen Investments

NMO | Nuveen Municipal Market Opportunity Fund, Inc.  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ALABAMA - 0.6% (0.4% 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
4,420	Total Alabama	
ALASKA - 1.5% (0.9% OF TOTAL INVESTMENTS)		
Alaska Housing Finance Corporation, General Housing Purpose		

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

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
12,280	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46	6/14 at 100.00
-----		
14,680	Total Alaska	
-----		
ARKANSAS - 1.3% (0.8% OF TOTAL INVESTMENTS)		
5,000	Arkansas Development Finance Authority, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2000, 7.000%, 2/01/15 (Pre-refunded 2/01/10)	2/10 at 100.00
2,480	Cabot School District 4, Lonoke County, Arkansas, General Obligation Refunding Bonds, Series 2003, 5.000%, 2/01/27 - AMBAC Insured	6/09 at 100.00
-----		
7,480	Total Arkansas	
-----		
CALIFORNIA - 9.6% (6.0% OF TOTAL INVESTMENTS)		
12,500	Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/35 - FSA 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 - MBIA Insured	No Opt. Call
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
1,350	California Educational Facilities Authority, Revenue Refunding Bonds, Loyola Marymount University, Series 2001A, 0.000%, 10/01/39 - MBIA 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
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
6,250	California, Various Purpose General Obligation Bonds, Series 2005, Trust 2813, 11.060%, 3/01/35 - MBIA Insured (IF)	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

Nuveen Investments 43

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	CALIFORNIA (continued)	
\$ 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
1,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47	6/17 at 100.00
3,500	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A: 0.000%, 6/01/26 - FSA Insured	No Opt. Call
3,000	5.000%, 6/01/45	6/15 at 100.00
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
490	Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Second Series 1993, 4.750%, 10/15/20 (ETM)	10/09 at 100.00
995	Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Series 1994, 5.375%, 2/15/34 (ETM)	8/09 at 100.00
1,000	Pajaro Valley Unified School District, Santa Cruz County, California, General Obligation Bonds, Series 2005B, 0.000%, 8/01/29 - FSA 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
	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A:	
5,000	5.650%, 1/15/17 - MBIA Insured	1/14 at 102.00
26,000	0.000%, 1/15/35 - MBIA 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 - MBIA 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 - MBIA Insured	No Opt. Call
136,255	Total California	
	COLORADO - 6.4% (4.0% 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	12/09 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

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

	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B:		
2,200	0.000%, 9/01/22 - MBIA Insured		No Opt. Call
7,000	0.000%, 9/01/30 - MBIA Insured		No Opt. Call
15,960	0.000%, 9/01/33 - MBIA 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) - MBIA Insured		9/10 at 31.42
	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B:		
3,800	0.000%, 9/01/27 - MBIA Insured		9/20 at 67.94
13,300	0.000%, 9/01/31 - MBIA Insured		9/20 at 53.77
6,250	0.000%, 9/01/32 - MBIA Insured		9/20 at 50.83
10,000	0.000%, 3/01/36 - MBIA Insured		No Opt. Call
<hr/>			
100,345	Total Colorado		

44 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
<hr/>		
	DISTRICT OF COLUMBIA - 1.4% (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
<hr/>		
	FLORIDA - 1.2% (0.7% OF TOTAL INVESTMENTS)	
9,305	Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, Series 2008, Trust1191, 9.070%, 7/01/32 (Alternative Minimum Tax) (IF)	1/17 at 100.00
<hr/>		
	GEORGIA - 5.3% (3.3% OF TOTAL INVESTMENTS)	
15,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2000A, 5.600%, 1/01/30 (Pre-refunded 1/01/10) - FGIC Insured	1/10 at 101.00
14,330	Fulton County Facilities Corporation, Georgia, Certificates of Participation, Public Purpose Project, Series 1999, 5.500%, 11/01/18 - AMBAC Insured	11/10 at 101.00
<hr/>		
29,330	Total Georgia	
<hr/>		
	ILLINOIS - 14.2% (8.8% 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
2,300	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	7/09 at 101.00

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

	1998B, 5.000%, 1/01/28 - MBIA Insured	
2,945	Illinois Finance Authority, Illinois, Northwestern University, Revenue Bonds, Tender Option Bond Trust 3174, 14.628%, 12/01/42 (IF)	12/15 at 100.00
38,645	Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2000, 5.500%, 4/01/25 - MBIA Insured	4/10 at 100.00
	Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B:	
10,230	0.000%, 1/01/22 - FSA Insured	1/15 at 70.63
6,780	0.000%, 1/01/24 - FSA 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 - MBIA Insured	6/22 at 101.00
3,270	5.000%, 12/15/28 - MBIA Insured	6/12 at 101.00
3,700	0.000%, 6/15/30 - MBIA Insured	No Opt. Call
3,280	0.000%, 6/15/37 - MBIA Insured	No Opt. Call
11,715	0.000%, 12/15/38 - MBIA Insured	No Opt. Call
9,170	0.000%, 6/15/39 - MBIA Insured	No Opt. Call
-----		
118,955	Total Illinois	
-----		
	INDIANA - 1.1% (0.7% OF TOTAL INVESTMENTS)	
4,695	Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - MBIA Insured	2/11 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
-----		
6,695	Total Indiana	
-----		

Nuveen Investments 45

NMO | Nuveen Municipal Market Opportunity Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	IOWA - 0.7% (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%,	11/12 at 100.00

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

	11/01/21		
500	Salina, Kansas, Hospital Revenue Bonds, Salina Regional Medical Center, Series 2006, 4.625%, 10/01/31		4/16 at 100.00
<hr/>			
3,000	Total Kansas		
<hr/>			
	KENTUCKY - 2.1% (1.3% OF TOTAL INVESTMENTS)		
	Jefferson County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2000A:		
3,045	5.250%, 7/01/17 (Pre-refunded 1/01/10) - FSA Insured		1/10 at 101.00
7,490	5.250%, 7/01/20 (Pre-refunded 1/01/10) - FSA Insured		1/10 at 101.00
1,000	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008A-1, 6.000%, 12/01/38 - AGC Insured		6/18 at 100.00
<hr/>			
11,535	Total Kentucky		
<hr/>			
	LOUISIANA - 2.4% (1.5% 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 - MBIA Insured		12/12 at 100.00
3,350	Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - MBIA Insured		7/14 at 100.00
5,000	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39		5/11 at 101.00
<hr/>			
15,765	Total Louisiana		
<hr/>			
	MARYLAND - 1.2% (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		
<hr/>			
	MASSACHUSETTS - 4.0% (2.5% OF TOTAL INVESTMENTS)		
440	Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A, 5.250%, 7/01/30 Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A:		7/10 at 100.00
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
8,315	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured		7/09 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/>			
23,565	Total Massachusetts		
<hr/>			

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

46 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	MICHIGAN - 1.7% (1.0% OF TOTAL INVESTMENTS)	
\$ 5,000	Detroit Water Supply System, Michigan, Water Supply System Revenue Bonds, Series 2006D, 4.625%, 7/01/32 - FSA 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 - AMBAC Insured	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
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
-----		
11,290	Total Michigan	
-----		
	MINNESOTA - 9.1% (5.6% 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
1,795	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
2,925	St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured	11/15 at 103.00
-----		
48,395	Total Minnesota	
-----		
	MISSISSIPPI - 1.1% (0.7% 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	10/09 at 100.00
900	Mississippi Home Corporation, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1997D-5, 6.750%, 7/01/29 (Alternative Minimum Tax)	7/09 at 103.00
-----		
6,800	Total Mississippi	
-----		
	MISSOURI - 0.8% (0.5% OF TOTAL INVESTMENTS)	
	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

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

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 - 2.0% (1.3% OF TOTAL INVESTMENTS)		
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
21,000	5.375%, 1/01/40 - AMBAC Insured	1/10 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 Facility Revenue Bonds, Catholic Healthcare West, Trust 2634, 16.017%, 7/01/31 - BHAC Insured (IF)	7/17 at 100.00
48,120	Total Nevada	

Nuveen Investments 47

NMO | Nuveen Municipal Market Opportunity Fund, Inc. (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
NEW JERSEY - 7.1% (4.4% 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 - FSA Insured	No Opt. Call
5,000	New Jersey Turnpike Authority, Revenue Bonds, Growth and Income Securities, Series 2004B, 5.150%, 1/01/35 - AMBAC Insured	1/17 at 100.00
3,000	Rahway Valley Sewerage Authority, New Jersey, Sewer Revenue Bonds, Series 2005A, 0.000%, 9/01/25 - MBIA 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
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	6/17 at 100.00

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

Settlement Asset-Backed Bonds, Series 2007-1A, 5.000%,  
6/01/41

89,025	Total New Jersey	
-----		
	NEW MEXICO - 1.8% (1.1% 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
3,610	University of New Mexico, Revenue Refunding Bonds, Series 1992A, 6.250%, 6/01/12	No Opt. Call
-----		
9,535	Total New Mexico	
-----		
	NEW YORK - 10.1% (6.3% OF TOTAL INVESTMENTS)	
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
6,750	Nassau County Tobacco Settlement Corporation, New York, Tobacco Settlement Asset-Backed Bonds, Series 1999A, 6.400%, 7/15/33 (Pre-refunded 7/15/09)	7/09 at 101.00
17,870	New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded 8/15/09)	8/09 at 101.00
5	New York City, New York, General Obligation Bonds, Fiscal Series 1997H, 6.125%, 8/01/25	8/09 at 100.00
	New York City, New York, General Obligation Bonds, Fiscal Series 2002G:	
1,000	5.000%, 8/01/17	8/12 at 100.00
6,530	5.750%, 8/01/18	8/12 at 100.00
5,000	New York City, New York, General Obligation Bonds, Fiscal Series 2003A, 5.750%, 8/01/16	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 - MBIA Insured (Alternative Minimum Tax)	6/09 at 101.00
8,000	TSASC Inc., New York, Tobacco Flexible Amortization Bonds, Series 1999-1, 6.250%, 7/15/34 (Mandatory put 7/15/24) (Pre-refunded 7/15/09)	7/09 at 101.00
-----		
58,155	Total New York	
-----		
	NORTH CAROLINA - 2.3% (1.4% 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
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 - MBIA Insured	1/13 at 100.00
-----		
13,400	Total North Carolina	
-----		

48 Nuveen Investments

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	NORTH DAKOTA - 4.9% (3.0% OF TOTAL INVESTMENTS)	
\$ 23,035	Fargo, North Dakota, Health System Revenue Bonds, MeritCare Obligated Group, Series 2000A, 5.625%, 6/01/31 - FSA 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) - MBIA Insured	8/10 at 100.00
2,450	5.750%, 8/01/19 (Pre-refunded 8/01/10) - MBIA Insured	8/10 at 100.00
-----		
27,715	Total North Dakota	
-----		
	OHIO - 6.2% (3.9% OF TOTAL INVESTMENTS)	
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:	
3,000	5.375%, 6/01/24	6/17 at 100.00
120	5.125%, 6/01/24	6/17 at 100.00
1,250	5.875%, 6/01/30	6/17 at 100.00
1,215	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 - FSA Insured (UB)	12/16 at 100.00
16,140	Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999, 6.300%, 4/01/12	No Opt. Call
-----		
40,775	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 - 2.8% (1.7% OF TOTAL INVESTMENTS)	
5,000	Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.250%, 7/01/22 - MBIA Insured	1/13 at 100.00
	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 - 3.1% (1.9% OF TOTAL INVESTMENTS)	
5,000	Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Series 1997A, 6.200%, 7/01/19	7/09 at 101.00
5,000	Pennsylvania Higher Education Assistance Agency, Capital Acquisition Revenue Bonds, Series 2000, 5.875%, 12/15/30 (Pre-refunded 12/15/10) - MBIA Insured	12/10 at 100.00
7,550	Pennsylvania, General Obligation Bonds, Second Series 2001, 5.000%, 9/15/14	9/11 at 101.00
-----		
17,550	Total Pennsylvania	

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

PUERTO RICO - 3.8% (2.3% 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
	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
6,605	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
22,435	Total Puerto Rico	

Nuveen Investments 49

NMO | Nuveen Municipal Market Opportunity Fund, Inc. (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
RHODE ISLAND - 0.4% (0.2% OF TOTAL INVESTMENTS)		
\$ 2,960	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 - 6.6% (4.1% 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
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% (0.4% 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 - 22.4% (13.9% 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
12,250	Austin, Texas, Subordinate Lien Hotel Occupancy Tax Revenue Refunding Bonds, Series 1999, 5.800%, 11/15/29	11/09 at 100.00

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

	(Pre-refunded 11/15/09) - AMBAC Insured	
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
	Brownsville Independent School District, Cameron County, Texas, General Obligation Bonds, Series 1999:	
5,015	5.625%, 8/15/25 (Pre-refunded 8/15/09)	8/09 at 100.00
8,825	5.625%, 8/15/29 (Pre-refunded 8/15/09)	8/09 at 100.00
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
	Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000:	
585	5.400%, 2/15/18	2/10 at 100.00
340	5.650%, 2/15/19	2/10 at 100.00
235	5.700%, 2/15/20	2/10 at 100.00
270	5.700%, 2/15/21	2/10 at 100.00
	Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000:	
16,740	5.400%, 2/15/18 (Pre-refunded 2/15/10)	2/10 at 100.00
9,660	5.650%, 2/15/19 (Pre-refunded 2/15/10)	2/10 at 100.00
6,645	5.700%, 2/15/20 (Pre-refunded 2/15/10)	2/10 at 100.00
7,750	5.700%, 2/15/21 (Pre-refunded 2/15/10)	2/10 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)	11/09 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

50 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	TEXAS (continued)	
\$ 1,440	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 - FSA Insured	12/11 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
6,000	Leander Independent School District, Williamson and Travis	8/14 at 35.28

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

	Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/33	
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
15,000	San Antonio Independent School District, Bexar County, Texas, General Obligation Bonds, Series 1999, 5.800%, 8/15/29 (Pre-refunded 8/15/09)	8/09 at 100.00
3,295	Tarrant County, Texas, Cultural & Educational Facilities Financing Corporation, Revenue Bonds, Series 2007, Residuals 1762, 15.896%, 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 Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005:	8/11 at 100.00
3,000	0.000%, 8/15/23	8/15 at 67.10
2,000	0.000%, 8/15/24	8/15 at 63.56
<hr/>		
168,825	Total Texas	
<hr/>		
	WASHINGTON - 17.7% (11.0% OF TOTAL INVESTMENTS)	
5,500	Clark County Public Utility District 1, Washington, Generating System Revenue Refunding Bonds, Series 2000, 5.125%, 1/01/20 - FSA Insured	1/11 at 100.00
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 - FSA 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) - MBIA Insured	8/10 at 100.00
6,950	Port of Seattle, Washington, Revenue Bonds, Series 2000B, 5.625%, 2/01/24 - MBIA 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 - MBIA 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
7,890	Washington State Higher Education Facilities Authority, Revenue Bonds, Pacific Lutheran University, Series 1999, 5.950%, 11/01/29 (Pre-refunded 11/01/09) - RAAI Insured	11/09 at 101.00
11,120	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, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, 5.000%, 1/01/21 - FSA Insured	1/12 at 100.00
<hr/>		
97,875	Total Washington	
<hr/>		

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

Nuveen Investments 51

NMO | Nuveen Municipal Market Opportunity Fund, Inc. (continued)  
 Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	WISCONSIN - 1.1% (0.7% OF TOTAL INVESTMENTS)	
\$ 3,595	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	9/09 at 100.50
6,600	Total Wisconsin	
\$ 1,270,550	Total Investments (cost \$979,570,434) - 161.3%	
	Floating Rate Obligations - (4.0)%	
	Other Assets Less Liabilities - 2.7%	
	Auction Rate Preferred Shares, at Liquidation Value - (60.0)% (5)	
	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.

