

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

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
Form N-CSRS  
July 09, 2007

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, 2007  
-----

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.

-----  
SEMIANNUAL REPORT April 30, 2007  
-----

Nuveen Investments  
Municipal Closed-End Funds

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

Photo of: Woman and man at the beach.

Photo of: A child.

DEPENDABLE,  
TAX-FREE INCOME BECAUSE  
IT'S NOT WHAT YOU EARN,  
IT'S WHAT YOU KEEP. (R)

[LOGO]  
NUVEEN  
INVESTMENTS

Photo of: Woman

Photo of: Woman

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

Photo of: Man and child

NOW YOU CAN RECEIVE YOUR  
NUVEEN FUND REPORTS FASTER.

NO MORE WAITING.  
SIGN UP TODAY TO RECEIVE NUVEEN FUND INFORMATION BY E-MAIL.

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.

-----  
DELIVERY DIRECT TO  
YOUR E-MAIL INBOX  
-----

IT'S FAST, EASY & FREE:

WWW.INVESTORDELIVERY.COM

WWW.NUVEEN.COM/ACCOUNTACCESS

if you get your Nuveen Fund dividends and statements from your financial advisor or brokerage account.

OR

if you get your Nuveen Fund dividends and statements directly from Nuveen.

(BE SURE TO HAVE THE ADDRESS SHEET THAT ACCOMPANIED THIS REPORT HANDY. YOU'LL NEED IT TO COMPLETE THE ENROLLMENT PROCESS.)

[LOGO]  
NUVEEN  
INVESTMENTS

Chairman's  
LETTER TO SHAREHOLDERS

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

Once again, I am pleased to report that over the six-month period covered by this report your Fund continued to provide you with attractive monthly tax-free income. For more details about the management strategy and performance of your Fund, please read the Portfolio Managers' Comments, the Dividend and Share Price Information, and the Performance Overview sections of this report.

For some time, I've used these letters to remind you that municipal bonds can be an important building block in a well-balanced investment portfolio. In addition to providing attractive tax-free monthly income, a municipal bond investment like your Fund may help you achieve and benefit from greater portfolio diversification. Portfolio diversification is a recognized way to try to reduce some of the risk that comes with investing. For more information about this important investment strategy, I encourage you to contact your personal financial advisor.

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

"IN ADDITION TO PROVIDING ATTRACTIVE TAX-FREE MONTHLY INCOME, A MUNICIPAL BOND INVESTMENT LIKE YOUR FUND MAY HELP YOU ACHIEVE AND BENEFIT FROM GREATER PORTFOLIO DIVERSIFICATION."

We also are pleased to be able to offer you a choice concerning how you receive your shareholder reports and other Fund information. As an alternative to mailed copies, you can sign up to receive future Fund reports and other Fund information by e-mail and the internet. The inside front cover of this report contains information on how you can sign up.

We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead. At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
CHAIRMAN OF THE BOARD

June 15, 2007

Nuveen Investments Municipal Closed-End Funds  
NPP, NMA, NMO, NAD, NXZ, NZF

Portfolio Managers'  
COMMENTS

PORTFOLIO MANAGERS TOM SPALDING AND PAUL BRENNAN REVIEW KEY INVESTMENT STRATEGIES AND THE SIX-MONTH PERFORMANCE OF THESE SIX NATIONAL FUNDS. A 30-YEAR VETERAN OF NUVEEN, TOM HAS MANAGED NXZ SINCE ITS INCEPTION IN 2001 AND NPP, NMA, NMO, AND NAD SINCE 2003. WITH 16 YEARS OF INVESTMENT EXPERIENCE AT NUVEEN, PAUL ASSUMED PORTFOLIO MANAGEMENT RESPONSIBILITY FOR NZF IN JULY 2006.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE SIX-MONTH REPORTING PERIOD ENDED APRIL 30, 2007?

During this six-month period, we continued to see a further flattening of the municipal bond yield curve. In this environment, where the slope of the yield curve remained a dominant market factor, we continued to emphasize a disciplined approach to duration management and yield curve positioning. As part of this approach, our purchases for the Funds' portfolios focused mainly on attractively priced bonds with maturities of 20 years and longer in NPP, NMA, NMO, NAD, and NXZ and 25 years and longer in NZF. We believed that bonds in this range of the curve generally offered more attractive yields, better value, and reward opportunities more commensurate with their risk levels.

Our duration management strategies during this period included the use of inverse floating rate trusts, a type of derivative financial instrument, in all six of these Funds. The inverse floaters had the dual benefit of increasing the Funds' distributable income and bringing their durations closer to our preferred strategic target. In past shareholder reports, we also discussed the use of forward interest rate swaps and futures contracts, which are additional

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

types of derivative instruments, as duration management tools. During this reporting period, NZF continued to use both of these tools to help increase net asset value (NAV) volatility.

We also continued to put emphasis on individual credit selection, using a long-term relative value approach. During this period, the municipal market saw steady new money issuance as well as a number of major advance refundings and debt restructurings, which provided us with an increased number of bonds from which to choose. For the six months ended April 30, 2007, municipal issuance nationwide

- 1 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.
- 2 An inverse floating rate trust 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 six-month period, are further defined within the "Notes to Financial Statements" and "Glossary of Terms Used in This Report" sections of this shareholder report.
- 3 Advance refundings, also known as pre-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.

4

totaled \$223.7 billion, up 32% compared with the six-month period ended April 30, 2006. During the first four months of 2007, supply increased 37% over that of the first four months of 2006--to \$135.4 billion--primarily due to a 71% increase in refundings during this period.

Much of the new supply was highly rated and/or insured, and this factor, combined with the enhanced credit quality resulting from a number of advance refundings, meant that the Funds' allocations of credits rated AAA generally increased over this period. We also continued to work to maintain the Funds' weightings of lower credit quality bonds because of their strong performance and support for the Funds' income streams. However, as credit spreads continued to tighten, we generally found fewer attractively structured lower-rated credit opportunities in the market.

In NPP, NMA, NMO, NAD, and NXZ, most of the cash we redeployed during this period came from called holdings, which we used to enhance the Funds' diversification by investing in a variety of essential services sectors such as water and sewer and utilities. We also continued to keep these Funds well diversified geographically, looking to states with stronger issuance, including California, Texas, New York, Florida and Illinois for many of the additions to our portfolios.

In NZF, in addition to reinvesting a few bond call proceeds, we selectively sold some of the Fund's holdings that were nearing redemption. We continued to redeploy proceeds to bonds that could help us increase income-generating potential, such as credits with unusual types of coupons, including zero coupon

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

and discount bonds. This purchase activity during this period was also directed toward higher-grade bonds with interesting structures and characteristics that represented opportunities to add value, manage duration and volatility, and support earnings.

5

### 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.

#### TOTAL RETURNS ON NET ASSET VALUE

For periods ended 4/30/07

	CUMULATIVE		ANNUALIZED	
	6-MONTH	1-YEAR	5-YEAR	10-YEAR
NPP	1.41%	7.32%	6.80%	6.69%
NMA	1.45%	6.85%	7.29%	6.92%
NMO	1.19%	6.65%	6.80%	6.20%
NAD	1.44%	7.06%	7.58%	NA
NXZ	2.08%	7.24%	8.52%	NA
NZF	1.84%	6.95%	8.40%	NA
Lehman Municipal Bond Index 4	1.59%	5.78%	5.16%	5.81%
Lipper General Leveraged Municipal Debt Funds Average 5	1.66%	7.42%	7.34%	6.60%

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.

For the six months ended April 30, 2007, the cumulative returns on NAV for NXZ and NZF exceeded the return on the Lehman Brothers Municipal Bond Index, while NPP, NMA, NMO and NAD under-performed the index return, NXZ and NZF also outperformed the average return for their Lipper peer group for this period, while the remaining four Funds trailed the group average.

Factors that influenced the Funds' returns during this period included duration, individual security selection, exposure to lower-rated credits, sector allocations and advance refunding activity.

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

As the yield curve continued to flatten over the course of this period, municipal bonds with maturities of 20 years and longer, as measured by the Lehman Brothers Municipal Bond Index, performed best, generally outpacing municipal bonds with shorter maturities. As mentioned earlier, one of our strategies during this period focused on adding

- 4 The Lehman Brothers Municipal Bond Index is an unleveraged, unmanaged national index comprising a broad range of investment-grade municipal bonds. Results for the Lehman Brothers Index do not reflect any expenses.
- 5 The Lipper General Leveraged Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 6 months, 56; 1 year, 56; 5 years, 45; and 10 years, 39. Fund and Lipper returns assume reinvestment of dividends.
- 6

longer bonds to our portfolios. This purchase activity and our duration management strategies helped to extend the Funds' durations and bring them closer in line with our preferred strategic range.

During this period, we also continued to employ strategies that we believed could help to strengthen the future income streams of our portfolios. In addition to income potential, the Funds' holdings of zero coupon bonds, which we continued to build, also provided a positive impact on performance for this period.

With bonds rated BBB or lower and non-rated bonds generally outperforming other credit quality sectors during this period, all of these Funds benefited from their weightings in lower-quality credits. The outperformance of these credit sectors was largely the result of investor demand for the higher yields typically associated with lower-rated bonds, which drove up their value. NXZ, NZF, and NAD had heavier exposures to subinvestment-grade (bonds rated BB or lower) and non-rated bonds than the other three Funds, which was especially helpful during this period.

Among the lower-rated holdings making positive contributions to the Funds' returns for this period were industrial development bonds and health care (including hospitals) credits. Lower-rated bonds backed by the 1998 master tobacco settlement agreement, which comprised approximately 3% to 5% of the portfolios of these Funds as of April 30, 2007, performed well.

We also continued to see positive contributions from advance refunding activity, which benefited the Funds through price appreciation and enhanced credit quality. Two of the more significant advance refundings during this period involved BBB rated tobacco bonds issued by California's Golden State Tobacco Securitization Corporation and New Jersey's Tobacco Settlement Financing Corporation, which were upgraded to AAA as a result of the refundings.

At the same time, holdings of older, previously pre-refunded bonds tended to underperform the general municipal market during this period, particularly those with effective maturities between 5 and 10 years. Entering this period, NMO had a significantly heavier weighting in older pre-refunded bonds than the other Funds in this report.

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

### Dividend and Share Price INFORMATION

These six Funds use leverage to potentially enhance opportunities for additional income for common shareholders. Although the Funds' use of this strategy continued to provide incremental income, the extent of this benefit was reduced during this period due to high short-term interest rates that, in turn, kept the Funds' borrowing costs high. Older, higher-yielding bonds that matured or were called also had an impact on the Funds' income streams, as proceeds were reinvested into bonds currently available in the market, which generally offered lower yields. While bond calls had the greater impact, the combination of both of these factors resulted in one monthly dividend reduction in NMO, NAD, and NZF over the six-month period ended April 30, 2007. The dividends of NPP, NMA and NXZ remained stable throughout this six-month period.

Due to normal portfolio activity, common shareholders of the following Funds also received capital gains and/or net ordinary income distributions at the end of December 2006, as follows:

	LONG-TERM CAPITAL GAINS (PER SHARE)	SHORT-TERM CAPITAL GAINS AND/OR ORDINARY INCOME (PER SHARE)
NPP	\$0.0461	\$0.0008
NMO	--	\$0.0014
NAD	--	\$0.0024
NZF	\$0.0198	--

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, 2007, all the Funds had positive UNII balances for both financial statements and based on our best estimate, tax purposes.

As of April 30, 2007, the Funds' share prices were trading at premiums or discounts to their NAVs as shown in the accompanying chart:

	4/30/07 PREMIUM/DISCOUNT	6-MONTH AVERAGE PREMIUM/DISCOUNT
NPP	-2.44%	-3.46%
NMA	+2.43%	+1.86%
NMO	-1.45%	-1.08%
NAD	-1.89%	-0.52%
NXZ	+6.99%	+6.01%

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

-----  
 NZF +2.93% +3.31%  
 -----

8

Nuveen Performance Plus Municipal Fund, Inc.

NPP

Performance

OVERVIEW As of April 30, 2007

-----  
 CREDIT QUALITY

(as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	77%
AA	7%
A	5%
BBB	7%
BB or Lower	2%
N/R	2%

-----  
 2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE 2

[BAR CHART]

\$0.0705	\$0.0670	\$0.0670	\$0.0670	\$0.0640	\$0.0640	\$0.0640	\$0.0640	\$0.0640	\$0.0640	\$0.0640	\$
May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		

-----  
 SHARE PRICE PERFORMANCE

[LINE CHART]

Date	Weekly Closing Price
5/01/06	\$14.53
	\$14.54
	\$14.45
	\$14.34
	\$14.46
	\$14.50
	\$14.55
	\$14.43

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

	\$14.25
	\$14.33
	\$14.45
	\$14.35
	\$14.43
	\$14.82
	\$14.74
	\$14.65
	\$14.89
	\$14.93
	\$14.98
	\$15.10
	\$14.94
	\$14.97
	\$14.98
	\$14.93
	\$14.69
	\$14.88
	\$15.08
	\$15.18
	\$15.13
	\$15.07
	\$15.03
	\$15.20
	\$15.19
	\$14.88
	\$14.82
	\$15.15
	\$15.06
	\$15.00
	\$15.01
	\$15.12
	\$15.18
	\$15.27
	\$15.19
	\$15.22
	\$15.27
	\$15.28
	\$15.17
	\$15.24
	\$15.20
	\$15.10
	\$15.07
	\$15.12
4/30/07	\$15.19

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE RESULTS.

FUND SNAPSHOT

Common Share Price	\$	15.19
Common Share Net Asset Value	\$	15.57
Premium/(Discount) to NAV		-2.44%
Market Yield		5.06%
Taxable-Equivalent Yield 1		7.03%

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

Net Assets Applicable to Common Shares (\$000)	\$ 933,016
---	------------

Average Effective Maturity on Securities (Years)	14.46
---	-------

Leverage-Adjusted Duration	8.32
----------------------------	------

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	3.55%	1.41%
1-Year	10.62%	7.32%
5-Year	7.90%	6.80%
10-Year	6.76%	6.69%

STATES  
(as a % of total investments)

Illinois	14.9%
California	10.2%
New York	6.5%
New Jersey	5.9%
Michigan	4.5%
Indiana	4.4%
Texas	4.4%
Florida	4.2%
Colorado	4.2%
Massachusetts	3.8%
Washington	3.3%
South Carolina	2.9%
Utah	2.8%
Nevada	2.5%
Ohio	2.4%
Pennsylvania	2.2%
Georgia	2.1%
Minnesota	2.0%

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

Louisiana	2.0%
Other	14.8%

INDUSTRIES  
(as a % of total investments)

U.S. Guaranteed	27.5%
Tax Obligation/Limited	15.3%
Tax Obligation/General	14.3%
Transportation	9.8%
Utilities	9.8%
Health Care	8.8%
Other	14.5%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 The Fund paid shareholders capital gains and net ordinary income distributions in December 2006 of \$0.0469 per share.

9

Nuveen Municipal Advantage Fund, Inc.

NMA

Performance

OVERVIEW As of April 30, 2007

FUND SNAPSHOT

Common Share Price	\$	16.05
Common Share Net Asset Value	\$	15.67
Premium/(Discount) to NAV		2.43%
Market Yield		5.35%
Taxable-Equivalent Yield 1		7.43%
Net Assets Applicable to Common Shares (\$000)	\$	676,770
Average Effective Maturity		

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

on Securities (Years)	15.40
-----	
Leverage-Adjusted Duration	8.64
-----	

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

	ON SHARE PRICE	ON NAV
-----		
6-Month (Cumulative)	4.00%	1.45%
-----		
1-Year	11.73%	6.85%
-----		
5-Year	8.55%	7.29%
-----		
10-Year	7.38%	6.92%
-----		

STATES  
(as a % of total investments)

Texas	10.5%
-----	
Illinois	10.2%
-----	
New York	9.5%
-----	
Washington	8.9%
-----	
California	8.0%
-----	
Louisiana	7.5%
-----	
Colorado	4.7%
-----	
Nevada	3.7%
-----	
Tennessee	3.3%
-----	
Ohio	2.8%
-----	
Florida	2.6%
-----	
South Carolina	2.6%
-----	
New Jersey	2.5%
-----	
Indiana	2.2%
-----	
Alabama	1.9%
-----	
Wisconsin	1.9%
-----	
Missouri	1.7%
-----	
Oklahoma	1.6%
-----	
Other	13.9%
-----	

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

### INDUSTRIES

(as a % of total investments)

U.S. Guaranteed	32.2%
Utilities	13.5%
Health Care	10.9%
Tax Obligation/Limited	10.7%
Transportation	10.2%
Tax Obligation/General	7.8%
Other	14.7%

### CREDIT QUALITY

(as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	72%
AA	8%
A	4%
BBB	13%
BB or Lower	3%

### 2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

[BAR CHART]

\$0.0755	\$0.0715	\$0.0715	\$0.0715	\$0.0715	\$0.0715	\$0.0715	\$0.0715	\$0.0715	\$0.0715	\$0.0715	\$0
May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		

### SHARE PRICE PERFORMANCE

[LINE CHART]

Date	Weekly Closing Price
5/01/06	\$14.53
	\$14.54
	\$14.45
	\$14.34
	\$14.46
	\$14.50
	\$14.55

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

	\$14.43
	\$14.25
	\$14.33
	\$14.45
	\$14.35
	\$14.43
	\$14.82
	\$14.74
	\$14.65
	\$14.89
	\$14.93
	\$14.98
	\$15.10
	\$14.94
	\$14.97
	\$14.98
	\$14.93
	\$14.69
	\$14.88
	\$15.08
	\$15.18
	\$15.13
	\$15.07
	\$15.03
	\$15.20
	\$15.19
	\$14.88
	\$14.82
	\$15.15
	\$15.06
	\$15.00
	\$15.01
	\$15.12
	\$15.18
	\$15.27
	\$15.19
	\$15.22
	\$15.27
	\$15.28
	\$15.17
	\$15.24
	\$15.20
	\$15.10
	\$15.07
	\$15.12
4/30/07	\$15.19

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE RESULTS.

---

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

10

Nuveen Municipal Market Opportunity Fund, Inc.

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

NMO

Performance

OVERVIEW As of April 30, 2007

CREDIT QUALITY

(as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	79%
AA	7%
A	4%
BBB	7%
BB or Lower	2%
N/R	1%

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE 2

[BAR CHART]

\$0.0685	\$0.0660	\$0.0660	\$0.0660	\$0.0660	\$0.0660	\$0.0660	\$0.0660	\$0.0660	\$0.0660	\$0.0660	\$0.0635
May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	

SHARE PRICE PERFORMANCE

[LINE CHART]

Date	Weekly Closing Price
5/01/06	\$14.12
	\$14.17
	\$14.24
	\$14.23
	\$14.21
	\$14.19
	\$14.11
	\$14.05
	\$13.80
	\$13.97
	\$13.90
	\$13.89
	\$13.99
	\$14.32
	\$14.42
	\$14.43
	\$14.63
	\$14.56

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

\$14.58  
\$14.63  
\$14.67  
\$14.77  
\$14.93  
\$14.93  
\$14.60  
\$14.75  
\$14.92  
\$15.04  
\$15.01  
\$15.04  
\$15.11  
\$15.24  
\$15.27  
\$15.01  
\$15.09  
\$15.17  
\$15.26  
\$15.42  
\$15.35  
\$15.28  
\$15.16  
\$15.17  
\$15.23  
\$15.29  
\$15.16  
\$15.23  
\$14.99  
\$15.02  
\$15.23  
\$15.04  
\$15.00  
\$15.04  
\$14.98  
\$14.17  
\$14.24  
\$14.23  
\$14.21  
\$14.19  
\$14.11  
\$14.05  
\$13.80  
\$13.97  
\$13.90  
\$13.89  
\$13.99  
\$14.32  
\$14.42  
\$14.43  
\$14.63  
\$14.56  
\$14.58  
\$14.63  
\$14.67  
\$14.77  
\$14.93  
\$14.93  
\$14.60  
\$14.75  
\$14.92  
\$15.04

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

	\$15.01
	\$15.04
	\$15.11
	\$15.24
	\$15.27
	\$15.01
	\$15.09
	\$15.17
	\$15.26
	\$15.42
	\$15.35
	\$15.28
	\$15.16
	\$15.17
	\$15.23
	\$15.29
	\$15.16
	\$15.23
	\$14.99
	\$15.02
	\$15.23
	\$15.04
	\$15.00
	\$15.04
4/30/07	\$14.98

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE RESULTS.

FUND SNAPSHOT

Common Share Price	\$	14.98
Common Share Net Asset Value	\$	15.20
Premium/(Discount) to NAV		-1.45%
Market Yield		5.09%
Taxable-Equivalent Yield 1		7.07%
Net Assets Applicable to Common Shares (\$000)	\$	692,530
Average Effective Maturity on Securities (Years)		13.22
Leverage-Adjusted Duration		8.41

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	2.48%	1.19%
1-Year	12.12%	6.65%
5-Year	7.45%	6.80%

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

-----  
 10-Year                      6.42%                      6.20%  
 -----

STATES  
 (as a % of total investments)

Texas	16.0%
Washington	11.2%
Illinois	8.6%
New York	7.3%
California	7.3%
Minnesota	4.9%
South Carolina	4.8%
New Jersey	4.2%
Nevada	3.9%
Colorado	3.4%
Georgia	2.8%
Massachusetts	2.8%
North Dakota	2.7%
Ohio	2.5%
Pennsylvania	2.4%
Puerto Rico	1.9%
Other	13.3%

INDUSTRIES  
 (as a % of total investments)

U.S. Guaranteed	34.2%
Tax Obligation/General	16.9%
Transportation	14.6%
Health Care	7.7%
Tax Obligation/Limited	7.6%
Utilities	6.6%
Other	12.4%

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an

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

after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

- 2 The Fund paid shareholders a net ordinary income distribution in December 2006 of \$0.0014 per share.

11

### Nuveen Dividend Advantage Municipal Fund

NAD

#### Performance

OVERVIEW As of April 30, 2007

#### FUND SNAPSHOT

Common Share Price	\$	15.06
Common Share Net Asset Value	\$	15.35
Premium/(Discount) to NAV		-1.89%
Market Yield		5.30%
Taxable-Equivalent Yield 1		7.36%
Net Assets Applicable to Common Shares (\$000)	\$	603,112
Average Effective Maturity on Securities (Years)		14.79
Leverage-Adjusted Duration		8.58

#### AVERAGE ANNUAL TOTAL RETURN

(Inception 5/26/99)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	1.10%	1.44%
1-Year	10.38%	7.06%
5-Year	7.02%	7.58%
Since Inception	6.52%	7.31%

#### STATES

(as a % of total investments)

Illinois	22.9%
----------	-------

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

Texas	9.9%
-----	-----
New York	9.6%
-----	-----
Washington	7.6%
-----	-----
Florida	6.1%
-----	-----
Wisconsin	4.5%
-----	-----
New Jersey	3.8%
-----	-----
Pennsylvania	3.3%
-----	-----
Louisiana	3.3%
-----	-----
Nevada	2.9%
-----	-----
Ohio	2.7%
-----	-----
California	2.5%
-----	-----
Indiana	2.4%
-----	-----
Michigan	2.4%
-----	-----
Rhode Island	2.1%
-----	-----
Other	14.0%
-----	-----

INDUSTRIES

(as a % of total investments)

U.S. Guaranteed	21.0%
-----	-----
Tax Obligation/General	16.7%
-----	-----
Health Care	15.0%
-----	-----
Tax Obligation/Limited	14.2%
-----	-----
Transportation	10.9%
-----	-----
Utilities	6.3%
-----	-----
Consumer Staples	5.1%
-----	-----
Other	10.8%
-----	-----

CREDIT QUALITY

(as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	72%
AA	11%
A	4%
BBB	6%
BB or Lower	5%

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

N/R

2%

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE 2

[BAR CHART]

\$0.0715	\$0.0690	\$0.0690	\$0.0690	\$0.0690	\$0.0690	\$0.0690	\$0.0690	\$0.0690	\$0.0690	\$0.0665
May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar

SHARE PRICE PERFORMANCE

[LINE CHART]

Date	Weekly Closing Price
5/01/06	\$14.45
	\$14.52
	\$14.60
	\$14.68
	\$14.86
	\$14.98
	\$14.71
	\$14.35
	\$14.13
	\$14.35
	\$14.45
	\$14.49
	\$14.48
	\$14.74
	\$14.85
	\$14.69
	\$14.85
	\$14.88
	\$15.07
	\$15.14
	\$15.06
	\$15.13
	\$15.22
	\$15.36
	\$15.12
	\$15.14
	\$15.27
	\$15.27
	\$15.37
	\$15.35
	\$15.29
	\$15.56
	\$15.63
	\$15.48

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

	\$15.55
	\$15.79
	\$15.78
	\$15.78
	\$15.79
	\$15.58
	\$15.54
	\$15.46
	\$15.40
	\$15.46
	\$15.39
	\$15.45
	\$15.32
	\$14.88
	\$14.93
	\$14.94
	\$14.84
	\$14.91
4/30/07	\$15.06

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE RESULTS.