The Portfolio of Investments may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S.

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

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) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 37.2%

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 pursuant to the provisions of SFAS No. 140. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

52 Nuveen Investments

NAD | Nuveen Dividend Advantage Municipal Fund  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	MUNICIPAL BONDS - 159.9% (99.4% OF TOTAL INVESTMENTS)	
	ALABAMA - 0.3% (0.2% OF TOTAL INVESTMENTS)	
\$ 1,500	Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 5.750%, 12/01/20	6/10 at 102.00
	ALASKA - 0.2% (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% (0.7% 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, Series 2007, 5.000%, 12/01/37	No Opt. Call
7,350	Total Arizona	
	CALIFORNIA - 6.3% (3.9% OF TOTAL INVESTMENTS)	
1,535	Alameda Corridor Transportation Authority, California, Senior Lien Revenue Bonds, Series 1999A, 0.000%, 10/01/37 - MBIA Insured	No Opt. Call
5,500	Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/28 - FSA Insured	No Opt. Call
6,750	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%,	8/19 at 100.00

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

	2/01/38		
65	California, General Obligation Bonds, Series 1997, 5.000%, 10/01/18 - AMBAC Insured	6/09 at 100.00	
5,000	California, General Obligation Bonds, Series 2005, 5.000%, 3/01/31	3/16 at 100.00	
	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:		
5,200	5.000%, 6/01/33	6/17 at 100.00	
1,000	5.125%, 6/01/47	6/17 at 100.00	
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A:		
3,500	0.000%, 6/01/26 - FSA Insured	No Opt. Call	
9,925	5.000%, 6/01/45	6/15 at 100.00	
1,495	Palmdale Civic Authority, California, Revenue Refinancing Bonds, Civic Center Project, Series 1997A, 5.375%, 7/01/12 - MBIA Insured	7/09 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 - MBIA Insured	No Opt. Call	
-----			
56,970	Total California		
-----			

	COLORADO - 4.2% (2.6% 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	

Nuveen Investments 53

NAD| Nuveen Dividend Advantage Municipal Fund (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	COLORADO (continued)	
	Denver City and County, Colorado, Airport Special Facilities Revenue Bonds, Rental Car Projects, Series 1999A:	
\$ 2,170	6.000%, 1/01/12 - MBIA Insured (Alternative Minimum Tax)	7/09 at 101.00
675	6.000%, 1/01/13 - MBIA Insured (Alternative Minimum Tax)	7/09 at 101.00
1,475	Denver, Colorado, FHA-Insured Multifamily Housing Revenue Bonds, Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax)	10/09 at 100.00
8,515	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/25 - MBIA Insured	No Opt. Call
25,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/31 - MBIA Insured	No Opt. Call
60,000	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004A, 0.000%, 3/01/36 - MBIA Insured	No Opt. Call
12,500	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2006A, 0.000%, 9/01/38 - MBIA Insured	9/26 at 54.77
2,000	Metropolitan Football Stadium District, Colorado, Sales Tax Revenue Bonds, Series 1999A, 0.000%, 1/01/12 - MBIA Insured	No Opt. Call

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

113,460	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 - 10.3% (6.4% OF TOTAL INVESTMENTS)		
1,510	Florida Housing Finance Agency, Housing Revenue Bonds, Mar Lago Village Apartments, Series 1997F, 5.800%, 12/01/17 - AMBAC Insured (Alternative Minimum Tax)	6/09	at 101.00
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)	6/09	at 100.00
22,000	South Miami Health Facilities Authority, Florida, Revenue Bonds, Baptist Health Systems of South Florida, Series 2007, 5.000%, 8/15/37 (UB)	8/17	at 100.00
4,055	South Miami Health Facilities Authority, Florida, Revenue Bonds, Baptist Health Systems of South Florida, Trust 1025, 8.242%, 8/15/42 (IF)	8/17	at 100.00
-----			
58,690	Total Florida		
-----			
	GEORGIA - 1.7% (1.0% 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
4,000	Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2000, 6.000%, 4/01/25 (Pre-refunded 4/01/10)	4/10	at 101.00
-----			
9,000	Total Georgia		
-----			
	IDAHO - 0.1% (0.1% OF TOTAL INVESTMENTS)		
115	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 1999E, 5.750%, 1/01/21 (Alternative Minimum Tax)	7/09	at 101.00
160	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.350%, 7/01/22 (Alternative Minimum Tax)	1/10	at 100.00
240	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000E, 5.950%, 7/01/20 (Alternative Minimum Tax)	7/10	at 100.00
-----			
515	Total Idaho		
-----			

54 Nuveen Investments

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	ILLINOIS - 33.2% (20.7% OF TOTAL INVESTMENTS)	
\$ 2,020	Channahon, Illinois, Revenue Refunding Bonds, Morris Hospital, Series 1999, 5.750%, 12/01/12	12/09 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:	
725	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
2,620	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 - FSA Insured	11/13 at 100.00
810	DuPage County Community School District 200, Wheaton, Illinois, General Obligation Bonds, Series 2003B, 5.250%, 11/01/20 (Pre-refunded 11/01/13) - FSA Insured	11/13 at 100.00
500	Hoffman Estates Park District, Cook County, Illinois, General Obligation Bonds, Series 1999, 5.375%, 12/01/29 - MBIA Insured	12/09 at 102.00
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 - MBIA Insured	No Opt. Call
2,000	Illinois Finance Authority, Revenue Bonds, Children's Memorial Hospital, Series 2008, 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
9,840	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 - MBIA Insured	7/09 at 100.00
5,490	Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.500%, 2/15/16	8/09 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 - MBIA Insured	No Opt. Call
11,345	Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series	1/15 at 60.14

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

	2005B, 0.000%, 1/01/25 - FSA Insured	
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	12/09 at 101.00

Nuveen Investments 55

NAD | Nuveen Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ILLINOIS (continued)		
	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A:	
\$ 12,250	0.000%, 12/15/22 - MBIA Insured	No Opt. Call
13,000	0.000%, 12/15/23 - MBIA Insured	No Opt. Call
1,840	Oak Park, Illinois, General Obligation Bonds, Series 2005B, 0.000%, 11/01/27 - SYNCORA GTY Insured	11/15 at 54.13
	Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999:	
22,650	5.750%, 6/01/19 - FSA Insured	No Opt. Call
3,500	5.750%, 6/01/23 - FSA 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 - FSA Insured	No Opt. Call
4,500	Will County School District 122, New Lenox, Illinois, General Obligation Bonds, Series 2000B, 0.000%, 11/01/18 - FSA Insured	No Opt. Call
188,360	Total Illinois	

INDIANA - 7.1% (4.4% OF TOTAL INVESTMENTS)		
8,755	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Charity Obligated Group, Series 1999D, 5.500%, 11/15/24 (Pre-refunded 11/15/09) - MBIA Insured	11/09 at 101.00
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) - MBIA 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
6,830	Indiana Housing and Community Development Authority, Single Family Mortgage Revenue Bonds, Series 2007A-1, Drivers 1847, 7.587%, 7/01/32 (Alternative Minimum Tax) (IF)	1/17 at 100.00
6,675	Indiana Municipal Power Agency, Power Supply Revenue Bonds, Series 2007A, 5.000%, 1/01/42 - MBIA Insured	1/17 at 100.00

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

4,190	Indianapolis, Indiana, Economic Development Revenue Bonds, Park Tudor Foundation Inc., Project, Series 1999, 5.700%, 6/01/24 (Pre-refunded 6/01/09)	6/09 at 101.00
-----		
36,450	Total Indiana	
-----		
	IOWA - 0.8% (0.5% 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 - 1.3% (0.8% OF TOTAL INVESTMENTS)	
3,825	Wichita, Kansas, Water and Sewerage Utility Revenue Bonds, Series 1999, 4.000%, 10/01/18 - FGIC Insured	10/09 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 - 1.7% (1.0% OF TOTAL INVESTMENTS)	
3,030	Hardin County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2000, 5.750%, 2/01/20 (Pre-refunded 2/01/10)	2/10 at 101.00
	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	10/09 at 101.00
5,000	5.875%, 10/01/22	10/09 at 101.00
-----		
9,880	Total Kentucky	
-----		

56 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	LOUISIANA - 7.4% (4.6% OF TOTAL INVESTMENTS)	
\$ 2,245	Lafayette, Louisiana, Sales Tax Revenue Bonds, Public Improvements, Series 2000B, 5.625%, 5/01/25 (Pre-refunded 5/01/10) - FGIC Insured	5/10 at 101.50
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 - MBIA 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	12/10 at 38.73

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

	Revenue Bonds, Series 2005B, 0.000%,12/01/28 - AMBAC Insured		
	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B:		
9,545	5.500%, 5/15/30		5/11 at 101.00
5,000	5.875%, 5/15/39		5/11 at 101.00
-----			
51,905	Total Louisiana		
-----			
	MASSACHUSETTS - 2.4% (1.5% OF TOTAL INVESTMENTS)		
1,455	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 (UB)		10/15 at 100.00
620	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, CareGroup Inc., Series 2008E-1, 5.125%, 7/01/33		7/18 at 100.00
3,000	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., Series1996A, 5.875%, 9/01/23 - MBIA Insured (Alternative Minimum Tax)		9/09 at 100.00
	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A:		
2,200	5.125%, 1/01/17 - MBIA Insured		6/09 at 100.00
1,000	0.000%, 1/01/24 - MBIA Insured		No Opt. Call
-----			
13,425	Total Massachusetts		
-----			
	MICHIGAN - 3.9% (2.4% OF TOTAL INVESTMENTS)		
6,000	Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A, 5.000%,7/01/35 - MBIA 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		8/09 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
4,000	Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Wayne County Airport, Series 1998A, 5.375%, 12/01/16 - MBIA Insured (Alternative Minimum Tax)		6/09 at 101.00
-----			
26,405	Total Michigan		
-----			

Nuveen Investments 57

NAD | Nuveen Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

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

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

---

	MINNESOTA - 1.5% (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
	665	Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-1, 5.650%, 7/01/31 (Alternative Minimum Tax)	1/10 at 101.00
	7,040	Total Minnesota	

---

	MISSOURI - 2.6% (1.6% 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)		
	815	Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax)	12/09 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)	12/09 at 100.00
	1,815	Total Montana	

---

	NEBRASKA - 0.2% (0.1% OF TOTAL INVESTMENTS)		
	900	NebHelp Inc., Nebraska, Senior Subordinate Bonds, Student Loan Program, Series 1993A-5A, 6.200%, 6/01/13 - MBIA Insured (Alternative Minimum Tax)	No Opt. Call

---

	NEVADA - 1.9% (1.2% OF TOTAL INVESTMENTS)		
	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	1/10 at 102.00
	3,000	5.375%, 1/01/40 - AMBAC Insured	1/10 at 100.00
	3,750	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 2007B, Trust 2633, 16.277%, 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
	20,250	Total Nevada	

---

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

	NEW JERSEY - 6.4% (4.0% OF TOTAL INVESTMENTS)	
30	New Jersey Health Care Facilities Financing Authority, FHA-Insured Mortgage Revenue Bonds, Jersey City Medical Center, Series 2001, 4.800%, 8/01/21 - AMBAC Insured	8/11 at 100.00
1,830	New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2000A, 6.000%, 6/01/13 - MBIA 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

58 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	NEW JERSEY (continued)	
\$ 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:	
8,615	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
-----		
43,135	Total New Jersey	
-----		
	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 - FSA Insured	7/14 at 100.00
-----		
	NEW YORK - 12.5% (7.8% 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	7/09 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 - MBIA Insured	8/09 at 100.75
	Nassau County, New York, General Obligation Improvement Bonds, Series 1999B:	
4,005	5.250%, 6/01/19 (Pre-refunded 6/01/09) - AMBAC Insured	6/09 at 102.00
7,005	5.250%, 6/01/21 (Pre-refunded 6/01/09) - AMBAC Insured	6/09 at 102.00
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,	3/19 at 100.00