- 
- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
  - 2 The Fund paid shareholders a net ordinary income distribution in December 2006 of \$0.0024 per share.

12

Nuveen Dividend Advantage Municipal Fund 2

NXZ

Performance

OVERVIEW As of April 30, 2007

---

CREDIT QUALITY  
(as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	68%
AA	7%
A	8%
BBB	9%
BB or Lower	6%
N/R	2%

---

2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE

[BAR CHART]

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

\$0.0820	\$0.0795	\$0.0795	\$0.0795	\$0.0765	\$0.0765	\$0.0765	\$0.0765	\$0.0765	\$0.0765
May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb

SHARE PRICE PERFORMANCE

[LINE CHART]

Date	Weekly Closing Price
5/01/06	\$16.28
	\$16.48
	\$16.41
	\$16.42
	\$16.26
	\$16.32
	\$16.25
	\$16.23
	\$16.04
	\$16.08
	\$16.20
	\$16.09
	\$16.14
	\$16.36
	\$16.42
	\$16.40
	\$16.64
	\$16.91
	\$16.99
	\$16.78
	\$16.70
	\$16.76
	\$16.73
	\$16.68
	\$16.32
	\$16.39
	\$16.55
	\$16.69
	\$16.71
	\$16.75
	\$16.63
	\$16.70
	\$16.87
	\$16.74
	\$16.80
	\$16.92
	\$17.00
	\$17.12
	\$16.95
	\$16.98
	\$17.04
	\$16.94

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

	\$16.89
	\$16.83
	\$16.96
	\$16.98
	\$16.89
	\$17.00
	\$17.04
	\$16.96
	\$17.05
	\$17.03
4/30/07	\$17.00

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE RESULTS.

FUND SNAPSHOT

Common Share Price	\$	17.00
Common Share Net Asset Value	\$	15.89
Premium/(Discount) to NAV		6.99%
Market Yield		5.40%
Taxable-Equivalent Yield 1		7.50%
Net Assets Applicable to Common Shares (\$000)	\$	466,879
Average Effective Maturity on Securities (Years)		16.49
Leverage-Adjusted Duration		6.89

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	5.90%	2.08%
1-Year	10.99%	7.24%
5-Year	10.77%	8.52%
Since Inception	8.76%	8.32%

STATES

(as a % of total investments)

Texas	16.6%
Michigan	9.4%
Illinois	7.3%

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

New York	6.6%
-----	-----
Nevada	4.9%
-----	-----
Colorado	4.8%
-----	-----
California	4.6%
-----	-----
New Mexico	3.5%
-----	-----
Louisiana	3.4%
-----	-----
Washington	3.4%
-----	-----
Florida	3.3%
-----	-----
Missouri	3.2%
-----	-----
Indiana	3.1%
-----	-----
Alabama	2.9%
-----	-----
Massachusetts	2.7%
-----	-----
Kansas	2.6%
-----	-----
Oregon	2.5%
-----	-----
Pennsylvania	2.3%
-----	-----
Other	12.9%
-----	-----

INDUSTRIES

(as a % of total investments)

-----	-----
U.S. Guaranteed	32.7%
-----	-----
Tax Obligation/Limited	15.8%
-----	-----
Transportation	13.9%
-----	-----
Health Care	13.6%
-----	-----
Tax Obligation/General	6.2%
-----	-----
Utilities	5.8%
-----	-----
Other	12.0%
-----	-----

1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

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

Nuveen Dividend Advantage Municipal Fund 3

NZF

Performance

OVERVIEW As of April 30, 2007

## FUND SNAPSHOT

Common Share Price	\$	15.82
Common Share Net Asset Value	\$	15.37
Premium/(Discount) to NAV		2.93%
Market Yield		5.35%
Taxable-Equivalent Yield 1		7.43%
Net Assets Applicable to Common Shares (\$000)	\$	620,472
Average Effective Maturity on Securities (Years)		15.93
Leverage-Adjusted Duration		8.13

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

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	2.51%	1.84%
1-Year	10.93%	6.95%
5-Year	9.47%	8.40%
Since Inception	7.51%	7.61%

## STATES

(as a % of total investments)

Illinois	13.0%
Texas	11.6%
Washington	10.1%
California	7.8%
Michigan	6.0%
Nevada	5.0%
Colorado	4.1%

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

Iowa	3.8%
Indiana	3.4%
Wisconsin	2.8%
New York	2.7%
New Jersey	2.6%
Louisiana	2.2%
Kentucky	2.1%
Missouri	1.7%
Alaska	1.7%
Maryland	1.7%
Oregon	1.6%
Georgia	1.6%
Other	14.5%

INDUSTRIES  
(as a % of total investments)

U.S. Guaranteed	27.4%
Transportation	15.4%
Tax Obligation/General	11.7%
Health Care	10.2%
Utilities	6.6%
Education and Civic Organizations	5.7%
Tax Obligation/Limited	5.3%
Water and Sewer	4.2%
Other	13.5%

CREDIT QUALITY  
(as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	80%
AA	5%
A	1%
BBB	6%
BB or Lower	2%
N/R	6%

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

-----  
 2006-2007 MONTHLY TAX-FREE DIVIDENDS PER SHARE 2

[BAR CHART]

-----  
 \$0.0770    \$0.0730    \$0.0730    \$0.0730    \$0.0730    \$0.0730    \$0.0730    \$0.0730    \$0.0730    \$0.0730  
 -----  
 May            Jun            Jul            Aug            Sep            Oct            Nov            Dec            Jan            Feb  
 -----

-----  
 SHARE PRICE PERFORMANCE

[LINE CHART]

Date	Weekly Closing Price
-----	-----
5/01/06	\$15.30
	\$15.41
	\$15.58
	\$15.39
	\$15.42
	\$15.43
	\$15.39
	\$15.03
	\$14.75
	\$14.82
	\$14.92
	\$14.91
	\$15.03
	\$15.34
	\$15.28
	\$15.17
	\$15.36
	\$15.39
	\$15.40
	\$15.54
	\$15.53
	\$15.67
	\$15.78
	\$15.78
	\$15.52
	\$15.70
	\$15.80
	\$15.91
	\$15.99
	\$15.83
	\$15.88
	\$15.99
	\$16.18
	\$15.92
	\$16.25
	\$16.08
	\$16.18

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

	\$16.07
	\$15.89
	\$15.90
	\$16.00
	\$15.98
	\$15.83
	\$15.99
	\$16.00
	\$16.19
	\$15.91
	\$15.91
	\$15.88
	\$15.95
	\$15.80
	\$15.80
4/30/07	\$15.82

PAST PERFORMANCE IS NOT PREDICTIVE OF FUTURE RESULTS.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 The Fund paid shareholders a capital gains distribution in December 2006 of \$0.0198 per share.

14

Nuveen Performance Plus Municipal Fund, Inc. (NPP)

Portfolio of  
INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIONS
ALABAMA - 0.3% (0.2% OF TOTAL INVESTMENTS)		
	Jefferson County, Alabama, Sewer Revenue Refunding Warrants, Series 1997A:	
\$ 1,435	5.625%, 2/01/22 - FGIC Insured	8/07 at 101
1,505	5.375%, 2/01/27 - FGIC Insured	7/07 at 101
2,940	Total Alabama	
ARIZONA - 1.3% (0.9% OF TOTAL INVESTMENTS)		
1,000	Arizona State Transportation Board, Highway Revenue Bonds, Series 2002B, 5.250%, 7/01/22 (Pre-refunded 7/01/12)	7/12 at 100

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

	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
5,055	5.750%, 7/01/16 - FGIC Insured (Alternative Minimum Tax)		7/12 at 100
-----			
11,420	Total Arizona		
-----			
	ARKANSAS - 0.7% (0.5% OF TOTAL INVESTMENTS)		
5,080	Independence County, Arkansas, Hydroelectric Power Revenue Bonds, Series 2003, 5.350%, 5/01/28 - ACA Insured		5/13 at 100
1,000	Washington County, Arkansas, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2005A, 5.000%, 2/01/35		2/15 at 100
-----			
6,080	Total Arkansas		
-----			
	CALIFORNIA - 15.3% (10.2% 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
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. C
	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
3,175	5.375%, 5/01/22 (Pre-refunded 5/01/12)		5/12 at 101
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
	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006:		
5,000	5.000%, 4/01/37		4/16 at 100
7,000	5.250%, 4/01/39		4/16 at 100
2,380	California Infrastructure Economic Development Bank, Revenue Bonds, J. David Gladstone Institutes, Series 2001, 5.250%, 10/01/34		10/11 at 101
5,300	California, General Obligation Bonds, Series 2004, 5.100%, 2/01/34 (Pre-refunded 2/01/09)		2/09 at 100
5,000	California, General Obligation Bonds, Series 2005, 5.000%, 3/01/31		3/16 at 100
6,435	California, General Obligation Refunding Bonds, Series 2002, 6.000%, 4/01/16 - AMBAC Insured		No Opt. C
5,000	Coast Community College District, Orange County, California, General Obligation Bonds, Series 2006C, 0.000%, 8/01/32 - FSA Insured		8/18 at 100

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

2,990	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Refunding Bonds, Series 1996, 4.750%, 6/01/21 - FGIC Insured	6/07 at 100
	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:	
5,000	5.000%, 6/01/33	6/17 at 100
1,500	5.125%, 6/01/47	6/17 at 100

15

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

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	CALIFORNIA (continued)	
\$ 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
8,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45	6/15 at 100
1,000	Mt. Diablo Hospital District, California, Insured Hospital Revenue Bonds, Series 1993A, 5.125%, 12/01/23 - AMBAC Insured (ETM)	7/07 at 100
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. C
11,270	Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991A, 7.150%, 2/01/10 (ETM)	No Opt. C
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. C
2,000	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 1999, Issue 23B, 5.125%, 5/01/30 (Pre-refunded 5/01/09) - FGIC Insured	5/09 at 101

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

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
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. C
15,745	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
<hr/>		
139,435	Total California	
<hr/>		

COLORADO - 6.2% (4.2% 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
3,000	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Peak-to-Peak Charter School, Series 2004, 5.250%, 8/15/34 - XLCA Insured	8/14 at 100
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
7,575	Denver City and County, Colorado, Airport System Revenue Bonds, Series 1997E, 5.250%, 11/15/23 - MBIA Insured	11/07 at 101
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) - XLCA Insured	12/13 at 100
10,615	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/21 - MBIA Insured	No Opt. C
10,000	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/32 - MBIA Insured	No Opt. C
755	Jefferson County School District R1, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/15/22 - FSA Insured	12/14 at 100
4,125	Municipal Subdistrict Northern Colorado Water District, Revenue Bonds, Series 1997G, 5.250%, 12/01/15 (Pre-refunded 12/01/07) - AMBAC Insured	12/07 at 101
<hr/>		
67,170	Total Colorado	
<hr/>		

DISTRICT OF COLUMBIA - 1.8% (1.2% OF TOTAL INVESTMENTS)

5,745	District of Columbia Tobacco Settlement Corporation,	5/11 at 101
-------	--	-------------

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

	Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24	
5,590	District of Columbia, General Obligation Bonds, Series 1999B, 5.500%, 6/01/13 - FSA Insured	6/09 at 101
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
-----		
16,335	Total District of Columbia	
-----		

16

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	FLORIDA - 6.3% (4.2% 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
1,805	5.800%, 1/01/36 - FSA Insured (Alternative Minimum Tax)	7/11 at 100
5,300	Escambia County Health Facilities Authority, Florida, Revenue Bonds, Ascension Health Credit Group, Series 2003A, 5.250%, 11/15/14	No Opt. C
2,130	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
10,050	Florida State Board of Education, Full Faith and Credit Public Education Capital Outlay Refunding Bonds, Series 1999D, 5.750%, 6/01/22	6/10 at 101
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
10,000	JEA, Florida, Electric System Revenue Bonds, Series 2006-3A, 5.000%, 10/01/41 - FSA Insured	4/15 at 100
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)	6/07 at 100
2,570	Miami-Dade County Housing Finance Authority, Florida, Multifamily Mortgage Revenue Bonds,	6/11 at 100

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

Country Club Villas II Project, Series  
2001-1A, 5.850%, 1/01/37 - FSA Insured (Alternative  
Minimum Tax)

3,500	Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2005A, 5.000%, 10/01/37 - XLCA Insured (Alternative Minimum Tax)	10/15 at 100
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

---

56,350 Total Florida

---

GEORGIA - 3.1% (2.1% 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
5,000	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.500%, 11/01/22 - FGIC Insured	No Opt. C
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
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

---

26,920 Total Georgia

---

IDAHO - 0.1% (0.1% OF TOTAL INVESTMENTS)

570	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.200%, 7/01/14 (Alternative Minimum Tax)	1/10 at 100
315	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000G-2, 5.950%, 7/01/25 (Alternative Minimum Tax)	7/10 at 100

---

885 Total Idaho

---

ILLINOIS - 22.3% (14.9% 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. C
10,000	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured	No Opt. C
	Chicago, Illinois, General Obligation	

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

	Bonds, City Colleges, Series 1999:	
32,170	0.000%, 1/01/21 - FGIC Insured	No Opt. C
32,670	0.000%, 1/01/22 - FGIC Insured	No Opt. C
3,000	Chicago, Illinois, General Obligation Bonds, Library Projects, Series 1997, 5.750%, 1/01/17 (Pre-refunded 1/01/08) - FGIC Insured	1/08 at 102
9,145	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1996A, 5.500%, 1/01/29 - MBIA Insured	7/07 at 101

17

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

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
	ILLINOIS (continued)	
\$ 1,665	Chicago, Illinois, Third Lien General Airport Revenue Bonds, O'Hare International Airport, Series 2005A, 5.000%, 1/01/33 - FGIC Insured	1/16 at 100
	DuPage County Forest Preserve District, Illinois, General Obligation Bonds, Series 2000:	
8,000	0.000%, 11/01/18	No Opt. C
15,285	0.000%, 11/01/19	No Opt. C
4,000	Illinois Health Facilities Authority, FHA-Insured Mortgage Revenue Refunding Bonds, Sinai Health System, Series 2003, 5.150%, 2/15/37	8/13 at 100
1,180	Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2002A, 5.750%, 7/01/29	7/12 at 100
3,000	Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33	7/13 at 100
4,580	Illinois Health Facilities Authority, Revenue Bonds, Midwest Care Center IX Inc., Series 2000, 6.250%, 8/20/35	8/10 at 102
2,645	Illinois Health Facilities Authority, Revenue Bonds, Silver Cross Hospital and Medical Centers, Series 1999, 5.250%, 8/15/15 (Mandatory put 4/01/08)	8/09 at 101
7,250	Kane, Kendall, LaSalle, and Will Counties, Illinois, Community College District 516, General	12/13 at 57

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

Obligation Bonds, Series 2005E, 0.000%, 12/15/24 - FGIC Insured

5,000	Kane, McHenry, Cook and DeKalb Counties Community Unit School District 300, Carpentersville, Illinois, General Obligation Bonds, Series 2000, 5.500%, 12/01/19 (Pre-refunded 12/01/11) - MBIA Insured	12/11 at 100
3,700	Libertyville, Illinois, Affordable Housing Revenue Bonds, Liberty Towers Project, Series 1999A, 7.000%, 11/01/29 (Alternative Minimum Tax)	11/09 at 100
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
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
10,650	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Hospitality Facility, Series 1996A, 7.000%, 7/01/26 (ETM)	No Opt. C
	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A:	
9,400	0.000%, 12/15/18 - MBIA Insured	No Opt. C
16,570	0.000%, 12/15/20 - MBIA Insured	No Opt. C
23,550	0.000%, 12/15/22 - MBIA Insured	No Opt. C
13,000	0.000%, 12/15/24 - MBIA Insured	No Opt. C
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. C
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. C
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. C
6,090	Sherman, Illinois, GNMA Mortgage Revenue Refunding Bonds, Villa Vianney, Series 1999A, 6.450%, 10/01/29	10/09 at 102
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. C
-----		
281,695	Total Illinois	
-----		
	INDIANA - 6.6% (4.4% 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

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

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
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. C

18

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	INDIANA (continued)	
	Indiana Health Facility Financing Authority, Revenue Bonds, Ancilla Systems Inc. Obligated Group, Series 1997:	
\$ 15,380	5.250%, 7/01/17 - MBIA Insured (ETM)	7/07 at 101
4,320	5.250%, 7/01/22 - MBIA Insured (ETM)	7/07 at 101
2,250	5.250%, 7/01/22 - MBIA Insured (ETM)	7/07 at 101
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
	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
6,715	5.375%, 12/01/25 (Pre-refunded 12/01/10)	12/10 at 100
3,105	Indiana University, Student Fee Revenue Bonds, Series 20030, 5.250%, 8/01/20 - FGIC Insured	8/13 at 100
1,000	Marion County Convention and Recreational Facilities Authority, Indiana, Excise Taxes Lease Rental Revenue Refunding Senior Bonds, Series 2001A, 5.000%, 6/01/21 - MBIA Insured	6/11 at 100
2,395	Shelbyville Central Renovation School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 4.375%, 7/15/26 - MBIA Insured	7/15 at 100
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
-----		
59,215	Total Indiana	
-----		

IOWA - 0.7% (0.5% OF TOTAL INVESTMENTS)

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

1,500	Iowa Finance Authority, Health Facility Revenue Bonds, Care Initiatives Project, Series 2006A, 5.500%, 7/01/21	7/16 at 100
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
<hr/>		
6,500	Total Iowa	
<hr/>		
KANSAS - 1.4% (0.9% OF TOTAL INVESTMENTS)		
3,790	Kansas Department of Transportation, Highway Revenue Bonds, Series 2004A, 5.000%, 3/01/23	3/14 at 100
5,790	Sedgwick County Unified School District 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/17	9/10 at 100
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
<hr/>		
12,780	Total Kansas	
<hr/>		
LOUISIANA - 3.0% (2.0% OF TOTAL INVESTMENTS)		
930	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	10/07 at 102
4,000	Lafayette City and Parish, Louisiana, Utilities Revenue Bonds, Series 2004, 5.250%, 11/01/25 - MBIA Insured	11/14 at 100
4,650	Louisiana Public Facilities Authority, Revenue Bonds, Baton Rouge General Hospital, Series 2004, 5.250%, 7/01/33 - MBIA Insured	7/14 at 100
10,000	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B: 5.500%, 5/15/30	5/11 at 101
6,680	5.875%, 5/15/39	5/11 at 101
<hr/>		
26,260	Total Louisiana	
<hr/>		
MAINE - 0.6% (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
<hr/>		
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	3/12 at 101

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

(Alternative Minimum Tax)

19

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

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
MARYLAND (continued)		
\$ 7,090	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. C
14,810	Total Maryland	
MASSACHUSETTS - 5.7% (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
5,625	5.125%, 2/01/34 - MBIA Insured	2/12 at 100
1,140	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
8,730	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System, Series 2005F, 5.000%, 10/01/19 - AGC Insured	10/15 at 100
1,530	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Southcoast Health System Obligated Group, Series 1998A, 4.750%, 7/01/27 - MBIA Insured	7/08 at 101
5,745	Massachusetts Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds, Ogden Haverhill Project, Series 1998A, 5.600%, 12/01/19 (Alternative Minimum Tax)	12/08 at 102
10,150	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured	7/07 at 102
890	Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.250%, 11/01/30	11/12 at 100

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

(Pre-refunded 11/01/12)

	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
3,745	5.250%, 1/01/22 (Pre-refunded 1/01/13) - FGIC Insured	1/13 at 100
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
-----		
51,310	Total Massachusetts	
-----		

MICHIGAN - 6.7% (4.5% OF TOTAL INVESTMENTS)

17,000	Birmingham City School District, Oakland County, Michigan, School Building and Site Bonds, Series 1998, 4.750%, 11/01/24 - FSA Insured	11/07 at 100
5,000	Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A, 5.000%, 7/01/35 - MBIA Insured	7/15 at 100
3,000	Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 1997A, 5.000%, 7/01/21 (Pre-refunded 7/01/07) - MBIA Insured	7/07 at 101
4,030	Hancock Hospital Finance Authority, Michigan, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System Inc., Series 1998, 5.450%, 8/01/47 (Pre-refunded 8/01/08) - MBIA Insured	8/08 at 100
1,500	Michigan State Building Authority, Revenue Bonds, Facilities Program, Series 2001I, 5.000%, 10/15/24	10/11 at 100
5,000	Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2003II, 5.000%, 10/15/29 - MBIA Insured	10/13 at 100
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
5,000	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. C
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
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)	12/08 at 101
-----		

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

60,645 Total Michigan

20

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
MINNESOTA - 3.0% (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
20,165	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
23,165	Total Minnesota	
MISSISSIPPI - 1.3% (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	10/07 at 100
2,475	Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24	9/14 at 100
12,225	Total Mississippi	
MISSOURI - 1.6% (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
1,845	Missouri Health and Educational Facilities Authority, Revenue Bonds, BJC Health System, Series 2003, 5.250%, 5/15/18	5/13 at 100
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
2,000	Missouri-Illinois Metropolitan District Bi-State Development Agency, Mass Transit Sales Tax	10/13 at 100

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

Appropriation Bonds, Metrolink Cross County  
 Extension Project, Series 2002B, 5.000%,  
 10/01/32 - FSA Insured

---

14,010 Total Missouri

---

MONTANA - 0.7% (0.4% OF TOTAL INVESTMENTS)

535	Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A-1, 6.150%, 6/01/30 (Alternative Minimum Tax)	6/07 at 101
670	Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax)	12/09 at 100
4,795	Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1998B, 5.500%, 12/01/31 (Alternative Minimum Tax)	12/08 at 101

---

6,000 Total Montana

---

NEBRASKA - 0.2% (0.1% OF TOTAL INVESTMENTS)

1,405	Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2000E, 5.850%, 9/01/20 (Alternative Minimum Tax)	9/10 at 100
-------	---	-------------

NEVADA - 3.7% (2.5% 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
5,000	Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.300%, 6/01/19 (Pre-refunded 6/01/11) - FGIC Insured	6/11 at 100
6,980	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
10,000	Reno, Nevada, Health Facilities Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/31 (UB)	7/17 at 100

---

32,880 Total Nevada

---

NEW HAMPSHIRE - 1.6% (1.0% OF TOTAL INVESTMENTS)

3,265	New Hampshire Health and Education Facilities Authority, Revenue Bonds, Southern New Hampshire University, Series 2005, 5.000%, 1/01/30 - ACA Insured	1/15 at 100
-------	---	-------------

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

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
NEW HAMPSHIRE (continued)		
	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
6,945	6.100%, 7/01/24 (Alternative Minimum Tax)	7/10 at 101
-----		
13,935	Total New Hampshire	
-----		
NEW JERSEY - 8.8% (5.9% OF TOTAL INVESTMENTS)		
3,000	New Jersey Economic Development Authority, Transportation Sublease Revenue Bonds, Light Rail Transit System, Series 1999A, 5.250%, 5/01/17 (Pre-refunded 5/01/09) - FSA Insured	5/09 at 100
2,260	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
8,750	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1996B, 5.250%, 6/15/16 (Pre-refunded 6/15/07)	6/07 at 102
4,500	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2001C, 5.500%, 12/15/18 - FSA Insured	No Opt. C
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
	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C:	
35,000	0.000%, 12/15/29 - FSA Insured	No Opt. C
10,000	0.000%, 12/15/30 - FGIC Insured	No Opt. C
10,000	New Jersey Turnpike Authority, Revenue Bonds, Series 2003A, 5.000%, 1/01/20 - FSA Insured	7/13 at 100
11,960	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