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

	7.000%, 3/01/49 - AGC Insured	
2,500	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Series 2008, Trust 1199, 8.606%, 6/15/36 - FSA Insured (IF)	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	New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000A, 5.750%, 8/15/24 (Pre-refunded 8/15/09)	8/09 at 101.00
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 - MBIA Insured (Alternative Minimum Tax)	6/09 at 101.00
-----		
62,735	Total New York	
-----		
	NORTH CAROLINA - 1.2% (0.7% OF TOTAL INVESTMENTS)	
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
1,500	The Charlotte-Mecklenberg Hospital Authority, North Carolina, Doing Business as Carolinas HealthCare System, Health Care Refunding Revenue Bonds, Series 2008A, 5.250%, 1/15/24 - AGC Insured	1/18 at 100.00
-----		
5,330	Total North Carolina	
-----		

Nuveen Investments 59

NAD | Nuveen Dividend Advantage Municipal Fund (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	OHIO - 5.1% (3.2% 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:	
170	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)	7/09 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

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

11,900	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax)	9/09 at 102.00
1,025	Warren County, Ohio, Limited Tax General Obligations, Series 1997, 5.500%, 12/01/17	6/09 at 100.00
30,150	Total Ohio	
-----		
OREGON - 0.5% (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 - 5.9% (3.7% 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, Pennsylvania, Water Authority, Water Revenue Bonds, Series 2008, 5.000%, 12/01/43 - FSA 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
18,900	Philadelphia Airport System, Pennsylvania, Revenue Bonds, Series 1998A, 5.500%, 6/15/18 - FGIC Insured (Alternative Minimum Tax)	6/09 at 101.00
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
28,855	Total Pennsylvania	
-----		
PUERTO RICO - 3.4% (2.1% 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
4,300	Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003: 4.500%, 12/01/23 (UB)	12/13 at 100.00
8,200	4.500%, 12/01/23 (UB)	12/13 at 100.00
12,845	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/42 - FGIC Insured	No Opt. Call
27,845	Total Puerto Rico	
-----		

60 Nuveen Investments

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

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

		RHODE ISLAND - 3.5% (2.2% OF TOTAL INVESTMENTS)	
\$	2,015	Central Falls, Rhode Island, General Obligation School Bonds, Series 1999, 6.250%, 5/15/20 - RAAI Insured	5/09 at 102.00
	3,500	Providence Redevelopment Agency, Rhode Island, Revenue Bonds, Public Safety and Municipal Building Projects, Series 1999A, 5.750%, 4/01/29 (Pre-refunded 4/01/10) - AMBAC Insured	4/10 at 101.00
		Rhode Island Housing & Mortgage Finance Corporation, Homeownership Opportunity 57-B Bond Program, Series 2008, Trust 1177:	
	1,500	9.259%, 10/01/27 (Alternative Minimum Tax) (IF)	4/17 at 100.00
	1,000	9.359%, 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
	20,515	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 - 2.2% (1.4% OF TOTAL INVESTMENTS)	
	6,400	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 - AMBAC Insured (Alternative Minimum Tax)	3/10 at 101.00
	2,425	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 5.125%, 3/01/26 - FSA 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	11/17 at 100.00
	12,635	Total Tennessee	
		TEXAS - 7.6% (4.7% 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
	2,820	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
		Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1999:	
	1,535	0.000%, 8/15/20	8/09 at 52.47
	2,100	0.000%, 8/15/21	8/09 at 49.48
	2,200	0.000%, 8/15/23	8/09 at 52.47
	2,100	0.000%, 8/15/24	8/09 at 41.50
	2,200	0.000%, 8/15/25	8/09 at 39.14
	2,095	0.000%, 8/15/26	8/09 at 36.91
	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 - MBIA Insured	No Opt. Call

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

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) - FSA 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

Nuveen Investments 61

NAD | Nuveen Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (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 - MBIA Insured	5/15 at 100.00
3,295	Tarrant County, Texas, Cultural & Educational Facilities Financing Corporation, Revenue Bonds, Series 2007, Residuals 1761, 15.896%, 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
-----		
116,160	Total Texas	
-----		
	UTAH - 0.2% (0.1% OF TOTAL INVESTMENTS)	
	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999C-2, Class II:	
225	5.700%, 7/01/19 (Alternative Minimum Tax)	1/10 at 101.50
70	5.750%, 7/01/21 (Alternative Minimum Tax)	1/10 at 101.50
30	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999D, 5.850%, 7/01/21(Alternative Minimum Tax)	7/09 at 101.00
10	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999F, 6.300%, 7/01/21(Alternative Minimum Tax)	7/09 at 101.50
585	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
-----		
920	Total Utah	
-----		

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

VIRGINIA - 0.4% (0.3% OF TOTAL INVESTMENTS)		
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 - 11.8% (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 - MBIA Insured (Alternative Minimum Tax)	3/10 at 101.00
2,590	6.000%, 9/01/16 - MBIA Insured (Alternative Minimum Tax)	3/10 at 101.00
	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999C:	
875	6.000%, 9/01/15 - MBIA Insured (Alternative Minimum Tax)	3/10 at 101.00
1,260	6.000%, 9/01/16 - MBIA Insured (Alternative Minimum Tax)	3/10 at 101.00
4,820	Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001, 5.500%, 3/01/19 - FSA Insured	3/11 at 100.00
6,650	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 - MBIA Insured	7/09 at 100.00
3,350	Washington, General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 - FSA 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
-----		
73,025	Total Washington	
-----		

62 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
WISCONSIN - 9.2% (5.7% OF TOTAL INVESTMENTS)		
\$ 1,390	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.000%, 6/01/17 (Pre-refunded 6/01/12)	6/12 at 100.00
1,690	Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 (Pre-refunded 11/01/14) - FSA Insured	11/14 at 100.00
560	Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - FSA 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	12/09 at 101.00
7,410	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Ascension Health, Series 2006A, 5.000%, 11/15/36	11/16 at 100.00
	Wisconsin Health and Educational Facilities Authority, Revenue	

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

	Bonds, FH Healthcare Development Inc., Series 1999:		
8,375	6.250%, 11/15/20 (Pre-refunded 11/15/09)		11/09 at 101.00
5,000	6.250%, 11/15/28 (Pre-refunded 11/15/09)		11/09 at 101.00
4,380	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Kenosha Hospital and Medical Center Inc., Series 1999, 5.625%, 5/15/29		5/09 at 101.00
12,700	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Mercy Health System Corporation, Series 1999, 5.500%, 8/15/25 - AMBAC Insured		8/09 at 101.00
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
-----			
47,515	Total Wisconsin		
-----			
\$ 1,122,270	Total Municipal Bonds (cost \$844,656,580)		
=====			

SHARES	DESCRIPTION (1)	
-----		
	INVESTMENT COMPANIES - 0.1% (0.1% OF TOTAL INVESTMENTS)	
9,219	BlackRock MuniHoldings Fund Inc.	
32,332	Morgan Stanley Quality Municipal Income Trust	
-----		
	Total Investment Companies (cost \$534,262)	
-----		
	Total Long-Term Investments (cost \$845,190,842) - 160.0%	
-----		

Nuveen Investments 63

NAD | Nuveen Dividend Advantage Municipal Fund (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	SHORT-TERM INVESTMENTS - 0.8% (0.5% OF TOTAL INVESTMENTS)	
	TENNESSEE - 0.8% (0.5% OF TOTAL INVESTMENTS)	
\$ 3,990	Montgomery County Public Building Authority, Tennessee, Tennessee County Loan Pool Program Revenue Bonds, Variable Rate Demand Obligations, Series 1997, 0.500%, 11/01/27 (5)	5/09 at 100.00
-----		
	Total Short-Term Investments (cost \$3,990,000)	
-----		
	Total Investments (cost \$849,180,842) - 160.8%	
-----		
	Floating Rate Obligations - (10.0)%	
-----		
	Other Assets Less Liabilities - 3.0%	
-----		
	Auction Rate Preferred Shares, at Liquidation Value - (53.8)% (6)	
-----		
	Net Assets Applicable to Common Shares - 100%	
=====		

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

- (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.

The Portfolio of Investments may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (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) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.
- (6) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.5%

N/R Not rated.

- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

64 Nuveen Investments

NXZ | Nuveen Dividend Advantage Municipal Fund 2  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	ALABAMA - 5.2% (3.4% 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

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

ALASKA - 0.3% (0.2% OF TOTAL INVESTMENTS)		
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 - 0.3% (0.2% OF TOTAL INVESTMENTS)		
1,105	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 - 11.9% (7.8% 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
	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:	
1,000	5.000%, 6/01/33	6/17 at 100.00
1,000	5.125%, 6/01/47	6/17 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
20,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 - FGIC Insured	6/15 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
95	Yuba County Water Agency, California, Yuba River Development Revenue Bonds, Pacific Gas and Electric Company, Series 1966A, 4.000%, 3/01/16	9/09 at 100.00
57,175	Total California	
COLORADO - 8.4% (5.5% OF TOTAL INVESTMENTS)		
2,495	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

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

NXZ | Nuveen Dividend Advantage Municipal Fund 2 (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	COLORADO (continued)	
\$ 1,340	Denver, Colorado, Airport Revenue Bonds, Trust 2365: 12.496%, 11/15/23 - FGIC Insured (IF)	11/16 at 100.00
1,085	12.488%, 11/15/25 - FGIC Insured (IF)	11/16 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) - MBIA Insured	9/10 at 31.42
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 - FSA 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) - FSA 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) - FSA Insured	6/11 at 35.65
17,650	0.000%, 6/15/29 (Pre-refunded 6/15/11) - AMBAC Insured	6/11 at 33.45
1,000	Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25	6/14 at 101.00
-----		
65,905	Total Colorado	
-----		
	DISTRICT OF COLUMBIA - 1.3% (0.8% 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, 4.500%, 10/01/30 - AMBAC Insured	10/16 at 100.00
-----		
5,895	Total District of Columbia	
-----		
	FLORIDA - 4.5% (3.0% OF TOTAL INVESTMENTS)	
15,000	Jacksonville, Florida, Transportation Revenue Bonds, Series 2001, 5.250%, 10/01/29 - MBIA 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 - 2.7% (1.8% OF TOTAL INVESTMENTS)	
3,000	Honolulu Board of Water Supply, Hawaii, Water System Revenue Bonds, Series 2001: 5.250%, 7/01/26 (Pre-refunded 7/01/11) - FSA Insured	7/11 at 100.00

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

6,725	5.250%, 7/01/31 (Pre-refunded 7/01/11) - FSA Insured	7/11 at 100.00
9,725	Total Hawaii	
ILLINOIS - 13.6% (9.0% OF TOTAL INVESTMENTS)		
3,560	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
815	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 - MBIA 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) - MBIA 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

66 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ILLINOIS (continued)		
\$ 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
9,450	Illinois Finance Authority, Revenue Bonds, Palos Community Hospital, Series 2007A, 5.000%, 5/15/32 - MBIA Insured	5/17 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) - FSA 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 - MBIA Insured	No Opt. Call
4,980	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A, 5.250%, 6/15/27 - AMBAC Insured	6/09 at 100.00
960	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,	12/16 at 69.01

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

Series 2007B, 0.000%, 12/01/24

60,950	Total Illinois	
INDIANA - 3.4% (2.3% 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
2,500	Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - FSA Insured	No Opt. Call
4,000	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A, 5.000%, 6/01/23 - FSA Insured	6/13 at 100.00
6,100	St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.800%, 2/15/24	8/09 at 102.00
14,600	Total Indiana	
IOWA - 1.4% (0.9% 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 - 4.2% (2.8% 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 - 0.3% (0.2% OF TOTAL INVESTMENTS)		
1,000	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008A-1, 6.000%, 12/01/38 - AGC Insured	6/18 at 100.00

Nuveen Investments 67

NXZ | Nuveen Dividend Advantage Municipal Fund 2 (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
LOUISIANA - 4.2% (2.8% 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	

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

MASSACHUSETTS - 3.3% (2.2% OF TOTAL INVESTMENTS)			
15,585	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured	7/09	at 100.00
-----			
MICHIGAN - 12.4% (8.2% OF TOTAL INVESTMENTS)			
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	10/09	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	8/09	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	8/09	at 100.00
4,000	6.500%, 8/15/18	8/09	at 100.00
-----			
47,390	Total Michigan		
-----			
MINNESOTA - 5.2% (3.4% OF TOTAL INVESTMENTS)			
5,000	City of Minneapolis, Minnesota, Health Care System Revenue Bonds, 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 - 0.6% (0.4% OF TOTAL INVESTMENTS)			
2,400	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 - 2.0% (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	1/10	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 (6)	1/10	at 102.00
2,000	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 2007B, Trust 2633, 16.277%, 7/01/31 - BHAC Insured (IF)	7/17	at 100.00
1,750	Reno, Nevada, Health Facility Revenue Bonds, Catholic Healthcare West, Trust 2634, 16.017%, 7/01/31 - BHAC Insured (IF)	7/17	at 100.00
-----			
19,525	Total Nevada		
-----			
NEW HAMPSHIRE - 2.3% (1.5% OF TOTAL INVESTMENTS)			
8,000	New Hampshire Business Finance Authority, Pollution Control	10/09	at 101.50

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

	Remarketed Revenue Refunding Bonds, Connecticut Light and Power Company, Series 1992A, 5.850%, 12/01/22	
1,160	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
-----		
9,160	Total New Hampshire	
-----		

68 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	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
385	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
-----		
10,090	Total New Jersey	
-----		
	NEW MEXICO - 6.3% (4.2% OF TOTAL INVESTMENTS)	
	New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A:	
12,000	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 - 10.1% (6.6% OF TOTAL INVESTMENTS)	
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 2009, 4.500%, 11/15/32 - FSA 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, Series 2001C,	6/11 at 101.00