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

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
	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
3,335	5.500%, 9/01/22 (Pre-refunded 9/01/10) - FGIC Insured	9/10 at 100
<hr/>		
105,655	Total New Jersey	
<hr/>		
	NEW YORK - 9.8% (6.5% OF TOTAL INVESTMENTS)	
5,500	Dormitory Authority of the State of New York, FHA-Insured Mortgage Revenue Bonds, Kaleida Health, Series 2004, 5.050%, 2/15/25	2/14 at 100
5	Dormitory Authority of the State of New York, Improvement Revenue Bonds, Mental Health Services Facilities, Series 1996B, 5.375%, 2/15/26 - MBIA Insured	2/08 at 100
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	7/08 at 101
2,250	Dormitory Authority of the State of New York, Lease Revenue Bonds, State University Dormitory Facilities, Series 1999C, 5.500%, 7/01/29 (Pre-refunded 7/01/09) - MBIA Insured	7/09 at 101
	Dormitory Authority of the State of New York, Revenue Bonds, Marymount Manhattan College, Series 1999:	
1,580	6.375%, 7/01/13 - RAAI Insured	7/09 at 101
9,235	6.125%, 7/01/21 - RAAI Insured	7/09 at 101
1,500	Dormitory Authority of the State of New York, Revenue Bonds, St. Barnabas Hospital, Series 1997, 5.450%, 8/01/35 - AMBAC Insured	8/07 at 101
3,000	Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded 1/01/08) - FSA Insured	1/08 at 102
17,000	Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1999-1, 5.500%, 7/01/29 (Pre-refunded 7/01/09) - FSA Insured	7/09 at 101
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. C

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

22

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	NEW YORK (continued)	
\$ 13,220	Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2002A, 5.500%, 11/15/26 - FSA Insured	11/12 at 100
10,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2000A, 5.750%, 6/15/30 (Pre-refunded 6/15/09)	6/09 at 101
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
5	New York City, New York, General Obligation Bonds, Fiscal Series 1987D, 8.500%, 8/01/08	8/07 at 100
6,300	New York City, New York, General Obligation Bonds, Fiscal Series 2000A, 6.250%, 5/15/26 - FSA Insured	5/10 at 101
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)	9/08 at 102
2,320	New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003A-1, 5.500%, 6/01/16	6/10 at 100
-----		
86,295	Total New York	
-----		
	NORTH CAROLINA - 0.8% (0.5% OF TOTAL INVESTMENTS)	
4,900	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45	1/15 at 100
2,000	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 1998A, 5.000%, 1/01/20 - MBIA Insured	1/08 at 102
-----		
6,900	Total North Carolina	
-----		

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

OHIO - 3.5% (2.4% OF TOTAL INVESTMENTS)

6,720	Cleveland, Ohio, Airport System Revenue Bonds, Series 2001A, 5.000%, 1/01/31 - FSA Insured	1/10 at 101
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
3,650	Montgomery County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30	5/14 at 100
1,305	Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program Residential Mortgage Revenue Bonds, Series 1999C, 5.750%, 9/01/30 (Alternative Minimum Tax)	7/09 at 100
6,400	Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax)	9/08 at 102
13,300	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
-----		
32,155	Total Ohio	
-----		

OKLAHOMA - 0.4% (0.2% OF TOTAL INVESTMENTS)

3,400	Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2000B, 6.000%, 6/01/35 (Mandatory put 12/01/08) (Alternative Minimum Tax)	6/09 at 100
-----		

OREGON - 1.0% (0.7% OF TOTAL INVESTMENTS)

9,150	Port of St. Helens, Oregon, Pollution Control Revenue Bonds, Portland General Electric Company, Series 1985B, 4.800%, 6/01/10	No Opt. C
-----		

PENNSYLVANIA - 3.3% (2.2% 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. C
3,125	0.000%, 5/15/23 - FSA Insured	No Opt. C
3,135	0.000%, 5/15/24 - FSA Insured	No Opt. C
3,155	0.000%, 5/15/26 - FSA Insured	No Opt. C
4,145	0.000%, 11/15/26 - FSA Insured	No Opt. C
2,800	0.000%, 5/15/28 - FSA Insured	No Opt. C
3,000	0.000%, 11/15/28 - FSA Insured	No Opt. C

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

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

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
PENNSYLVANIA (continued)		
\$ 2,845	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. C
11,000	Delaware County Authority, Pennsylvania, Revenue Bonds, Catholic Health East, Series 1998A, 4.875%, 11/15/18 - AMBAC Insured	11/08 at 102
	Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A:	
1,400	6.400%, 1/01/09 (Alternative Minimum Tax)	7/07 at 100
4,500	6.500%, 1/01/13 (Alternative Minimum Tax)	7/07 at 100
500	Pennsylvania Economic Development Financing Authority, Subordinate Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994C, 6.875%, 1/01/11 (Alternative Minimum Tax)	7/07 at 100
-----		
42,730	Total Pennsylvania	
-----		
PUERTO RICO - 0.1% (0.1% 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
-----		
RHODE ISLAND - 1.2% (0.8% 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
	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
1,080	5.250%, 3/15/18 - RAAI Insured	3/12 at 101
7,000	Rhode Island Housing and Mortgage Finance Corporation, Homeownership Opportunity Bond Program, Series 50A, 4.650%, 10/01/34	10/14 at 100
-----		
11,340	Total Rhode Island	
-----		

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

SOUTH CAROLINA - 4.3% (2.9% 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
22,855	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/31 - AMBAC Insured	No Opt. C
6,925	South Carolina, General Obligation Bonds, Series 1999A, 4.000%, 10/01/14	10/09 at 101
21,000	Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.000%, 5/15/22	5/11 at 101
<hr/>		
53,405	Total South Carolina	

TENNESSEE - 1.3% (0.8% 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
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
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
<hr/>		
10,560	Total Tennessee	

TEXAS - 6.6% (4.4% 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
5,000	Bexar Metropolitan Water District, Texas, Waterworks System Revenue Bonds, Series 2006, 5.000%, 5/01/35 - MBIA Insured	5/16 at 100

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	TEXAS (continued)	
	Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005:	
\$ 4,000	5.000%, 1/01/35 - FGIC Insured	1/15 at 100
3,000	5.000%, 1/01/45 - FGIC Insured	1/15 at 100
1,000	Fort Worth, Texas, Water and Sewerage Revenue Bonds, Series 1998, 5.250%, 2/15/15 (Pre-refunded 2/15/08)	2/08 at 100
1,000	Harlingen Independent School District, Cameron County, Texas, Unlimited Tax School Building Bonds, Series 1999, 5.650%, 8/15/29 (Pre-refunded 8/15/09)	8/09 at 100
1,625	Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 (Pre-refunded 7/01/09) - MBIA Insured	7/09 at 101
4,000	Houston Community College, Texas, Limited Tax General Obligation Bonds, Series 2003, 5.000%, 2/15/27 - AMBAC Insured	2/13 at 100
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. C
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
	Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1998:	
4,930	0.000%, 8/15/20	8/07 at 49
3,705	0.000%, 8/15/22	8/07 at 43
285	Lubbock Housing Finance Corporation, Texas, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Refunding Bonds, Series 1997A, 6.125%, 12/01/17	6/07 at 102
3,480	Pearland, Texas, General Obligation Bonds, Series 2002, 5.000%, 3/01/27 - FGIC Insured	3/12 at 100
6,835	San Antonio, Texas, Electric and Gas System Revenue Refunding Bonds, New Series 1998A, 4.500%, 2/01/21	2/09 at 100
6,000	Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 (Pre-refunded 2/01/11)	2/11 at 100

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

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
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
1,690	Webb County, Laredo, Texas, Combination Tax and Sewer System, Revenue Certificates of Obligation, Series 1998A, 4.500%, 2/15/18 - MBIA Insured	2/08 at 100
-----		
94,005	Total Texas	
-----		

UTAH - 4.2% (2.8% OF TOTAL INVESTMENTS)

3,315	Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 (Pre-refunded 7/01/07) - MBIA Insured	7/07 at 102
6,685	Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 - MBIA Insured	7/07 at 102
	Utah County, Utah, Hospital Revenue Bonds, IHC Health Services Inc., Series 1997:	
12,885	5.250%, 8/15/21 - MBIA Insured (ETM)	8/07 at 101
3,900	5.250%, 8/15/26 - MBIA Insured (ETM)	8/07 at 101
3,255	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2002A-1, 5.300%, 7/01/18 (Alternative Minimum Tax)	1/12 at 100
20	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000B, 6.250%, 7/01/22 (Alternative Minimum Tax)	1/10 at 100
1,445	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000D-1, 6.050%, 7/01/14 (Alternative Minimum Tax)	7/10 at 100
635	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
1,755	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

25

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

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	UTAH (continued)	
\$ 895	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001A-2, 5.650%, 7/01/27 (Alternative Minimum Tax)	7/11 at 100
705	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001B-1, 5.750%, 7/01/19 (Alternative Minimum Tax)	1/11 at 100
3,000	Utah Water Finance Agency, Revenue Bonds, Pooled Loan Financing Program, Series 2002C, 5.250%, 10/01/28 - AMBAC Insured	10/12 at 100
-----		
38,495	Total Utah	
-----		
	VIRGIN ISLANDS - 0.8% (0.6% 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
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
-----		
7,200	Total Virgin Islands	
-----		
	WASHINGTON - 5.0% (3.3% OF TOTAL INVESTMENTS)	
12,235	Chelan County Public Utility District 1, Washington, Columbia River-Rock Island Hydro-Electric System Revenue Refunding Bonds, Series 1997A, 0.000%, 6/01/26 - MBIA Insured	No Opt. C
3,100	Cowlitz County Public Utilities District 1, Washington, Electric Production Revenue Bonds, Series 2004, 5.000%, 9/01/28 - FGIC Insured	9/14 at 100
5,000	Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 1, Series 2003A, 5.500%, 7/01/16	7/13 at 100
10,000	Washington State Healthcare Facilities Authority, Revenue Bonds, Providence Health Care Services, Series 2006A, 4.625%, 10/01/34 - FGIC Insured	10/16 at 100
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
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

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

12,000	Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2001D, 5.250%, 1/01/26	1/11 at 100
52,020	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

26

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
WISCONSIN - 2.2% (1.4% 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
7,490	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Millennium Housing Foundation Inc., Series 1998, 6.100%, 1/01/28	7/08 at 103
19,110	Total Wisconsin	
\$ 1,528,720	Total Investments (cost \$1,302,301,741) - 149.8%	
	Floating Rate Obligation - (0.7)%	
	Other Assets Less Liabilities - 2.2%	
	Preferred Shares, at Liquidation Value - (51.3)%	
	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 or Moody's rating.

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

Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

N/R Not rated.

(ETM) Escrowed to maturity.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

27

Nuveen Municipal Advantage Fund, Inc. (NMA)

Portfolio of  
INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
ALABAMA - 3.1% (1.9% OF TOTAL INVESTMENTS)		
\$ 10,000	Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A, 5.375%, 2/01/36 (Pre-refunded 2/01/09) - FGIC Insured	2/09 at 101
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
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
20,230	Total Alabama	
ALASKA - 0.4% (0.2% OF TOTAL INVESTMENTS)		
Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A:		
1,125	5.250%, 12/01/34 - FGIC Insured	12/14 at 100
1,280	5.250%, 12/01/41 - FGIC Insured	12/14 at 100
2,405	Total Alaska	
ARIZONA - 0.7% (0.5% OF TOTAL INVESTMENTS)		

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

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	5/07 at 100
-------	--	-------------

-----  
CALIFORNIA - 12.7% (8.0% OF TOTAL INVESTMENTS)

2,500	Alameda Corridor Transportation Authority, California, Subordinate Lien Revenue Bonds, Series 2004A, 0.000%, 10/01/25 - AMBAC Insured	10/17 at 100
-------	---	--------------

	Calexico Unified School District, Imperial County, California, General Obligation Bonds, Series 2005B:	
4,070	0.000%, 8/01/32 - FGIC Insured	No Opt. C
6,410	0.000%, 8/01/34 - FGIC Insured	No Opt. C

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
-------	--	-------------

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
-------	---	-------------

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

	Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2006C:	
3,800	0.000%, 2/01/33 - FGIC Insured	2/15 at 38
3,795	0.000%, 2/01/37 - FGIC Insured	No Opt. C

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. C
-------	--	-----------

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
-------	---	------------

2,990	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Refunding Bonds, Series 1996, 4.750%, 6/01/21 - FGIC Insured	6/07 at 100
-------	--	-------------

2,000	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. C
-------	---	-----------

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. C
-------	--	-----------

2,315	Gateway Unified School District, California, General Obligation Bonds, Series 2004B, 0.000%, 8/01/32 - FGIC Insured	No Opt. C
-------	--	-----------

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	CALIFORNIA (continued)	
\$ 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
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. C
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
	North Orange County Community College District, California, General Obligation Bonds, Series 2003B:	
7,735	0.000%, 8/01/25 - FGIC Insured	No Opt. C
4,000	0.000%, 8/01/26 - FGIC Insured	No Opt. C
5,000	Palmdale Community Redevelopment Agency, California, Residential Mortgage Revenue Refunding Bonds, Series 1991B, 7.375%, 2/01/12 (ETM)	No Opt. C
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. C
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. C
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. C
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. C
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 100
-----		
141,610	Total California	
-----		
	COLORADO - 7.5% (4.7% OF TOTAL INVESTMENTS)	
8,350	Colorado Health Facilities Authority, Remarketed Revenue Bonds, Kaiser Permanente System, Series 1994A, 5.350%, 11/01/16 (ETM)	7/07 at 101

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

9,440	Colorado Health Facilities Authority, Revenue Bonds, Catholic Health Initiatives, Series 2006A, 4.500%, 9/01/38	9/16 at 100
	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006:	
5,365	5.000%, 11/15/23 - FGIC Insured (UB)	11/16 at 100
3,300	5.000%, 11/15/24 - FGIC Insured (UB)	11/16 at 100
1,445	6.601%, 11/15/25 - FGIC Insured (IF)	11/16 at 100
2,000	Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2006, 4.750%, 12/01/35 - XLCA Insured	11/16 at 100
	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B:	
2,650	0.000%, 9/01/16 - MBIA Insured	No Opt. C
8,645	0.000%, 9/01/26 - MBIA Insured	No Opt. C
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
	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B:	
7,500	0.000%, 9/01/29 - MBIA Insured	No Opt. C
10,000	0.000%, 9/01/32 - MBIA Insured	No Opt. C
	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
4,890	5.375%, 6/01/18 (Pre-refunded 6/01/12)	6/12 at 100
	Platte River Power Authority, Colorado, Power Revenue Refunding Bonds, Series 2002EE:	
970	5.375%, 6/01/17	6/12 at 100
110	5.375%, 6/01/18	6/12 at 100
-----		
66,695	Total Colorado	
-----		
	DISTRICT OF COLUMBIA - 0.4% (0.2% OF TOTAL INVESTMENTS)	
1,725	District of Columbia Housing Finance Agency, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 1997B, 5.900%, 12/01/28 (Alternative Minimum Tax)	6/07 at 102
-----		

29

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL

OPTIONAL C

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

AMOUNT (000)	DESCRIPTION (1)	PROVISIONS
-----		
	FLORIDA - 4.2% (2.6% 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
14,730	South Miami Florida Health Facilities Authority, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 (WI/DD, Settling 5/16/07)	8/17 at 100
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)	6/07 at 100
-----		
27,630	Total Florida	
-----		
	GEORGIA - 0.6% (0.4% 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
-----		
	HAWAII - 0.4% (0.3% OF TOTAL INVESTMENTS)	
2,215	Hawaii Housing and Community Development Corporation, GNMA Collateralized Multifamily Housing Revenue Bonds, Sunset Villas, Series 2000, 5.700%, 7/20/31	7/10 at 102
650	Hawaii Housing Finance and Development Corporation, Single Family Mortgage Purchase Revenue Bonds, Series 1997A, 5.750%, 7/01/30 (Alternative Minimum Tax)	7/07 at 102
-----		
2,865	Total Hawaii	
-----		
	ILLINOIS - 16.2% (10.2% OF TOTAL INVESTMENTS)	
12,500	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997A, 5.250%, 12/01/27 - AMBAC Insured	12/07 at 102
4,000	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997, 5.750%, 12/01/20 (Pre-refunded 12/01/07) - AMBAC Insured	12/07 at 102
3,510	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. C
2,720	Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/31 - FGIC Insured	No Opt. C
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
5,000	Chicago, Illinois, Second Lien Passenger Facility Charge Revenue	1/11 at 101

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

	Bonds, O'Hare International Airport, Series 2001A, 5.375%, 1/01/32 - AMBAC Insured (Alternative Minimum Tax)	
5,000	Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 1997, 5.250%, 1/01/28 (Pre-refunded 1/01/08) - AMBAC Insured	1/08 at 102
6,000	Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.750%, 5/15/22	5/12 at 100
6,165	Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.750%, 2/15/22	8/07 at 102
4,210	Illinois Health Facilities Authority, Revenue Bonds, Victory Health Services, Series 1997A, 5.375%, 8/15/16 (Pre-refunded 8/15/07)	8/07 at 101
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
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. C
	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
10,430	5.250%, 12/15/28 - FGIC Insured	12/09 at 101
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. C
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. C
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. C

30

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	ILLINOIS (continued)	
\$ 1,940	University of Illinois, Auxiliary Facilities Systems Revenue Bonds, Series 2003A, 5.000%, 4/01/23 - AMBAC Insured	4/13 at 100
7,500	Valley View Public Schools, Community Unit School District 365U of	No Opt. C

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

Will County, Illinois, General Obligation Bonds, Series 2005,  
0.000%, 11/01/25 - MBIA Insured

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. C
--------	--	-----------

---

137,025 Total Illinois

---

INDIANA - 3.5% (2.2% 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
-------	--	-------------

9,000	Indiana Health Facility Financing Authority, Hospital Revenue Refunding and Improvement Bonds, Community Hospitals of Indiana, Series 1995, 5.700%, 5/15/22 (Pre-refunded 5/17/07) - MBIA Insured	5/07 at 101
-------	--	-------------

6,075	LaGrange County Jail Building Corporation, Indiana, First Mortgage Jail Bonds, Series 1998, 5.400%, 10/01/21 (Pre-refunded 10/01/09)	10/09 at 101
-------	--	--------------

2,330	St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.450%, 2/15/12	2/09 at 102
-------	--	-------------

---

22,610 Total Indiana

---

KANSAS - 1.8% (1.1% OF TOTAL INVESTMENTS)

5,000	Burlington, Kansas, Environmental Improvement Revenue Bonds, Kansas City Power and Light Company Project, Series 1998A, 4.750%, 9/01/15 (Mandatory put 10/01/07)	No Opt. C
-------	--	-----------

4,935	Kansas Department of Transportation, Highway Revenue Bonds, Series 2004A, 5.000%, 3/01/22	3/14 at 100
-------	--	-------------

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
-------	--	-------------

---

11,685 Total Kansas

---

KENTUCKY - 1.6% (1.0% OF TOTAL INVESTMENTS)

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	5/07 at 101
-------	--	-------------

4,950	Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997B, 5.200%, 5/15/25 - MBIA Insured	11/07 at 101
-------	--	--------------

---

10,450 Total Kentucky

---

LOUISIANA - 12.0% (7.5% OF TOTAL INVESTMENTS)

13,500	DeSoto Parish, Louisiana, Pollution Control Revenue Refunding	9/09 at 102
--------	---	-------------

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

	Bonds, Cleco Utility Group Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured		
7,190	Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994, 11.000%, 2/01/14		No Opt. C
805	Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994, 11.000%, 2/01/14 (ETM)		No Opt. C
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
20,775	Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006, 4.500%, 5/01/41 - FGIC Insured (UB)		5/16 at 100
10,000	Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006, 5.000%, 5/01/41 - FGIC Insured (UB)		5/16 at 100
	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B:		
6,000	5.500%, 5/15/30		5/11 at 101
11,750	5.875%, 5/15/39		5/11 at 101
-----			
76,670	Total Louisiana		
-----			

31

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
	MASSACHUSETTS - 1.4% (0.9% OF TOTAL INVESTMENTS)	
\$ 1,750	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, UMass Memorial Healthcare, Series 1998A, 5.000%, 7/01/28 - AMBAC Insured	1/09 at 101
605	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
	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A:	
2,000	5.125%, 1/01/17 - MBIA Insured	1/09 at 100
5,000	5.000%, 1/01/37 - MBIA Insured	7/07 at 102
-----		
9,355	Total Massachusetts	

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

---

MICHIGAN - 1.7% (1.0% 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	8/08 at 101
3,000	5.250%, 8/15/28	8/08 at 101
3,275	Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.500%, 8/15/18	8/07 at 100
<hr/>		
11,270	Total Michigan	
<hr/>		
MINNESOTA - 1.4% (0.9% 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
2,375	Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000C, 5.550%, 7/01/24 (Alternative Minimum Tax)	7/09 at 100
1,795	Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000J, 5.400%, 1/01/23 (Alternative Minimum Tax)	1/10 at 100
<hr/>		
9,170	Total Minnesota	
<hr/>		
MISSOURI - 2.7% (1.7% 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. C
11,000	Missouri Health and Educational Facilities Authority, Revenue Bonds, Washington University, Series 2001A, 5.125%, 6/15/41 (Pre-refunded 6/15/11)	6/11 at 100
175	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
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
<hr/>		
24,680	Total Missouri	
<hr/>		
MONTANA - 1.0% (0.7% OF TOTAL INVESTMENTS)		
6,920	Montana Board of Housing, Single Family Mortgage Bonds, Series 1997A-1, 6.050%, 12/01/37	6/07 at 101
<hr/>		
NEVADA - 5.9% (3.7% 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

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

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
7,910	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
15,000	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 2007B, 5.250%, 7/01/31 (UB)	7/17 at 100

32

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	NEVADA (continued)	
\$ 360	Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1997C-2, 5.750%, 4/01/29 (Alternative Minimum Tax)	10/07 at 102
-----		
38,080	Total Nevada	
-----		
	NEW JERSEY - 4.0% (2.5% 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. C
13,045	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
5,050	6.125%, 6/01/42 (Pre-refunded 6/01/12)	6/12 at 100
2,500	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 5.000%, 6/01/41	6/17 at 100
-----		
35,595	Total New Jersey	
-----		
	NEW MEXICO - 1.1% (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	10/07 at 100
-----		
	NEW YORK - 15.1% (9.5% OF TOTAL INVESTMENTS)	
560	Dormitory Authority of the State of New York, Revenue Bonds, Mental Health Services Facilities Improvements, Series 1997B, 5.625%, 2/15/21	5/07 at 102

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

3,655	Dormitory Authority of the State of New York, Revenue Bonds, State University Educational Facilities, Series 1997, 5.125%, 5/15/27 (Pre-refunded 5/15/08)	5/08 at 101
440	Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 - MBIA Insured	2/17 at 100
7,000	Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.125%, 1/01/29	7/12 at 100
	Nassau County, New York, General Obligation Improvement Bonds, Series 2000F:	
3,980	7.000%, 3/01/11 (Pre-refunded 3/01/10) - FSA Insured	3/10 at 100
4,070	7.000%, 3/01/12 (Pre-refunded 3/01/10) - FSA Insured	3/10 at 100
3,925	7.000%, 3/01/15 (Pre-refunded 3/01/10) - FSA Insured	3/10 at 100
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)	12/08 at 102
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
5,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 1997B, 5.750%, 6/15/29 (Pre-refunded 6/15/07) - FGIC Insured	6/07 at 101
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
10,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2005B, 5.000%, 6/15/36 - FSA Insured	12/14 at 100
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
10,000	New York City, New York, General Obligation Bonds, Fiscal Series 1997G, 6.000%, 10/15/26 (Pre-refunded 10/15/07)	10/07 at 101
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
8,305	New York State Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 94, 5.800%, 10/01/20 (Alternative Minimum Tax)	4/10 at 100
5,000	New York State Urban Development Corporation, Service Contract Revenue Bonds, Correctional Facilities, Series 1999C, 6.000%, 1/01/29 (Pre-refunded 1/01/09) - AMBAC Insured	1/09 at 101
97,195	Total New York	