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

5.125%, 6/15/33 (UB)

40,700	Total New York		
-----			
	NORTH CAROLINA - 1.8% (1.2% 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
4,500	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1999B, 5.600%, 1/01/15	7/09	at 102.00
-----			
7,450	Total North Carolina		
-----			
	NORTH DAKOTA - 0.4% (0.3% OF TOTAL INVESTMENTS)		
1,850	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
-----			
	OHIO - 1.8% (1.2% 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
-----			
11,000	Total Ohio		
-----			

Nuveen Investments 69

NXZ | Nuveen Dividend Advantage Municipal Fund 2 (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)		OPTIONAL CALL PROVISIONS (2)
-----			
	OKLAHOMA - 0.7% (0.4% OF TOTAL INVESTMENTS)		
\$ 2,655	Oklahoma Development Finance Authority, Revenue Refunding Bonds, Hillcrest Healthcare System, Series 1999A, 5.125%, 8/15/10 (Pre-refunded 8/15/09)	8/09	at 101.00
-----			
	OREGON - 3.4% (2.2% 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
-----			
13,000	Total Oregon		
-----			

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

PENNSYLVANIA - 3.7% (2.4% 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		1/11 at 101.00
-----			
13,585	Total Pennsylvania		
-----			
TEXAS - 26.7% (17.6% OF TOTAL INVESTMENTS)			
7,500	Austin, Texas, Electric Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 11/15/30 - FSA 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
15,000	Dallas-Fort Worth International Airport Public Facility Corporation, Texas, Airport Hotel Revenue Bonds, Series 2001: 5.250%, 1/15/26 - FSA Insured		7/09 at 100.00
1,750	5.200%, 1/15/31 - FSA Insured		7/09 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 Waste Disposal Revenue Bonds, Citgo Petroleum Corporation Project, Series 1998, 8.000%, 4/01/28 (Alternative Minimum Tax)		4/12 at 100.00
30,980	Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA 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 - MBIA 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 - MBIA Insured		11/24 at 52.47
10,715	Hays Consolidated Independent School District, Hays County, Texas, General Obligation School Building Bonds, Series 2001: 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
5,000	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
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, 15.896%, 2/15/36 (IF)		2/17 at 100.00

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	TEXAS (continued)	
\$ 10,500	Texas, General Obligation Bonds, Water Financial Assistance Program, Series 2001, 5.250%, 8/01/35	8/11 at 100.00
2,000	Tom Green County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Shannon Health System Project, Series 2001, 6.750%, 5/15/21	5/11 at 101.00
-----		
180,185	Total Texas	
-----		
	WASHINGTON - 4.5% (3.0% OF TOTAL INVESTMENTS)	
7,250	Seattle, Washington, Municipal Light and Power Revenue Refunding and Improvement Bonds, Series 2001, 5.125%, 3/01/26 - FSA 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 - MBIA Insured	10/11 at 100.00
900	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26	6/13 at 100.00
2,100	Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.125%, 7/01/13 - MBIA Insured	7/09 at 100.00
-----		
17,750	Total Washington	
-----		
	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
-----		
\$ 745,425	Total Investments (cost \$614,300,196) - 151.6%	
=====		
	Floating Rate Obligations - (4.9)%	
	Variable Rate Demand Preferred Shares, at Liquidation Value - (49.8)% (5)	
	Other Assets Less Liabilities - 3.1%	
	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.

The Portfolio of Investments may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (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) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 32.8%
- (6) The Fund's Adviser has concluded this issue is not likely to meet its future interest payment obligations in their entirety and has directed the Fund's custodian to cease accruing additional income on the Fund's records.

N/R Not rated.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Investments 71

NZF | Nuveen Dividend Advantage Municipal Fund 3  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	MUNICIPAL BONDS - 154.7% (99.8% OF TOTAL INVESTMENTS)	
	ALABAMA - 1.8% (1.2% OF TOTAL INVESTMENTS)	
\$ 3,500	Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 200C-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	

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

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% (0.6% OF TOTAL INVESTMENTS)			
3,390	Arizona State Transportation Board, Highway Revenue Bonds, Series 2006, Trust 3151, 12.824%, 7/01/33 (IF)		7/18 at 100.00
2,200	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Series 2007, 5.000%, 12/01/37		No Opt. Call
-----			
5,590	Total Arizona		
-----			
ARKANSAS - 0.6% (0.4% 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		11/11 at 101.00
1,900	5.500%, 11/01/14		11/11 at 101.00
-----			
3,705	Total Arkansas		
-----			
CALIFORNIA - 12.8% (8.2% OF TOTAL INVESTMENTS)			
California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A:			
855	5.000%, 3/01/28		3/13 at 100.00
140	5.000%, 3/01/33		3/13 at 100.00
950	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.644%, 11/15/42 (IF)		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, 13.216%, 11/15/48 (IF)		5/18 at 100.00
18,850	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 - MBIA Insured (Alternative Minimum Tax)		6/09 at 100.00
11,865	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47		6/17 at 100.00
Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2001:			
13,955	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

72 Nuveen Investments

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	CALIFORNIA (continued)	
\$ 10,000	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 - MBIA Insured	No Opt. Call
3,000	San Mateo County Community College District, California, General Obligation Bonds, Series 2006C, 0.000%, 9/01/30 - MBIA Insured	No Opt. Call
-----		
86,470	Total California	
-----		
	COLORADO - 5.6% (3.6% 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
3,160	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Montessori Peaks Building Foundation, Series 2002A, 8.000%, 5/01/32 (Pre-refunded 3/01/10)	3/10 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
3,465	Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Montessori Peaks Academy, Series 2006, 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
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
1,340	Denver, Colorado, Airport Revenue Bonds, Trust 2365: 12.496%, 11/15/23 - FGIC Insured (IF)	11/16 at 100.00
1,085	12.488%, 11/15/25 - FGIC Insured (IF)	11/16 at 100.00
2,000	Maher Ranch Metropolitan District 4, Colorado, General Obligation Limited Tax Bonds, Series 2007, 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
-----		
31,320	Total Colorado	
-----		
	DELAWARE - 0.3% (0.2% OF TOTAL INVESTMENTS)	
1,595	Delaware Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24	7/12 at 100.00
-----		

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

DISTRICT OF COLUMBIA - 1.0% (0.6% OF TOTAL INVESTMENTS)		
1,375	District of Columbia, Revenue Bonds, Catholic University of America, Series 1999, 5.625%, 10/01/29 - AMBAC Insured	10/09 at 101.00
1,335	Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007, Residuals 1606, 10.676%, 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, 10.633%, 10/01/30 - AMBAC Insured (IF)	10/16 at 100.00
<hr/>		
6,045	Total District of Columbia	

Nuveen Investments 73

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
<hr/>		
FLORIDA - 2.4% (1.6% 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 - FSA Insured	12/11 at 100.00
2,195	5.450%, 12/01/41 - FSA Insured	12/11 at 100.00
4,175	Pace Property Finance Authority Inc., Florida, Utility System Improvement and Revenue Refunding Bonds, Series 1997, 5.250%, 9/01/17 - AMBAC Insured	9/09 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
<hr/>		
13,930	Total Florida	
<hr/>		
GEORGIA - 2.5% (1.6% OF TOTAL INVESTMENTS)		
5,000	Atlanta, Georgia, Airport General Revenue Bonds, Series 2000B, 5.625%, 1/01/30 - FGIC Insured (Alternative Minimum Tax)	1/10 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

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

13,940 Total Georgia

---

ILLINOIS - 16.0% (10.3% OF TOTAL INVESTMENTS)		
8,375	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.500%, 1/01/19 - FSA Insured(Alternative Minimum Tax)	1/11 at 101.00
1,600	Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured	7/09 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 - MBIA 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
1,130	Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2000, 6.500%, 5/15/30 (Pre-refunded 5/15/10)	5/10 at 101.00
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
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

74 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
ILLINOIS (continued)		
\$ 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	12/09 at 101.00
2,000	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
90,140	Total Illinois	

---

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

	INDIANA - 6.2% (4.0% 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) - MBIA Insured		1/12 at 100.00
2,750	5.125%, 1/15/24 (Pre-refunded 1/15/12) - MBIA 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
9,500	Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - MBIA 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
2,800	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 2001H, 5.000%, 10/01/21 - AMBAC Insured		10/11 at 100.00
	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
-----			
34,375	Total Indiana		
-----			
	IOWA - 7.0% (4.5% OF TOTAL INVESTMENTS)		
2,000	Iowa Finance Authority, Healthcare Revenue Bonds, Great River Medical Center, Series 2001, 5.250%, 5/15/31 - FSA 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
	Iowa Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B:		
28,000	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
-----			
34,950	Total Iowa		
-----			
	KANSAS - 0.2% (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		
-----			

Nuveen Investments 75

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	KENTUCKY - 3.7% (2.4% OF TOTAL INVESTMENTS)	
\$ 1,000	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008A-1, 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 - MBIA Insured	11/11 at 101.00
-----		
19,500	Total Kentucky	
-----		
	LOUISIANA - 3.6% (2.3% 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
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 - 1.2% (0.8% 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	
-----		
	MARYLAND - 2.2% (1.4% 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)	6/09 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 - 2.4% (1.5% 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

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

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
4,860	Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 2008, Trust 3145, 14.677%, 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 - FSA Insured (UB)	2/17 at 100.00
-----		
15,700	Total Massachusetts	
-----		

MICHIGAN - 10.1% (6.5% 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 - FSA 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

76 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
MICHIGAN (continued)		
\$ 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
1,235	Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.500%, 10/15/18	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	8/09 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 - MBIA Insured (ETM)	No Opt. Call
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
2,500	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sparrow Obligated Group, Series 2001: 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 - MBIA Insured	11/11 at 100.00
-----		
54,115	Total Michigan	
-----		

MINNESOTA - 0.6% (0.4% OF TOTAL INVESTMENTS)		
2,260	Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rose	10/11 at 105.00

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

	Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax)	
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
-----		
3,635	Total Minnesota	
-----		
	MISSISSIPPI - 1.0% (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	5/09 at 103.00
3,000	Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004, 5.000%, 9/01/24 (UB)	9/14 at 100.00
-----		
5,155	Total Mississippi	
-----		
	MISSOURI - 3.2% (2.1% 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) Missouri Development Finance Board, Cultural Facilities Revenue Bonds, Nelson Gallery Foundation, Series 2001A:	10/12 at 100.00
3,335	5.250%, 12/01/19 - MBIA Insured	12/11 at 100.00
3,510	5.250%, 12/01/20 - MBIA Insured	12/11 at 100.00
3,695	5.250%, 12/01/21 - MBIA Insured	12/11 at 100.00
2,040	5.250%, 12/01/22 - MBIA Insured	12/11 at 100.00
-----		
16,900	Total Missouri	
-----		
	MONTANA - 0.6% (0.4% 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
-----		

Nuveen Investments 77

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	NEBRASKA - 1.1% (0.7% OF TOTAL INVESTMENTS)	

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

	Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2001D:		
\$	1,835	5.250%, 9/01/21 (Alternative Minimum Tax)	9/11 at 100.00
	2,450	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 City2, Series 2006A, Trust 11673, 17.921%, 2/01/49 - AMBAC Insured (IF)	2/17 at 100.00
-----			
	5,290	Total Nebraska	
-----			
	NEVADA - 1.1% (0.7% OF TOTAL INVESTMENTS)		
	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	1/10 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 (6)	1/10 at 102.00
	190	Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1998A-1, 5.300%, 4/01/18(Alternative Minimum Tax)	10/09 at 100.75
	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
-----			
	10,480	Total Nevada	
-----			
	NEW HAMPSHIRE - 0.4% (0.3% OF TOTAL INVESTMENTS)		
	2,000	New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital, Series 2001, 5.500%, 10/01/21 - FSA Insured	10/11 at 101.00
-----			
	NEW JERSEY - 3.8% (2.4% 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
	495	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
	20,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/28 - AMBAC Insured	No Opt. Call
	2,000	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 4.750%, 6/01/34	6/17 at 100.00
-----			
	36,620	Total New Jersey	
-----			
	NEW YORK - 4.0% (2.6% 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
	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 - MBIA Insured	2/17 at 100.00
	4,155	Monroe County Airport Authority, New York, Revenue Refunding Bonds, Greater Rochester International Airport, Series	No Opt. Call

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

	1999, 5.750%, 1/01/13 - MBIA Insured (Alternative Minimum Tax)	
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 - MBIA 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) - MBIA Insured	8/12 at 100.00

78 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	NEW YORK (continued)	
\$ 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
-----		
24,345	Total New York	
-----		
	NORTH CAROLINA - 1.3% (0.9% OF TOTAL INVESTMENTS)	
2,475	Charlotte-Mecklenberg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008, Trust 1149, 9.538%, 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
-----		
7,025	Total North Carolina	
-----		
	OHIO - 2.2% (1.4% OF TOTAL INVESTMENTS)	
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:	
3,400	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
1,345	Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1998A-1, 5.300%, 9/01/19 - FSA Insured (Alternative Minimum Tax)	9/09 at 100.75
6,900	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax)	9/09 at 102.00
-----		

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

14,610	Total Ohio		
-----			
	OKLAHOMA - 2.5% (1.6% OF TOTAL INVESTMENTS)		
	Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007:		
4,930	5.000%, 2/15/37		2/17 at 100.00
955	5.000%, 2/15/42		2/17 at 100.00
2,500	Oklahoma Development Finance Authority, Revenue Refunding Bonds, Hillcrest Healthcare System, Series 1999A, 5.625%, 8/15/29 (Pre-refunded 8/15/09)		8/09 at 101.00
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, 8.325%, 12/15/36 (IF)		12/16 at 100.00
14,778	Total Oklahoma		
-----			