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

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	NORTH CAROLINA - 2.3% (1.4% OF TOTAL INVESTMENTS)	
\$ 1,175	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
6,240	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
2,420	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
5,135	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
-----		
14,970	Total North Carolina	
-----		
	NORTH DAKOTA - 0.6% (0.4% OF TOTAL INVESTMENTS)	
1,985	North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Series 1998B, 5.500%, 7/01/29 - MBIA Insured (Alternative Minimum Tax)	7/08 at 102
2,250	Ward County Health Care, North Dakota, Revenue Bonds, Trinity Obligated Group, Series 2006, 5.125%, 7/01/25	7/16 at 100
-----		
4,235	Total North Dakota	
-----		
	OHIO - 4.4% (2.8% OF TOTAL INVESTMENTS)	
5,000	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
6,000	Cuyahoga County, Ohio, Hospital Revenue Bonds, University Hospitals Health System, Series 1999, 5.500%, 1/15/30 (Pre-refunded 7/15/09) - AMBAC Insured	7/09 at 101
7,840	Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999: 6.750%, 4/01/18 (Pre-refunded 4/01/10)	4/10 at 101
5,000	6.750%, 4/01/22 (Pre-refunded 4/01/10)	4/10 at 101
1,475	Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities	8/10 at 100

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

Program Residential Mortgage Revenue Bonds, Series 2000D,  
5.450%, 9/01/31 (Alternative Minimum Tax)

2,650	Ohio, General Obligation Bonds, Higher Education, Series 2003A, 5.000%, 5/01/22	5/13 at 100
-------	--	-------------

---

27,965	Total Ohio	
--------	------------	--

---

OKLAHOMA - 2.6% (1.6% OF TOTAL INVESTMENTS)

2,000	Oklahoma Municipal Power Authority, Power Supply System Revenue Bonds, Series 2007, 4.500%, 1/01/47 - FGIC Insured	1/17 at 100
-------	---	-------------

2,890	Oklahoma State Industries Authority, Health System Revenue Bonds, Integriss Baptist Medical Center, Series 1999A, 5.750%, 8/15/29 - MBIA Insured	8/09 at 101
-------	--	-------------

2,110	Oklahoma State Industries Authority, Health System Revenue Bonds, Integriss Baptist Medical Center, Series 1999A, 5.750%, 8/15/29 (Pre-refunded 8/15/09) - MBIA Insured	8/09 at 101
-------	---	-------------

10,000	Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2001B, 5.650%, 12/01/35 (Mandatory put 12/01/08) (Alternative Minimum Tax)	12/08 at 100
--------	---	--------------

---

17,000	Total Oklahoma	
--------	----------------	--

---

PENNSYLVANIA - 1.4% (0.9% OF TOTAL INVESTMENTS)

1,610	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. C
-------	--	-----------

1,500	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 96A, 4.650%, 10/01/31 (Alternative Minimum Tax)	10/16 at 100
-------	--	--------------

2,600	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2004A, 5.500%, 12/01/31 - AMBAC Insured	12/14 at 100
-------	---	--------------

3,240	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. C
-------	---	-----------

---

8,950	Total Pennsylvania	
-------	--------------------	--

---

34

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
---------------------------	-----------------	--------------------------

---

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

PUERTO RICO - 1.4% (0.9% OF TOTAL INVESTMENTS)			
\$	5,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/26 - XLCA Insured	7/15 at 100
	4,000	Puerto Rico, General Obligation Bonds, Series 2000B, 5.625%, 7/01/19 - MBIA Insured	7/10 at 100
	9,000	Total Puerto Rico	
RHODE ISLAND - 1.9% (1.2% OF TOTAL INVESTMENTS)			
	1,235	Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group, Series 1996, 5.500%, 5/15/16 - MBIA Insured	5/07 at 102
	11,015	Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group, Series 1996, 5.500%, 5/15/16 (Pre-refunded 5/15/07) - MBIA Insured	5/07 at 102
	12,250	Total Rhode Island	
SOUTH CAROLINA - 4.1% (2.6% 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
	2,500	Lexington County Health Service District, South Carolina, Hospital Revenue Refunding and Improvement Bonds, Series 2003, 5.750%, 11/01/28	11/13 at 100
	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
	1,220	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/23 - FGIC Insured	No Opt. C
	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
	7,500	Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28	5/11 at 101
	26,345	Total South Carolina	
SOUTH DAKOTA - 0.5% (0.3% OF TOTAL INVESTMENTS)			
	2,945	South Dakota Health and Educational Facilities Authority, Revenue Bonds, Sanford Health, Series 2007, 5.000%, 11/01/40	5/17 at 100
TENNESSEE - 5.2% (3.3% OF TOTAL INVESTMENTS)			
	6,000	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, Baptist Health System of	4/12 at 101

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

East Tennessee Inc., Series 2002, 6.500%, 4/15/31

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
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
1,750	Metropolitan Government of Nashville-Davidson County, Tennessee, Electric System Revenue Bonds, Series 2001A, 5.125%, 5/15/26	5/11 at 100
42,550	Total Tennessee	

TEXAS - 16.6% (10.5% OF TOTAL INVESTMENTS)

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. C
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. C
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
4,250	Ennis Independent School District, Ellis County, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/26	8/16 at 60

35

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
TEXAS (continued)		
\$ 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)	4/09 at 101
5,000	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

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

1,540	Houston Community College, Texas, Limited Tax General Obligation Bonds, Series 2003, 5.000%, 2/15/28 - AMBAC Insured	2/13 at 100
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
13,110	Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured	7/10 at 100
	Houston, Texas, Water Conveyance System Contract, Certificates of Participation, Series 1993A-J:	
5,490	6.800%, 12/15/10 - AMBAC Insured	No Opt. C
2,000	6.800%, 12/15/11 - AMBAC Insured	No Opt. C
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
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
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. C
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
4,000	Texas, General Obligation Bonds, Water Financial Assistance, State Participation Program, Series 1999C, 5.500%, 8/01/35	8/09 at 100
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) - AMBAC Insured	11/09 at 101
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)	7/07 at 100
3,000	Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/21	8/15 at 74
118,920	Total Texas	
	-----	
	UTAH - 0.3% (0.2% OF TOTAL INVESTMENTS)	
730	Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 (Pre-refunded 7/01/07) - MBIA Insured	7/07 at 102
1,470	Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 - MBIA Insured	7/07 at 102
2,200	Total Utah	
	-----	
	VIRGINIA - 0.3% (0.2% OF TOTAL INVESTMENTS)	
2,855	Tobacco Settlement Financing Corporation of Virginia, Tobacco	6/17 at 100

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

Settlement Asset-Backed Bonds, Series 2007B2, 0.000%, 6/01/46  
(WI/DD, Settling 5/03/07)

---

WASHINGTON - 14.2% (8.9% OF TOTAL INVESTMENTS)		
8,810	Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2001A, 5.600%, 1/01/36 - MBIA Insured (Alternative Minimum Tax)	7/11 at 101
5,665	Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2002B, 5.250%, 7/01/37 - AMBAC Insured (Alternative Minimum Tax)	7/12 at 100
10,730	Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Refunding Bonds, Series 2001C, 5.650%, 7/01/32 - MBIA Insured (Alternative Minimum Tax)	7/11 at 101
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

36

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
WASHINGTON (continued)		
\$ 10,550	Port of Seattle, Washington, Limited Tax General Obligation Bonds, Series 2000B, 5.750%, 12/01/25 (Alternative Minimum Tax)	12/10 at 100
5,315	Port of Seattle, Washington, Revenue Bonds, Series 2000B, 6.000%, 2/01/10 - MBIA Insured (Alternative Minimum Tax)	No Opt. C
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
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
8,750	Washington Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 3, Series 1998A, 5.125%, 7/01/18	7/08 at 102
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
1,270	Washington State, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2003F, 0.000%, 12/01/24 - MBIA Insured	No Opt. C

---

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

91,295	Total Washington	
-----		
WEST VIRGINIA - 0.8% (0.5% OF TOTAL INVESTMENTS)		
5,000	Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22	10/11 at 100
-----		
WISCONSIN - 3.0% (1.9% OF TOTAL INVESTMENTS)		
6,995	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27	6/12 at 100
1,685	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
565	Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - FSA Insured	11/14 at 100
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
3,000	Southeast Wisconsin Professional Baseball Park District, Sales Tax Revenue Refunding Bonds, Series 1998A, 5.500%, 12/15/19 - MBIA Insured	No Opt. C
1,525	Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, Series 2000B, 5.750%, 3/01/22 (Alternative Minimum Tax)	3/10 at 100
-----		
18,770	Total Wisconsin	
-----		
1,175,615	Total Investments (cost \$1,004,680,494) - 159.0%	
=====		
Floating Rate Obligations - (5.4)%		
-----		
Other Assets Less Liabilities - (0.7)%		
-----		
Preferred Shares, at Liquidation Value - (52.9)%		
-----		
Net Assets Applicable to Common Shares - 100%		
=====		

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

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

equivalent to AAA rated securities.

- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.
- (IF) Inverse floating rate investment.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

37

Nuveen Municipal Market Opportunity Fund, Inc. (NMO)

Portfolio of  
INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
ALABAMA - 0.7% (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
2,485	5.000%, 1/01/41 - RAAI Insured	1/16 at 100
-----		
4,420	Total Alabama	
-----		
ALASKA - 0.4% (0.2% OF TOTAL INVESTMENTS)		
Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A:		
1,125	5.250%, 12/01/34 - FGIC Insured	12/14 at 100
1,275	5.250%, 12/01/41 - FGIC Insured	12/14 at 100
-----		
2,400	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
3,480	Cabot School District 4, Lonoke County, Arkansas, General Obligation Refunding Bonds, Series 2003, 5.000%, 2/01/27 - AMBAC Insured	8/08 at 100
-----		

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

8,480 Total Arkansas

---

CALIFORNIA - 11.5% (7.3% OF TOTAL INVESTMENTS)		
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. C
7,800	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 0.000%, 6/01/36 (Mandatory put 6/01/23)	12/18 at 100
1,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.750%, 5/01/17 (Pre-refunded 5/01/12)	5/12 at 101
1,350	California Educational Facilities Authority, Revenue Refunding Bonds, Loyola Marymount University, Series 2001A, 0.000%, 10/01/39 - MBIA Insured	No Opt. C
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
4,000	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.250%, 3/01/45	3/16 at 100
25,000	California General Obligation Bonds, Series 2005, 4.750%, 3/01/35 - MBIA Insured (UB)	3/16 at 100
10,445	Castaic Lake Water Agency, California, Revenue Certificates of Participation, Water System Improvement Project, Series 1999, 0.000%, 8/01/29 - AMBAC Insured	No Opt. C
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
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
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
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. C
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. C
490	Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Second Series 1993, 4.750%, 10/15/20 (ETM)	10/07 at 100

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIONS
CALIFORNIA (continued)		
\$ 995	Los Angeles Department of Water and Power, California, Electric Plant Revenue Bonds, Series 1994, 5.375%, 2/15/34 (ETM)	8/07 at 100
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. C
6,000	Placentia-Yorba Linda Unified School District, Orange County, California, Certificates of Participation, Series 2006, 0.000%, 10/01/34 - FGIC Insured	No Opt. C
5,000	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A: 5.650%, 1/15/17 - MBIA Insured	1/14 at 102
26,000	0.000%, 1/15/35 - MBIA Insured	No Opt. C
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 100
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. C
123,915	Total California	
COLORADO - 5.4% (3.4% OF TOTAL INVESTMENTS)		
1,085	Arkansas River Power Authority, Colorado, Power Revenue Bonds, Series 2006, 5.250%, 10/01/40 - XLCA Insured	10/16 at 100
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
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
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
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
3,800	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B: 0.000%, 9/01/27 - MBIA Insured	9/20 at 67