	OREGON - 2.8% (1.8% 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 - 2.1% (1.3% 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

Nuveen Investments 79

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)  
 | Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	PENNSYLVANIA (continued)	
\$ 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)	7/09 at 100.00
3,205	Philadelphia School District, Pennsylvania, General	8/12 at 100.00

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

Obligation Bonds, Series 2002B, 5.625%,8/01/16  
(Pre-refunded 8/01/12) - FGIC Insured

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 - 1.4% (0.9% OF TOTAL INVESTMENTS)	
6,850	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 - FSA 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	11/17 at 100.00
2,800	5.500%, 11/01/46	11/17 at 100.00
745	Tennessee Housing Development Agency, Homeownership Program Bonds, Series 1998-2, 5.350%,7/01/23 (Alternative Minimum Tax)	7/09 at 101.00
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 - 20.9% (13.5% 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
1,125	Brushy Creek Municipal Utility District, Williamson County, Texas, Combination Unlimited Tax and Revenue Refunding Bonds, Series 2001, 5.125%, 6/01/26 - FSA Insured	6/09 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
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 - MBIA Insured (ETM)	No Opt. Call

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

7,000 Houston, Texas, Subordinate Lien Airport System Revenue 7/09 at 100.00  
 Bonds, Series 1998B, 5.250%, 7/01/14 - FGIC Insured  
 (Alternative Minimum Tax)

80 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	TEXAS (continued)	
	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
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, Texas, Cultural & Educational Facilities Financing Corporation, Texas, Revenue Bonds, Series 2007A, 5.000%, 2/15/36 (UB)	2/17 at 100.00
9,840	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
	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
-----		
135,270	Total Texas	
-----		
	UTAH - 0.6% (0.4% OF TOTAL INVESTMENTS)	
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E:	
1,030	5.200%, 1/01/18 (Alternative Minimum Tax)	7/11 at 100.00
275	5.500%, 1/01/23 (Alternative Minimum Tax)	7/11 at 100.00
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1:	

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

1,465	4.950%, 7/01/18 (Alternative Minimum Tax)	7/11 at 100.00
385	5.300%, 7/01/23 (Alternative Minimum Tax)	7/11 at 100.00
-----		
3,155	Total Utah	
-----		
	VIRGINIA - 0.1% (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 - 17.3% (11.1% OF TOTAL INVESTMENTS)	
	Bellingham Housing Authority, Washington, Housing Revenue Bonds, Varsity Village Project, Series 2001A:	
1,000	5.500%, 12/01/27 - MBIA Insured	12/11 at 100.00
2,000	5.600%, 12/01/36 - MBIA Insured	12/11 at 100.00

Nuveen Investments 81

NZF | Nuveen Dividend Advantage Municipal Fund 3 (continued)  
| Portfolio of INVESTMENTS April 30, 2009 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	WASHINGTON (continued)	
\$ 12,955	Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B, 5.300%,12/01/16 - AMBAC Insured (Alternative Minimum Tax)	6/09 at 101.00
2,535	Port of Seattle, Washington, Revenue Bonds, Series 2001B: 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)	7/09 at 100.00
2,090	Public Utility District 1, Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 - FSA 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 - FSA 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
5,480	Washington State Healthcare Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 2001: 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
3,005	Washington State Healthcare Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001: 5.375%, 12/01/17 - AMBAC Insured	12/11 at 101.00

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

2,915	5.375%, 12/01/18 - AMBAC Insured	12/11 at 101.00
-----		
87,345	Total Washington	
-----		
	WISCONSIN - 4.9% (3.2% 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	12/09 at 101.00
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
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	
-----		
\$ 919,553	Total Municipal Bonds (cost \$865,558,314)	
=====		

82 Nuveen Investments

SHARES	DESCRIPTION (1)
	INVESTMENT COMPANIES - 0.3% (0.2% OF TOTAL INVESTMENTS)
29,401	BlackRock MuniHoldings Fund Inc.
26,880	Dreyfus Strategic Municipal Fund
27,920	PIMCO Municipal Income Fund II
42,020	Van Kampen Investment Grade Municipal Trust
19,260	Van Kampen Municipal Trust
-----	
	Total Investment Companies (cost \$1,846,128)
-----	
	Total Investments (cost \$867,404,442) - 155.0%
-----	
	Floating Rate Obligations - (12.6)%
-----	
	Other Assets Less Liabilities - 2.3%
-----	
	Auction Rate Preferred Shares, at Liquidation Value - (44.7)% (5)
-----	

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

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.

The Portfolio of Investments may reflect the ratings on certain bonds whose insurer has experienced downgrades as of the end of the reporting period. Please see the Portfolio Managers' Commentary for an expanded discussion of the affect on the Fund of changes to the ratings of certain bonds in the portfolio resulting from changes to the ratings of the underlying insurers both during the period and after period end.

- (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) Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments is 28.9%
- (6) The Fund's Adviser has concluded this issue is not likely to meet its future interest payment obligations in their entirety and has directed the Fund's custodian to cease accruing additional income on the Fund's records.

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 pursuant to the provisions of SFAS No. 140. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Investments 83

| Statement of ASSETS & LIABILITIES April 30, 2009 (Unaudited)

PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)
------------------------------	---------------------------------	--------------------------------	--------------------------------

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

ASSETS

Investments, at value (cost \$1,294,912,858, \$938,166,767, \$979,570,434, \$849,180,842, \$614,300,196 and \$867,404,442, respectively)	\$ 1,271,554,332	\$ 894,209,897	\$ 931,400,462	\$ 796,895,985
Cash	--	143,611	2,073,225	265,375
Receivables:				
Dividend and interest	19,897,576	16,130,833	15,739,979	13,299,043
Investments sold	8,241,336	575,000	1,450,000	4,045,000
Deferred offering costs	--	--	--	--
Other assets	235,063	165,360	192,574	140,994
<b>Total assets</b>	<b>1,299,928,307</b>	<b>911,224,701</b>	<b>950,856,240</b>	<b>814,646,397</b>

LIABILITIES

Cash overdraft	2,456,841	--	--	--
Floating rate obligations	52,540,000	49,023,333	23,290,000	49,300,000
Payables:				
Investments purchased	2,159,044	--	--	--
Auction Rate Preferred share dividends	29,948	20,848	19,413	22,879
Common share dividends	3,317,343	2,462,774	2,524,846	2,462,876
Offering costs	--	--	--	--
Variable Rate Demand Preferred shares, at liquidation value	--	--	--	--
Accrued expenses:				
Management fees	629,073	444,568	473,325	357,352
Other	433,346	276,458	306,959	234,160
<b>Total liabilities</b>	<b>61,565,595</b>	<b>52,227,981</b>	<b>26,614,543</b>	<b>52,377,267</b>

Auction Rate Preferred shares, at liquidation value	425,375,000	298,675,000	346,675,000	266,800,000
--	-------------	-------------	-------------	-------------

Net assets applicable to Common shares	\$ 812,987,712	\$ 560,321,720	\$ 577,566,697	\$ 495,469,130
---	----------------	----------------	----------------	----------------

Common shares outstanding	59,914,073	43,214,524	45,557,788	39,287,298
---------------------------	------------	------------	------------	------------

Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 13.57	\$ 12.97	\$ 12.68	\$ 12.61
---	----------	----------	----------	----------

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

Common shares, \$.01 par value per share	\$ 599,141	\$ 432,145	\$ 455,578	\$ 392,873
Paid-in surplus	836,436,893	604,052,660	635,757,018	550,788,248
Undistributed (Over-distribution of) net investment income	6,631,162	4,547,142	3,509,497	4,104,442
Accumulated net realized gain (loss) from investments and derivative transactions	(7,320,958)	(4,753,357)	(13,985,424)	(7,531,576)
Net unrealized appreciation (depreciation) of investments	(23,358,526)	(43,956,870)	(48,169,972)	(52,284,857)

Net assets applicable to Common

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

shares	\$	812,987,712	\$	560,321,720	\$	577,566,697	\$	495,469,130
=====								
Authorized shares:								
Common		200,000,000		200,000,000		200,000,000		Unlimited
Auction Rate Preferred and Variable Rate Demand Preferred		1,000,000		1,000,000		1,000,000		Unlimited
=====								

See accompanying notes to financial statements.

84 Nuveen Investments

| Statement of OPERATIONS Six Months Ended April 30, 2009 (Unaudited)

		PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)				
-----									
INVESTMENT INCOME	\$	35,451,724	\$	26,884,504	\$	27,745,372	\$	23,753,037	\$
-----									
EXPENSES									
Management fees		3,737,148		2,676,460		2,843,890		2,296,205	
Auction fees		544,157		410,488		443,080		330,759	
Dividend disbursing agent fees		24,790		24,795		19,836		14,877	
Shareholders' servicing agent fees and expenses		65,138		40,629		42,323		5,629	
Interest expense and amortization of offering costs		233,193		159,448		95,893		254,738	
Liquidity fees		--		--		--		--	
Custodian's fees and expenses		112,277		71,912		89,259		63,458	
Directors'/Trustees' fees and expenses		24,260		17,229		18,378		14,668	
Professional fees		55,660		41,427		43,329		34,872	
Shareholders' reports - printing and mailing expenses		127,835		88,616		98,274		76,224	
Stock exchange listing fees		10,181		7,408		7,751		6,687	
Investor relations expense		26,489		18,508		19,403		16,008	
Other expenses		32,816		26,938		27,955		17,977	
-----									
Total expenses before custodian fee credit and expense reimbursement		4,993,944		3,583,858		3,749,371		3,132,102	
Custodian fee credit		(2,199)		(33,289)		(18,295)		(27,824)	
Expense reimbursement		--		--		--		(183,081)	
-----									
Net expenses		4,991,745		3,550,569		3,731,076		2,921,197	
-----									
Net investment income		30,459,979		23,333,935		24,014,296		20,831,840	
-----									
REALIZED AND UNREALIZED GAIN (LOSS)									
Net realized gain (loss) from:									
Investments		(6,926,542)		(3,687,894)		792,099		(2,259,560)	
Futures		--		--		--		--	
Change in net unrealized									

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

appreciation (depreciation) of:					
Investments	53,658,986	36,305,101	14,724,498	31,224,119	
Futures	--	--	--	--	
Net realized and unrealized gain (loss)	46,732,444	32,617,207	15,516,597	28,964,559	
DISTRIBUTIONS TO AUCTION RATE PREFERRED SHAREHOLDERS					
From net investment income	(2,430,415)	(1,855,157)	(1,952,287)	(1,441,651)	
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(2,430,415)	(1,855,157)	(1,952,287)	(1,441,651)	
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 74,762,008	\$ 54,095,985	\$ 37,578,606	\$ 48,354,748	\$

See accompanying notes to financial statements.

Nuveen Investments 85

| Statement of CHANGES in NET ASSETS (Unaudited)

	PERFORMANCE PLUS (NPP)		MUNICIPAL ADVANTAGE (NMA)	
	SIX MONTHS ENDED 4/30/09	YEAR ENDED 10/31/08	SIX MONTHS ENDED 4/30/09	YEAR ENDED 10/31/08
OPERATIONS				
Net investment income	\$ 30,459,979	\$ 60,898,881	\$ 23,333,935	\$ 46,529,938
Net realized gain (loss) from:				
Investments	(6,926,542)	(328,499)	(3,687,894)	(1,136,012)
Forward swaps	--	--	--	--
Futures	--	--	--	--
Change in net unrealized appreciation (depreciation) of:				
Investments	53,658,986	(153,071,771)	36,305,101	(130,946,869)
Forward swaps	--	--	--	--
Futures	--	--	--	--
Distributions to Auction Rate Preferred shareholders:				
From net investment income	(2,430,415)	(17,368,890)	(1,855,157)	(12,897,786)
From accumulated net realized gains	--	--	--	(363,253)
Net increase (decrease) in net assets applicable to Common shares from operations	74,762,008	(109,870,279)	54,095,985	(98,813,982)

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

DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(22,270,065)	(41,700,208)	(17,376,560)	(33,361,611)
From accumulated net realized gains	--	--	--	(1,028,506)
-----				
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(22,270,065)	(41,700,208)	(17,376,560)	(34,390,117)
-----				
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	--	--	--	--
-----				
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	--	--	--
-----				
Net increase (decrease) in net assets applicable to Common shares	52,491,943	(151,570,487)	36,719,425	(133,204,099)
Net assets applicable to Common shares at the beginning of period	760,495,769	912,066,256	523,602,295	656,806,394
-----				
Net assets applicable to Common shares at the end of period	\$ 812,987,712	\$ 760,495,769	\$ 560,321,720	\$ 523,602,295
=====				
Undistributed (Over-distribution of) net investment income at the end of period	\$ 6,631,162	\$ 871,663	\$ 4,547,142	\$ 444,924
=====				

See accompanying notes to financial statements.

86 Nuveen Investments

	DIVIDEND ADVANTAGE (NAD)		DIVIDEND ADVANTAGE 2 (NXZ)	
	SIX MONTHS ENDED 4/30/09	YEAR ENDED 10/31/08	SIX MONTHS ENDED 4/30/09	YEAR ENDED 10/31/08
-----				
OPERATIONS				
Net investment income	\$ 20,831,840	\$ 41,327,650	\$ 14,616,852	\$ 30,875,115
Net realized gain (loss) from:				
Investments	(2,259,560)	1,445,057	(5,628,202)	3,731,159
Forward swaps	--	--	--	--
Futures	--	--	--	--
Change in net unrealized appreciation (depreciation) of:				

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

Investments	31,224,119	(124,805,304)	23,490,316	(86,311,451)
Forward swaps	--	--	--	--
Futures	--	--	--	--
Distributions to Auction Rate Preferred shareholders:				
From net investment income	(1,441,651)	(10,685,162)	--	(6,026,331)
From accumulated net realized gains	--	--	--	--
-----				
Net increase (decrease) in net assets applicable to Common shares from operations	48,354,748	(92,717,759)	32,478,966	(57,731,508)
-----				
DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(15,439,910)	(30,223,720)	(12,891,302)	(25,763,976)
From accumulated net realized gains	--	--	--	--
-----				
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(15,439,910)	(30,223,720)	(12,891,302)	(25,763,976)
-----				
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	--	--	126,288	443,496
-----				
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	--	126,288	443,496
-----				
Net increase (decrease) in net assets applicable to Common shares	32,914,838	(122,941,479)	19,713,952	(83,051,988)
Net assets applicable to Common shares at the beginning of period	462,554,292	585,495,771	373,939,570	456,991,558
-----				
Net assets applicable to Common shares at the end of period	\$ 495,469,130	\$ 462,554,292	\$ 393,653,522	\$ 373,939,570
=====				
Undistributed (Over-distribution of) net investment income at the end of period	\$ 4,104,442	\$ 154,163	\$ 962,994	\$ (762,556)
=====				

See accompanying notes to financial statements.

Nuveen Investments 87

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

AD

-----  
 CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS	\$ 48,
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	(32,
Proceeds from sales and maturities of investments	14,
Proceeds from (Purchases of) short-term investments, net	15,
Amortization (Accretion) of premiums and discounts, net	(3,
(Increase) Decrease in receivable for dividend and interest	(
(Increase) Decrease in receivable for investments sold	(4,
(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 accrued management fees	
Increase (Decrease) in accrued other liabilities	
Net realized (gain) loss from investments	2,
Change in net unrealized (appreciation) depreciation of investments	(31,
Taxes paid on undistributed capital gains	

-----  
 Net cash provided by (used in) operating activities 9,

=====

CASH FLOWS FROM FINANCING ACTIVITIES:

Increase (Decrease) in cash overdraft balance	
Increase (Decrease) in floating rate obligations	
Cash distributions paid to Common shareholders	(15,
(Increase) Decrease in deferred offering costs	
Increase (Decrease) in payable for offering costs	

-----  
 Net cash provided by (used in) financing activities (14,

NET INCREASE (DECREASE) IN CASH	(5,
Cash at the beginning of period	6,

-----  
 CASH AT THE END OF PERIOD \$

=====

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Non-cash financing activities not included herein consist of reinvestments of Common share distributions of \$126,288 for Dividend Advantage 2 (NXZ). Cash paid for interest (excluding amortization of offering costs, where applicable) was as follows:

D  
AD

-----  
 \$

See accompanying notes to financial statements.

| Notes to FINANCIAL STATEMENTS (Unaudited)

#### 1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

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 while Dividend Advantage 2 (NXZ) and Dividend Advantage 3 (NZF) are traded on the NYSE Amex (formerly, American Stock Exchange). 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.

##### Investment Valuation

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. Prices of forward swap contracts are also provided by an independent pricing service approved by each 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, 2009, there were no such outstanding purchase commitments in any of the Funds.

##### Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis.

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

Investment income also includes paydown gains and losses, if any. Dividend income, if any, is recorded on the ex-dividend date.

### 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 which will 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.

Nuveen Investments 89

### | Notes to FINANCIAL STATEMENTS (continued) (Unaudited)

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 US generally accepted accounting principles.

### Auction Rate Preferred Shares

The following Funds have issued and outstanding Auction Rate Preferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's Auction Rate Preferred shares 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, 2009, the number of Auction Rate Preferred shares outstanding, by Series and in total, for each Fund is as follows:

PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 3 (NZF)
------------------------------	---------------------------------	--------------------------------	--------------------------------	----------------------------------

---

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

Number of shares:

Series M	3,553	2,503	3,649	3,618	--
Series T	3,552	2,503	3,648	3,617	--
Series W	3,551	2,502	2,920	--	3,159
Series TH	2,806	1,936	--	3,437	3,159
Series F	3,553	2,503	3,650	--	3,160
Total	17,015	11,947	13,867	10,672	9,478

Beginning in February 2008, more shares for sale were submitted in the regularly scheduled auctions for the Auction Rate Preferred shares issued by the Funds than there were offers to buy. This meant that these auctions "failed to clear," and that many Auction Rate Preferred shareholders who wanted to sell their shares in these auctions were unable to do so. Auction Rate Preferred 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 Auction Rate Preferred shares.

90 Nuveen Investments

These developments have generally not affected the portfolio management or investment policies of the Funds. However, one implication of these auction failures for Common shareholders is that the Funds' cost of leverage will likely be higher, at least temporarily, than it otherwise would have been had the auctions continued to be successful. As a result, the Funds' future Common share earnings may be lower than they otherwise would have been. As of April 30, 2009, the aggregate amount of outstanding Auction Rate Preferred shares redeemed by each Fund is as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	D ADVA
Auction Rate Preferred shares redeemed, at liquidation value	\$ 53,625,000	\$ 59,325,000	\$ 33,325,000	\$ 28,200,000	\$222,

Variable Rate Demand Preferred Shares

On August 7, 2008, Dividend Advantage 2 (NXZ) issued 1,960 Series 1 Variable Rate Demand Preferred shares, \$100,000 liquidation value per share, in a privately negotiated offering. Proceeds of this offering along with the proceeds from the Fund's creation of tender option bonds (TOBs), also known as "floaters" or floating rate obligations, were used to redeem all of the Fund's outstanding Auction Rate Preferred shares totaling \$222,000,000. The Variable Rate Demand Preferred 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 and include a liquidity feature that allows the Variable Rate Demand Preferred shareholders to have their shares purchased by the liquidity provider in the event that sell orders are not matched with purchase orders in a remarketing. Dividends on the Variable Rate Demand Preferred shares (which are treated as interest payments for financial reporting purposes) are set weekly at a rate established by a remarketing agent; therefore, the liquidation value of

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

the Variable Rate Demand Preferred shares approximates fair value.

Subject to certain conditions, Variable Rate Demand Preferred 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 Variable Rate Demand Preferred 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.

Dividend Advantage 2 (NXZ) had all of its \$196,000,000 Variable Rate Demand Preferred shares outstanding for the six months ended April 30, 2009, with an annualized interest rate of 1.02%.

For financial reporting purposes only, the liquidation value of Variable Rate Demand Preferred shares is recorded as a liability on the Statement of Assets and Liabilities and the dividends paid on the Variable Rate Demand Preferred shares are included as a component of "Interest expense and amortization of offering costs" on the Statement of Operations. In addition to interest expense, the Fund also paid a per annum liquidity fee 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.

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 accordance Statement of Financial Accounting Standards No. 140 (SFAS No. 140) "Accounting for Transfers and Servicing of Financial Assets Extinguishment of Liabilities." In such instances, a fixed-rate bond deposited into a special purpose trust is identified in Portfolio of Investments as "(UB) - Underlying bond of an inverse floating rate trust," with the Fund accounting for the short-term floating rate certificates issued by the trust as "Floating rate

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

obligations" on the Statement of Assets and Liabilities. In addition, the Fund

Nuveen Investments 91

| Notes to FINANCIAL STATEMENTS (continued) (Unaudited)

reflects in "Investment Income" the entire earnings of the underlying bond and the related interest paid to the holders of the short-term floating rate certificates is included as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

During the six months ended April 30, 2009, 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, 2009, each Fund's maximum exposure to externally-deposited Recourse Trusts, is as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)
Maximum exposure to Recourse Trusts	\$ 18,750,000	\$ 18,526,650	\$ 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 six months ended April 30, 2009, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)
Average floating rate obligations	\$41,469,470	\$30,643,748	\$17,718,867	\$48,899,972
Average annual interest rate and fees	1.13%	1.05%	1.09%	1.05%

Forward Swap Transactions

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

Each Fund is authorized to invest in forward interest rate swap transactions. Each Fund's use of forward interest rate swap transactions is intended to help the Fund manage its overall interest rate sensitivity, either shorter or longer, generally to more closely align the Fund's interest rate sensitivity with that of the broader municipal market. Forward interest rate swap transactions involve each Fund's agreement with a counterparty to pay, in the future, a fixed or variable rate payment in exchange for the counterparty paying the Fund a variable or fixed rate payment, the accruals for which would begin at a specified date in the future (the "effective date"). The amount of the payment obligation is based on the notional amount of the forward swap contract and the termination date of the swap (which is akin to a bond's maturity). The value of the Fund's swap commitment would increase or decrease based primarily on the extent to which long-term interest rates for bonds having a maturity of the swap's termination date increases or decreases. The Funds may terminate a swap contract prior to the effective date, at which point a realized gain or loss is recognized. When a forward swap is terminated, it ordinarily does not involve the delivery of securities or other underlying assets or principal, but rather is settled in cash on a net basis. Each Fund intends, but is not obligated, to terminate its forward swaps before the effective date. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment to pay any realized gain to the Fund upon termination. None of the Funds invested in forward interest rate swap transactions during the six months ended April 30, 2009.

92 Nuveen Investments

### Futures Contracts

Each Fund is authorized to invest in futures contracts. 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." Subsequent payments ("variation margin") are made or received by a Fund each day, depending on the daily fluctuation of the value of the contract.

During the period the futures contract is open, changes in the value of the contract are recognized as an unrealized gain or loss by "marking-to-market" on a daily basis to reflect the changes in market value of the contract. 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. Cash held by the broker to cover initial margin requirements on open futures contracts, if any, is recognized on the Statement of Assets and Liabilities. Additionally, the Statement of Assets and Liabilities reflects a receivable or payable for the variation margin, when applicable. Dividend Advantage 3 (NZF) invested in futures contracts during the six months ended April 30, 2009.

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.

### Market and 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 (credit risk). Similar to credit risk, each Fund may be

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

exposed to counterparty risk, or the risk that an institution or other entity with which the Fund has unsettled or open transactions will default. The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to credit risk, consist principally of cash due from counterparties on forward, option and swap transactions. The extent of each Fund's exposure to credit and counterparty risks in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities.

Each Fund helps manage credit risk by entering into agreements only with counterparties Nuveen Asset Management (the "Adviser"), a wholly owned subsidiary of Nuveen Investments Inc. ("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. Such securities are included in the Portfolios of Investments with a 0.000% coupon rate in their description. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

### Offering Costs

Costs incurred by Dividend Advantage 2 (NXZ) in connection with its offering of the Variable Rate Demand Preferred shares (\$2,270,000) were recorded as a deferred charge which will be amortized over the 30-year life of the shares and 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.

| Notes to FINANCIAL STATEMENTS (continued) (Unaudited)

Use of Estimates

The preparation of financial statements in conformity with US generally accepted accounting principles 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.

2. FAIR VALUE MEASUREMENTS

During the current fiscal period, the Funds adopted the provisions of Statement of Financial Accounting Standards No. 157 (SFAS No. 157) "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about 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, 2009:

PERFORMANCE PLUS (NPP)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments	\$ --	\$ 1,271,554,332	\$ --	\$ 1,271,554,332
MUNICIPAL ADVANTAGE (NMA)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments	\$ --	\$ 894,209,897	\$ --	\$ 894,209,897
MARKET OPPORTUNITY (NMO)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments	\$ --	\$ 931,400,462	\$ --	\$ 931,400,462
DIVIDEND ADVANTAGE (NAD)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments	\$ 456,627	\$ 796,439,358	\$ --	\$ 796,895,985
DIVIDEND ADVANTAGE 2 (NXZ)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments	\$ --	\$ 596,766,911	\$ --	\$ 596,766,911
DIVIDEND ADVANTAGE 3 (NZF)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL

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

-----  
Investments \$ 1,501,913 \$ 819,252,495 \$ -- \$ 820,754,408  
=====

3. FUND SHARES

Common Shares

On July 30, 2008, the Funds' Board of Directors/Trustees approved an open-market share repurchase program under which each Fund may repurchase an aggregate of up to approximately 10% of its outstanding Common shares. The Funds did not repurchase any of their Common shares during the six months ended April 30, 2009, or the fiscal year ended October 31, 2008.

94 Nuveen Investments

Transactions in Common shares were as follows:

	PERFORMANCE PLUS (NPP)		MUNICIPAL ADVANTAGE (NMA)		S
	SIX MONTHS ENDED	YEAR ENDED	SIX MONTHS ENDED	YEAR ENDED	
	4/30/09	10/31/08	4/30/09	10/31/08	
Common shares issued to shareholders due to reinvestment of distributions	--	--	--	--	

	DIVIDEND ADVANTAGE (NAD)		DIVIDEND ADVANTAGE 2 (NXZ)		S
	SIX MONTHS ENDED	YEAR ENDED	SIX MONTHS ENDED	YEAR ENDED	
	4/30/09	10/31/08	4/30/09	10/31/08	
Common shares issued to shareholders due to reinvestment of distributions	--	--	10,026	29,827	

Preferred Shares

Transactions in Auction Rate Preferred shares were as follows:

	PERFORMANCE PLUS (NPP)		MUNICIPAL
	SIX MONTHS ENDED	YEAR ENDED	SIX MONTHS ENDED
	4/30/09	10/31/08	4/30/09

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

	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Auction Rate Preferred shares redeemed:						
Series M	119	\$ 2,975,000	328	\$ 8,200,000	360	\$ 9,000,000
Series T	119	2,975,000	329	8,225,000	360	9,000,000
Series W	120	3,000,000	329	8,225,000	361	9,025,000
Series TH	94	2,350,000	260	6,500,000	278	6,950,000
Series F	119	2,975,000	328	8,200,000	360	9,000,000
<b>Total</b>	<b>571</b>	<b>\$ 14,275,000</b>	<b>1,574</b>	<b>\$ 39,350,000</b>	<b>1,719</b>	<b>\$ 42,975,000</b>

	MARKET OPPORTUNITY (NMO)				DIVIDEND ADVANTAGE 2 (NXZ)	
	SIX MONTHS ENDED		YEAR ENDED		SIX MONTHS ENDED	
	4/30/09		10/31/08		4/30/09	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Auction Rate Preferred shares redeemed:						
Series M	158	\$ 3,950,000	193	\$ 4,825,000	--	--
Series T	159	3,975,000	193	4,825,000	--	--
Series W	126	3,150,000	154	3,850,000	--	--
Series TH	--	--	--	--	--	--
Series F	157	3,925,000	193	4,825,000	--	--
<b>Total</b>	<b>600</b>	<b>\$ 15,000,000</b>	<b>733</b>	<b>\$ 18,325,000</b>	<b>--</b>	<b>--</b>

	DIVIDEND ADVANTAGE 2 (NXZ)				DIVIDEND ADVANTAGE 2 (NXZ)	
	SIX MONTHS ENDED		YEAR ENDED		SIX MONTHS ENDED	
	4/30/09		10/31/08		4/30/09	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Auction Rate Preferred shares redeemed:						
Series M	--	\$ --	3,000	\$ 75,000,000	--	\$ --
Series T	--	--	3,000	75,000,000	--	--
Series W	--	--	--	--	451	11,275,000
Series TH	--	--	--	--	451	11,275,000
Series F	--	--	2,880	72,000,000	451	11,275,000
<b>Total</b>	<b>--</b>	<b>\$ --</b>	<b>8,880</b>	<b>\$ 222,000,000</b>	<b>1,353</b>	<b>\$ 33,825,000</b>

| Notes to FINANCIAL STATEMENTS (continued) (Unaudited)

Transactions in Variable Rate Demand Preferred shares were as follows:

	DIVIDEND ADVANTAGE 2 (NXZ)			
	SIX MONTHS ENDED 4/30/09		YEAR ENDED 10/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT
Variable Rate Demand Preferred shares issued:				
Series 1	--	\$ --	1,960	\$ 196,000,000

4. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the six months ended April 30, 2009, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	DIVIDEND ADVANTAGE 3 (NXZ)
Purchases	\$ 21,076,115	\$ 27,748,419	\$ 14,150,369	\$ 32,080,639	\$ 23,383,891	\$ 10,000,000
Sales and maturities	23,551,000	46,280,908	21,044,778	14,925,175	6,393,233	9,000,000

5. 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 transactions subject to SFAS No. 140, 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 values of the Funds.

At April 30, 2009, the cost of investments was as follows:

PERFORMANCE PLUS	MUNICIPAL ADVANTAGE	MARKET OPPORTUNITY	DIVIDEND ADVANTAGE	DIVIDEND ADVANTAGE 2	DIVIDEND ADVANTAGE 3
------------------	---------------------	--------------------	--------------------	----------------------	----------------------

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

	(NPP)	(NMA)	(NMO)	(NAD)	
Cost of investments	\$ 1,241,000,907	\$ 887,433,991	\$ 955,892,407	\$ 798,833,628	\$ 593,

Gross unrealized appreciation and gross unrealized depreciation of investments at April 30, 2009, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	AD
Gross unrealized:					
Appreciation	\$ 61,994,121	\$ 34,725,516	\$ 42,209,301	\$ 31,565,665	\$ 2
Depreciation	(83,992,006)	(76,964,283)	(89,987,878)	(82,802,021)	(4
Net unrealized appreciation (depreciation) of investments	\$ (21,997,885)	\$ (42,238,767)	\$ (47,778,577)	\$ (51,236,356)	\$ (1

96 Nuveen Investments

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at October 31, 2008, the Funds' last tax year end, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	
Undistributed net tax-exempt income *	\$ 3,489,193	\$ 1,437,801	\$ 1,322,949	\$ 1,215,719	
Undistributed net ordinary income **	60,857	126,563	198	--	
Undistributed net long-term capital gains	--	--	--	--	

\* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on October 1, 2008, paid on November 3, 2008.

\*\* 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, 2008, was designated for purposes of the dividends paid deduction as follows:

PERFORMANCE	MUNICIPAL	MARKET	DIVIDEND
-------------	-----------	--------	----------

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

	PLUS (NPP)	ADVANTAGE (NMA)	OPPORTUNITY (NMO)	ADVANTAGE (NAD)
Distributions from net tax-exempt income	\$ 58,938,252	\$ 46,196,128	\$ 47,134,373	\$ 40,676,616
Distributions from net ordinary income **	--	--	--	171,088
Distributions from net long-term capital gains	--	1,389,990	--	--

\*\* Net ordinary income consists of taxable market discount income and net short-term capital gains, if any.

At October 31, 2008, the Funds' last tax year end, the 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:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)
Expiration:				
October 31, 2011	\$ --	\$ --	\$ 7,158,110	\$ 4,594,300
October 31, 2012	--	--	973,824	--
October 31, 2013	--	--	--	104,762
October 31, 2014	--	--	3,141,529	--
October 31, 2015	105,896	--	1,902,879	--
October 31, 2016	443,483	876,507	1,398,166	--
Total	\$ 549,379	\$ 876,507	\$ 14,574,508	\$ 4,699,062

Dividend Advantage (NAD) had \$7,670,294 of its capital loss carryforward expire on October 31, 2008.

6. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Each Fund's management fee is separated into two components - a complex-level component, based on the aggregate amount of all fund assets managed by the Adviser, and a specific fund-level component, based only on the amount of assets within each individual Fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

Nuveen Investments 97

| Notes to FINANCIAL STATEMENTS (continued) (Unaudited)

The annual fund-level fee, payable monthly, for each Fund is based upon the average daily net assets (including net assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares) of each Fund as follows:

PERFORMANCE PLUS (NPP)

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

AVERAGE DAILY NET ASSETS (1)	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 (1)	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, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund net assets managed as stated in the following table. As of April 30, 2009, the complex-level fee rate was .1998%.

98 Nuveen Investments

The complex-level fee schedule is as follows:

COMPLEX-LEVEL NET ASSET BREAKPOINT LEVEL (1)	EFFECTIVE RATE AT BREAKPOINT LEVEL
\$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

- (1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate daily managed net assets of all Nuveen funds, with such daily managed net 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 fee components, daily managed net assets includes assets managed by the Adviser that are attributable to each fund's use of financial leverage. For these purposes, financial leverage includes the funds' use of

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

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 the 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 net assets in certain circumstances.

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.

For the first ten years of Dividend Advantage's (NAD) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares), for fees and expenses in the amounts and for the time periods set forth below:

YEAR ENDING JULY 31,		YEAR ENDING JULY 31,	
1999*	.30%	2005	.25%
2000	.30	2006	.20
2001	.30	2007	.15
2002	.30	2008	.10
2003	.30	2009	.05
2004	.30		

\* From the commencement of operations.

The Adviser has not agreed to reimburse Dividend Advantage (NAD) for any portion of its fees and expenses beyond July 31, 2009.

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 (including net assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares), 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
2005	.30	2011	.05
2006	.30		

\* From the commencement of operations.

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

| Notes to FINANCIAL STATEMENTS (continued) (Unaudited)

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 (including net assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares), 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.

## 7. NEW ACCOUNTING PRONOUNCEMENTS

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 161 (SFAS No. 161) In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities." This standard is intended to enhance financial statement disclosures for derivative instruments and hedging activities and enable investors to understand: a) how and why a fund uses derivative instruments, b) how derivative instruments and related hedge items are accounted for, and c) how derivative instruments and related hedge items affect a fund's financial position, results of operations and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. As of April 30, 2009, management does not believe the adoption of SFAS No. 161 will impact the financial statement amounts; however, additional footnote disclosures may be required about the use of derivative instruments and hedging items.

Financial Accounting Standards Board Staff Position No. 157-4 (FSP No. 157-4) On April 9, 2009, the Financial Accounting Standards Board issued FSP No. 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly." FSP No. 157-4 provides additional guidance for estimating fair value in accordance with SFAS No. 157, "Fair Value Measurements," when the volume and level of activity for the asset or liability have significantly decreased. FSP No. 157-4 also requires additional disaggregation of the current SFAS No. 157 required disclosures. FSP No. 157-4 is effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. At this time, management is evaluating the implications of FSP No. 157-4 and the impact it will have on the financial statement disclosures.

100 Nuveen Investments

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

## 8. SUBSEQUENT EVENTS

### Distributions to Common Shareholders

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on June 1, 2009, to shareholders of record on May 15, 2009, as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	DIV ADVANTAGE
Dividend per share	\$ .0680	\$ .0715	\$ .0690	\$ .0715	\$ .0730	\$

### Auction Participation Fees

Effective May 1, 2009, auction participation fees for Nuveen Auction Rate Preferred shares with respect to auctions that have failed have been reduced from 25 bps (annualized) to 15 bps (annualized). All auction participants have signed new agreements incorporating this change.

Nuveen Investments 101

### | Financial HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

	Beginning Common Share Net Asset Value	Investment Operations			
		Net Investment Income	Net Realized/Unrealized Gain (Loss)	Distributions from Net Investment Income to Auction Rate Preferred Shareholders+	Distributions from Capital Gains to Auction Rate Preferred Shareholders+
<b>PERFORMANCE PLUS (NPP)</b>					
Year Ended 10/31:					
2009 (b)	\$ 12.69	\$ .51	\$ .78	\$ (.04)	\$ --
2008	15.22	1.02	(2.56)	(.29)	--
2007	15.78	.99	(.47)	(.27)	(.01)
2006	15.51	1.00	.38	(.25)	--
2005	15.87	1.02	(.26)	(.16)	--
2004	15.45	1.04	.42	(.07)	--
<b>MUNICIPAL ADVANTAGE (NMA)</b>					
Year Ended 10/31:					
2009 (b)	12.12	.54	.75	(.04)	--
2008	15.20	1.08	(3.06)	(.30)	(.01)

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

2007	15.88	1.07	(.63)	(.29)	--
2006	15.70	1.08	.27	(.26)	--
2005	16.02	1.09	(.24)	(.16)	--
2004	15.62	1.11	.41	(.08)	--

Less Distributions

	Net Investment Income to Common Share- holders	Capital Gains to Common Share- holders	Total	Ending Common Share Net Asset Value	Ending Market Value
--	---	--	-------	---	---------------------------

PERFORMANCE PLUS (NPP)

Year Ended 10/31:										
2009 (b)	\$	(.37)	\$	--	\$	(.37)	\$	13.57	\$	12.42
2008		(.70)		--		(.70)		12.69		11.50
2007		(.75)		(.05)		(.80)		15.22		13.59
2006		(.84)		(.02)		(.86)		15.78		15.09
2005		(.94)		(.02)		(.96)		15.51		14.43
2004		(.97)		--		(.97)		15.87		14.95

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:										
2009 (b)		(.40)		--		(.40)		12.97		12.24
2008		(.77)		(.02)		(.79)		12.12		11.41
2007		(.83)		--		(.83)		15.20		13.95
2006		(.90)		(.01)		(.91)		15.88		15.85
2005		(1.00)		(.01)		(1.01)		15.70		15.19
2004		(1.03)		(.01)		(1.04)		16.02		15.70

Auction Rate Preferred Shares  
at End of Period

Variable Rate Demand Pref  
at End of Per

	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share
--	---	---	--------------------------------	---	---

PERFORMANCE PLUS (NPP)

Year Ended 10/31:										
2009 (b)	\$	425,375	\$	25,000	\$	72,781	\$	--	\$	--
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		--		--
2004		479,000		25,000		74,634		--		--

MUNICIPAL ADVANTAGE (NMA)

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

Year Ended 10/31:

2009 (b)	298,675	25,000	71,901	--	--
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	--	--
2004	358,000	25,000	73,128	--	--

102 Nuveen Investments

			Ratios/Supplemental Data		
Total Returns			Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement		
Based on Market Value*	Based on Share Net Asset Value*	Ending Net Assets Applicable to Common Shares (000)	Expenses Including Interest++ (a)	Expenses Excluding Interest++	

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

2009 (b)	11.45%	10.01%	\$ 812,988	1.29%***	1.23%*
2008	(10.71)	(12.49)	760,496	1.25	1.17
2007	(4.97)	1.53	912,066	1.16	1.14
2006	10.78	7.50	945,222	1.15	1.15
2005	3.02	3.83	929,544	1.15	1.15
2004	9.10	9.30	950,993	1.17	1.17

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

2009 (b)	11.04	10.53	560,322	1.36***	1.30**
2008	(13.16)	(15.65)	523,602	1.38	1.21
2007	(7.08)	1.06	656,806	1.40	1.17
2006	10.68	7.16	683,675	1.18	1.18
2005	3.29	4.42	675,678	1.17	1.17
2004	8.82	9.57	689,190	1.19	1.19

Ratios/Supplemental Data

Ratios to Average Net Assets Applicable to Common Shares After Credit/Reimbursement\*\*

Expenses Including Interest++ (a)	Expenses Excluding Interest++	Net Investment Income++	Portfolio Turnover Rate
-----------------------------------	-------------------------------	-------------------------	-------------------------

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

### PERFORMANCE PLUS (NPP)

-----				
Year Ended 10/31:				
2009 (b)	1.29%***	1.23%***	7.89%***	2%
2008	1.23	1.16	6.98	9
2007	1.14	1.13	6.39	6
2006	1.14	1.14	6.45	9
2005	1.14	1.14	6.46	6
2004	1.17	1.17	6.70	11

### MUNICIPAL ADVANTAGE (NMA)

-----				
Year Ended 10/31:				
2009 (b)	1.34***	1.28***	8.83***	3
2008	1.36	1.19	7.52	13
2007	1.38	1.15	6.89	10
2006	1.17	1.17	6.93	11
2005	1.16	1.16	6.82	8
2004	1.18	1.18	7.00	4
=====				

\* 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.

\*\* After custodian fee credit and expense reimbursement, where applicable.

\*\*\* Annualized.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; income ratios reflect income earned on assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares, where applicable.

(a) Interest expense arises from payments to Variable Rate Demand Preferred shareholders and the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund, where applicable, as both are more fully described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.

(b) For the six months ended April 30, 2009.

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

See accompanying notes to financial statements.

Nuveen Investments 103

| Financial HIGHLIGHTS (continued) (Unaudited)

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	
				Distributions from Net Investment Income to Auction Rate Preferred Shareholders+	Distribut Cap Gain Auction Prefe Sharehol
MARKET OPPORTUNITY (NMO)					
Year Ended 10/31:					
2009 (b)	\$ 12.23	\$ .53	\$ .34	\$ (.04)	\$
2008	14.83	1.03	(2.59)	(.31)	
2007	15.41	1.04	(.56)	(.30)	
2006	15.14	1.02	.34	(.26)	
2005	15.48	1.03	(.29)	(.16)	
2004	15.11	1.03	.37	(.08)	
DIVIDEND ADVANTAGE (NAD)					
Year Ended 10/31:					
2009 (b)	11.77	.53	.74	(.04)	
2008	14.90	1.05	(3.14)	(.27)	
2007	15.54	1.04	(.60)	(.27)	
2006	15.28	1.04	.32	(.24)	
2005	15.62	1.06	(.25)	(.15)	
2004	15.17	1.09	.46	(.07)	
Less Distributions					
	Net Investment Income to Common Share- holders	Capital Gains to Common Share- holders	Total	Ending Common Share Net Asset Value	Ending Market Value
MARKET OPPORTUNITY (NMO)					
Year Ended 10/31:					
2009 (b)	\$ (.38)	\$ --	\$ (.38)	\$ 12.68	\$ 11.72
2008	(.73)	--	(.73)	12.23	11.52
2007	(.76)	--	(.76)	14.83	13.53

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

2006	(.83)	--	(.83)	15.41	15.00
2005	(.92)	--	(.92)	15.14	14.19
2004	(.95)	--	(.95)	15.48	14.44

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

2009 (b)	(.39)	--	(.39)	12.61	11.73
2008	(.77)	--	(.77)	11.77	10.72
2007	(.81)	--	(.81)	14.90	13.63
2006	(.86)	--	(.86)	15.54	15.30
2005	(1.00)	--	(1.00)	15.28	14.58
2004	(1.03)	--	(1.03)	15.62	15.31

Auction Rate Preferred Shares at End of Period			Variable Rate Demand Preferred 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	

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

2009 (b)	\$ 346,675	\$ 25,000	\$ 66,650	\$ --	\$ --
2008	361,675	25,000	63,525	--	--
2007	380,000	25,000	69,446	--	--
2006	380,000	25,000	71,155	--	--
2005	380,000	25,000	70,374	--	--
2004	380,000	25,000	71,366	--	--

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

2009 (b)	266,800	25,000	71,427	--	--
2008	266,800	25,000	68,343	--	--
2007	295,000	25,000	74,618	--	--
2006	295,000	25,000	76,722	--	--
2005	295,000	25,000	75,838	--	--
2004	295,000	25,000	76,977	--	--

104 Nuveen Investments

Ratios/Supplemental Data

Total Returns		Ratios to Average Applicable to Com Before Credit/Rei
Based	Ending	

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

	Based on Market Value*	on Common Share Net Asset Value*	Net Assets Applicable to Common Shares (000)	Expenses Including Interest++ (a)	Expenses Excluding Interest
MARKET OPPORTUNITY (NMO)					
Year Ended 10/31:					
2009 (b)	5.26%	6.91%	\$577,567	1.35%***	1.31
2008	(9.87)	(13.07)	557,346	1.36	1.23
2007	(5.00)	1.20	675,577	1.38	1.19
2006	11.92	7.49	701,559	1.19	1.19
2005	4.70	3.78	689,682	1.19	1.19
2004	7.97	9.00	704,760	1.21	1.21

DIVIDEND ADVANTAGE (NAD)					
Year Ended 10/31:					
2009 (b)	13.39	10.58	495,469	1.34***	1.23
2008	(16.46)	(16.42)	462,554	1.36	1.15
2007	(5.96)	1.10	585,496	1.24	1.13
2006	11.19	7.59	610,316	1.12	1.12
2005	1.77	4.27	599,887	1.17	1.17
2004	8.37	10.06	613,328	1.14	1.14

Ratios/Supplemental Data

Ratios to Average Net Assets  
Applicable to Common Shares  
After Credit/Reimbursement\*\*

	Expenses Including Interest++ (a)	Expenses Excluding Interest++	Net Investment Income++	Portfolio Turnover Rate
MARKET OPPORTUNITY (NMO)				
Year Ended 10/31:				
2009 (b)	1.34%***	1.31%***	8.62%***	2%
2008	1.35	1.21	7.35	8
2007	1.36	1.17	6.88	5
2006	1.18	1.18	6.74	14
2005	1.18	1.18	6.67	7
2004	1.19	1.19	6.77	4

DIVIDEND ADVANTAGE (NAD)				
Year Ended 10/31:				
2009 (b)	1.25***	1.14***	8.90***	2
2008	1.20	1.00	7.48	11
2007	1.01	.90	6.83	11
2006	.83	.83	6.83	8
2005	.80	.80	6.84	11
2004	.70	.70	7.12	7

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

\* 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.

\*\* After custodian fee credit and expense reimbursement, where applicable.

\*\*\* Annualized.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; income ratios reflect income earned on assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares, where applicable.

(a) Interest expense arises from payments to Variable Rate Demand Preferred shareholders and the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund, where applicable, as both are more fully described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.

(b) For the six months ended April 30, 2009.

See accompanying notes to financial statements.

Nuveen Investments 105

| Financial HIGHLIGHTS (continued) (Unaudited)

Selected data for a Common share outstanding throughout each period:

		Investment Operations			
				Distributions	Distri
				from Net	
				Investment	
				Income to	G
Beginning	Common	Net	Realized/	Auction Rate	Aucti
Share	Share	Investment	Unrealized	Preferred	Pr
Net Asset	Net Asset	Investment	Gain (Loss)	Shareholders+	Shareh
Value	Value	Income	Gain (Loss)	Shareholders+	Shareh

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

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

2009(b)	\$	12.71	\$	.50	\$	.60	\$	--	\$
2008		15.55		1.05		(2.81)		(.20)	
2007		16.02		1.13		(.43)		(.27)	
2006		15.80		1.12		.32		(.24)	
2005		15.63		1.13		.22		(.15)	
2004		15.13		1.12		.51		(.07)	

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

2009(b)		12.10		.54		.93		(.04)
2008		15.03		1.06		(2.95)		(.27)
2007		15.54		1.07		(.44)		(.27)
2006		15.32		1.07		.29		(.24)
2005		15.36		1.06		.01		(.15)
2004		14.74		1.06		.59		(.07)

Less Distributions

Net Investment Income to Common Share- holders	Capital Gains to Common Share- holders	Total	Ending Common Share Net Asset Value	Ending Market Value
---	--	-------	---	---------------------------

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

2009(b)	\$	(.44)	\$	--	\$	(.44)	\$	13.37	\$	12.81
2008		(.88)		--		(.88)		12.71		12.35
2007		(.90)		--		(.90)		15.55		15.48
2006		(.98)		--		(.98)		16.02		16.50
2005		(1.03)		--		(1.03)		15.80		15.64
2004		(1.03)		(.03)		(1.06)		15.63		15.38

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

2009(b)		(.41)		--		(.41)		13.12		12.13
2008		(.77)		--		(.77)		12.10		10.72
2007		(.84)		(.02)		(.86)		15.03		13.85
2006		(.90)		--		(.90)		15.54		15.88
2005		(.96)		--		(.96)		15.32		14.41
2004		(.96)		--		(.96)		15.36		14.50

Auction Rate Preferred Shares  
at End of Period

Variable Rate Dema  
at En

Aggregate Liquidation

Aggregate Liq

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

	Amount Outstanding (000)	and Market Value Per Share	Asset Coverage Per Share	Amount Outstanding (000)	an P
-----					
DIVIDEND ADVANTAGE 2 (NXZ)					
-----					
Year Ended 10/31:					
2009 (b)	\$ --	\$ --	\$ --	\$ 196,000	\$
2008	--	--	--	196,000	
2007	222,000	25,000	76,463	--	
2006	222,000	25,000	77,949	--	
2005	222,000	25,000	77,124	--	
2004	222,000	25,000	76,526	--	

-----					
DIVIDEND ADVANTAGE 3 (NZF)					
-----					
Year Ended 10/31:					
2009 (b)	236,950	25,000	80,874	--	
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	--	
2004	312,000	25,000	74,609	--	
=====					

106 Nuveen Investments

	Ratios/Supplemental Data				
	Total Returns			Ratios to Average Applicable to Com Before Credit/Rei	
	Based on Market Value*	Based on Common Share Net Asset Value*	Ending Net Assets Applicable to Common Shares (000)	Expenses Including Interest++ (a)	Expense Excludin Interes
-----					
DIVIDEND ADVANTAGE 2 (NXZ)					
-----					
Year Ended 10/31:					
2009 (b)	7.48%	8.83%	\$ 393,654	2.12%***	1.5
2008	(15.21)	(13.23)	373,940	1.71	1.2
2007	(.78)	2.76	456,992	1.25	1.1
2006	11.95	7.86	470,189	1.11	1.1
2005	8.58	7.83	462,862	1.12	1.1
2004	11.16	10.67	457,552	1.14	1.1

-----					
DIVIDEND ADVANTAGE 3 (NZF)					
-----					
Year Ended 10/31:					
2009 (b)	17.39	12.01	529,576	1.29***	1.2
2008	(17.85)	(14.99)	488,561	1.34	1.1

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

2007	(7.72)	2.31	606,908	1.32	1.1
2006	16.90	7.57	626,836	1.13	1.1
2005	6.11	6.09	617,358	1.13	1.1
2004	12.45	11.10	619,118	1.15	1.1

Ratios/Supplemental Data

Ratios to Average Net Assets  
Applicable to Common Shares  
After Credit/Reimbursement\*\*

	Expenses Including Interest++(a)	Expenses Excluding Interest++	Net Investment Income++	Portfolio Turnover Rate
--	--	-------------------------------------	-------------------------------	-------------------------------

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:				
2009 (b)	1.90%***	1.31%***	7.83%***	1%
2008	1.44	.95	7.09	10
2007	.91	.77	7.18	5
2006	.70	.70	7.11	5
2005	.67	.67	7.12	2
2004	.69	.69	7.32	3

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:				
2009 (b)	1.05***	.95***	8.73***	1
2008	1.02	.83	7.39	7
2007	.93	.75	7.03	14
2006	.68	.68	6.96	9
2005	.68	.68	6.84	3
2004	.69	.69	7.10	3

\* 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.

\*\* After custodian fee credit and expense reimbursement, where applicable.

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

\*\*\* Annualized.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; income ratios reflect income earned on assets attributable to Auction Rate Preferred shares or Variable Rate Demand Preferred shares, respectively.

(a) Interest expense arises from payments to Variable Rate Demand Preferred shareholders and the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund, where applicable, as both are more fully described in Footnote 1 - Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively.

(b) For the six months ended April 30, 2009.

See accompanying notes to financial statements.

Nuveen Investments 107

### 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.

#### 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

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

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 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

108 Nuveen Investments

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.

Nuveen Investments 109

### 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.

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

- **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.
  
- **INVERSE FLOATERS:** Inverse floating rate securities 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.

### 110 Nuveen Investments

- **LEVERAGE-ADJUSTED 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. 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.
  
- **MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD):** An investment's current annualized dividend divided by its current market price.
  
- **NET ASSET VALUE (NAV):** A Fund's NAV per common share is calculated by subtracting the liabilities of the Fund (including any Preferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of common shares outstanding. Fund NAVs are calculated at the end of each business day.
  
- **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.
  
- **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.

Notes

112 Nuveen Investments

Notes

Nuveen Investments 113

Notes

114 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  
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

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

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, 2008, 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](http://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](mailto: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.

### SHARE INFORMATION

Each Fund intends to repurchase and/or redeem shares of its own common or 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 preferred stock as shown in the accompanying table.

FUND	COMMON SHARES REPURCHASED	PREFERRED SHARES REDEEMED
NPP	--	571
NMA	--	1,719
NMO	--	600
NAD	--	--
NXZ	--	--
NZF	--	1,353

Any future repurchases and/or redemptions will be reported to shareholders in the next annual or semi-annual report.

Nuveen Investments 115

### NUVEEN INVESTMENTS: SERVING INVESTORS FOR GENERATIONS

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility. Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio. Our clients have come to appreciate this diversity, as well as our continued adherence to proven, long-term investing principles.

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

WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT 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. Nuveen Investments markets its growing range of specialized investment solutions under the high-quality brands of HydePark, NWQ, Nuveen, Santa Barbara, Symphony, Tradewinds and Winslow Capital. In total, the Company managed \$115 billion of assets on March 31, 2009.

FIND OUT HOW WE CAN HELP YOU REACH YOUR FINANCIAL GOALS.

To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For 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](http://WWW.NUVEEN.COM/CEF)

- o Share prices
- o Fund details
- o Daily financial news
- o Investor education
- o Interactive planning tools

It's not what you earn,  
it's what you keep.(R)

Distributed by  
Nuveen Investments, LLC  
333 West Wacker Drive  
Chicago, IL 60606  
[www.nuveen.com](http://www.nuveen.com)

ESA-B-0409D

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.

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

Not applicable to this filing.

### ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

### 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)).
- (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.

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

(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, 2009  
-----

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: July 8, 2009  
-----

By (Signature and Title) /s/ Stephen D. Foy  
-----

Stephen D. Foy  
Vice President and Controller  
(principal financial officer)

Date: July 8, 2009  
-----