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

13,300	0.000%, 9/01/31 - MBIA Insured	9/20 at 53
6,250	0.000%, 9/01/32 - MBIA Insured	9/20 at 50
8,000	0.000%, 3/01/36 - MBIA Insured	No Opt. C
<hr/>		
73,185	Total Colorado	
<hr/>		
DISTRICT OF COLUMBIA - 1.9% (1.2% OF TOTAL INVESTMENTS)		
3,420	Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 1998, 4.750%, 10/01/28 (Pre-refunded 10/01/08) - AMBAC Insured	10/08 at 100
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
<hr/>		
13,420	Total District of Columbia	
<hr/>		
GEORGIA - 4.5% (2.8% 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
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
<hr/>		
29,330	Total Georgia	
<hr/>		
ILLINOIS - 13.7% (8.6% OF TOTAL INVESTMENTS)		
4,245	Bolingbrook, Illinois, General Obligation Refunding Bonds, Series 2002B, 0.000%, 1/01/32 - FGIC Insured	No Opt. C
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. C

39

Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
<hr/>		
ILLINOIS (continued)		
\$ 4,000	Chicago, Illinois, Motor Fuel Tax Revenue Bonds, Series 2003A,	7/13 at 100

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

	5.000%, 1/01/33 - AMBAC Insured	
2,300	Chicago, Illinois, Motor Fuel Tax Revenue Refunding Bonds, Series 1993, 5.375%, 1/01/14 - AMBAC Insured	No Opt. C
5,250	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 1998B, 5.000%, 1/01/28 - MBIA Insured	1/09 at 101
10,000	Illinois Finance Authority, Northwestern University, Illinois, General Revenue Bonds, Series 2006, 5.000%, 12/01/42 (UB)	2/15 at 100
5,210	Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Garden House of River Oaks West Development, Series 1992A, 6.875%, 1/01/20	7/07 at 100
38,645	Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2000, 5.500%, 4/01/25 - MBIA Insured	4/10 at 100
	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
6,780	0.000%, 1/01/24 - FSA Insured	1/15 at 63
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. C
	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A:	
3,250	0.000%, 6/15/25 - MBIA Insured	6/22 at 101
3,270	5.000%, 12/15/28 - MBIA Insured	6/12 at 101
3,700	0.000%, 6/15/30 - MBIA Insured	No Opt. C
3,280	0.000%, 6/15/37 - MBIA Insured	No Opt. C
11,715	0.000%, 12/15/38 - MBIA Insured	No Opt. C
4,170	0.000%, 6/15/39 - MBIA Insured	No Opt. C
-----		
122,620	Total Illinois	
-----		
	INDIANA - 1.0% (0.6% 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
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
-----		
6,695	Total Indiana	
-----		
	IOWA - 0.6% (0.4% OF TOTAL INVESTMENTS)	
4,215	Iowa Finance Authority, Solid Waste Disposal Revenue Bonds, IPSCO Project, Series 1997, 6.000%, 6/01/27 (Mandatory put 6/01/07) (Alternative Minimum Tax)	No Opt. C
-----		
	KANSAS - 0.5% (0.3% OF TOTAL INVESTMENTS)	
2,500	Kansas Development Finance Authority, Water Pollution Control Revolving Fund Leveraged Bonds, Series 2002-II, 5.500%, 11/01/21	11/12 at 100

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

500	Salina, Kansas, Hospital Revenue Bonds, Salina Regional Medical Center, Series 2006, 4.625%, 10/01/31	4/16 at 100
3,000	Total Kansas	
KENTUCKY - 1.6% (1.0% 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
7,490	5.250%, 7/01/20 (Pre-refunded 1/01/10) - FSA Insured	1/10 at 101
10,535	Total Kentucky	

40

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
LOUISIANA - 1.6% (1.0% OF TOTAL INVESTMENTS)		
\$ 7,415	Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Baton Rouge Community College Facilities Corporation, Series 2002, 5.000%, 12/01/32 - MBIA Insured	12/12 at 100
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
10,765	Total Louisiana	
MARYLAND - 0.4% (0.3% OF TOTAL INVESTMENTS)		
2,500	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt. C
MASSACHUSETTS - 4.5% (2.8% OF TOTAL INVESTMENTS)		
1,100	Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A, 5.250%, 7/01/30	7/10 at 100
4,150	Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A, 5.250%, 7/01/30 (Pre-refunded 7/01/10)	7/10 at 100
8,315	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured	7/07 at 102

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

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
6,195	University of Massachusetts Building Authority, Facilities Revenue Bonds, Senior Series 2000A, 5.125%, 11/01/25 (Pre-refunded 11/01/10) - MBIA Insured	11/10 at 100
<hr/>		
29,760	Total Massachusetts	
<hr/>		
MICHIGAN - 1.0% (0.7% 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
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
<hr/>		
7,090	Total Michigan	
<hr/>		
MINNESOTA - 7.7% (4.9% 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
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
2,290	Minnesota Housing Finance Agency, Single Family Remarketed Mortgage Bonds, Series 1998H-2, 6.050%, 7/01/31 (Alternative Minimum Tax)	1/11 at 101
13,675	Minnesota, General Obligation Bonds, Series 2000, 5.125%, 11/01/16	11/10 at 100
3,130	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
<hr/>		
49,095	Total Minnesota	
<hr/>		
MISSISSIPPI - 1.0% (0.6% OF TOTAL INVESTMENTS)		
5,900	Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources Inc. Project, Series 1998, 5.875%, 4/01/22	10/07 at 100
1,090	Mississippi Home Corporation, GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1997D-5, 6.750%, 7/01/29 (Alternative Minimum Tax)	7/07 at 105
<hr/>		
6,990	Total Mississippi	
<hr/>		

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

Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
MISSOURI - 0.7% (0.4% 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. C
5,000	0.000%, 4/15/31 - AMBAC Insured	No Opt. C
12,000	Total Missouri	
NEVADA - 6.2% (3.9% 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. C
8,500	0.000%, 1/01/26 - AMBAC Insured	No Opt. C
5,685	0.000%, 1/01/27 - AMBAC Insured	No Opt. C
21,000	5.375%, 1/01/40 - AMBAC Insured	1/10 at 100
10,000	Reno, Nevada, Health Facilities Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/31 (UB)	7/17 at 100
2,135	Reno, Nevada, Capital Improvement Revenue Bonds, Series 2005B, 0.000%, 6/01/37 - FGIC Insured	6/15 at 33
53,445	Total Nevada	
NEW JERSEY - 6.7% (4.2% OF TOTAL INVESTMENTS)		
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
35,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/34 - FSA Insured	No Opt. C
5,000	New Jersey Turnpike Authority, Revenue Bonds, Growth and Income Securities, Series 2004B, 0.000%, 1/01/35 - AMBAC Insured	1/17 at 100
3,000	Rahway Valley Sewerage Authority, New Jersey, Sewer Revenue Bonds, Series 2005A, 0.000%, 9/01/25 - MBIA Insured	No Opt. C
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

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

Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003:		
2,100	6.375%, 6/01/32 (Pre-refunded 6/01/13)	6/13 at 100
2,925	6.750%, 6/01/39 (Pre-refunded 6/01/13)	6/13 at 100
2,000	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 5.000%, 6/01/41	6/17 at 100
-----		
71,550	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
5,675	University of New Mexico, Revenue Refunding Bonds, Series 1992A, 6.250%, 6/01/12	No Opt. C
-----		
11,600	Total New Mexico	
-----		
NEW YORK - 11.6% (7.3% OF TOTAL INVESTMENTS)		
70	Dormitory Authority of the State of New York, Revenue Bonds, Mental Health Services Facilities Improvements, Series 1997A, 5.750%, 2/15/27	5/07 at 102
3,000	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2006B, 5.000%, 12/01/35	6/16 at 100
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
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
630	New York City, New York, General Obligation Bonds, Fiscal Series 1997H, 6.125%, 8/01/25	8/07 at 101

42

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
NEW YORK (continued)		
\$ 9,370	New York City, New York, General Obligation Bonds, Fiscal Series 1997H, 6.125%, 8/01/25 (Pre-refunded 8/01/07)	8/07 at 101

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

	New York City, New York, General Obligation Bonds, Fiscal Series 2002G:		
1,000	5.000%, 8/01/17		8/12 at 100
6,530	5.750%, 8/01/18		8/12 at 100
5,000	New York City, New York, General Obligation Bonds, Fiscal Series 2003A, 5.750%, 8/01/16		8/12 at 100
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)		12/07 at 102
7,805	Power Authority of the State of New York, General Revenue Bonds, Series 2002A, 5.000%, 11/15/21		11/12 at 100
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
76,025	Total New York		
	NORTH CAROLINA - 2.0% (1.3% 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		1/15 at 100
4,000	North Carolina Medical Care Commission, Health System Revenue Bonds, Mission St. Joseph's Health System, Series 2007, 4.500%, 10/01/31		10/17 at 100
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
13,400	Total North Carolina		
	NORTH DAKOTA - 4.2% (2.7% 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
	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
2,450	5.750%, 8/01/19 (Pre-refunded 8/01/10) - MBIA Insured		8/10 at 100
27,715	Total North Dakota		
	OHIO - 4.0% (2.5% OF TOTAL INVESTMENTS)		
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
16,140	Montgomery County, Ohio, Hospital Facilities Revenue Bonds, Kettering Medical Center, Series 1999, 6.300%, 4/01/12		No Opt. C
26,140	Total Ohio		

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

OKLAHOMA - 0.0% (0.0% OF TOTAL INVESTMENTS)

300	Tulsa Municipal Airport Trust, Oklahoma, Revenue Refunding Bonds, American Airlines Inc., Series 2000B, 6.000%, 6/01/35 (Mandatory put 12/01/08) (Alternative Minimum Tax)	6/09 at 100
-----	--	-------------

OREGON - 2.4% (1.5% OF TOTAL INVESTMENTS)

5,000	Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.250%, 7/01/22 - MBIA Insured	1/13 at 100
6,780	Portland, Oregon, Water System Revenue Bonds, Series 2000A: 5.375%, 8/01/18 (Pre-refunded 8/01/10)	8/10 at 100
3,880	5.500%, 8/01/20 (Pre-refunded 8/01/10)	8/10 at 100
15,660	Total Oregon	

PENNSYLVANIA - 3.8% (2.4% OF TOTAL INVESTMENTS)

5,000	Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Series 1997A, 6.200%, 7/01/19	1/08 at 102
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

43

Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIONS
PENNSYLVANIA (continued)		
\$ 15,050	Pennsylvania, General Obligation Bonds, Second Series 2001, 5.000%, 9/15/14	9/11 at 101
25,050	Total Pennsylvania	

PUERTO RICO - 2.9% (1.9% OF TOTAL INVESTMENTS)

12,500	Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003, 4.500%, 12/01/23	No Opt. C
7,325	Puerto Rico, The Children's Trust Fund, Tobacco Settlement	5/12 at 100

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

Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33

19,825	Total Puerto Rico	
SOUTH CAROLINA - 7.5% (4.8% OF TOTAL INVESTMENTS)		
24,730	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.500%, 12/01/22 (Pre-refunded 12/01/12)	12/12 at 100
21,570	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 2004A-2, 0.000%, 1/01/30 - AMBAC Insured	No Opt. C
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
665	Three Rivers Solid Waste Authority, South Carolina, Solid Waste Disposal Facilities Revenue Bonds, Series 1997, 5.300%, 1/01/27 - MBIA Insured	7/07 at 102
11,665	Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28	5/11 at 101
62,190	Total South Carolina	
TENNESSEE - 0.7% (0.5% OF TOTAL INVESTMENTS)		
5,000	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, East Tennessee Children's Hospital, Series 2003A, 5.000%, 7/01/23 - RAAI Insured	7/13 at 100
TEXAS - 25.3% (16.0% 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
12,250	Austin, Texas, Subordinate Lien Hotel Occupancy Tax Revenue Refunding Bonds, Series 1999, 5.800%, 11/15/29 (Pre-refunded 11/15/09) - AMBAC Insured	11/09 at 100
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. C
5,015	Brownsville Independent School District, Cameron County, Texas, General Obligation Bonds, Series 1999: 5.625%, 8/15/25 (Pre-refunded 8/15/09)	8/09 at 100
8,825	5.625%, 8/15/29 (Pre-refunded 8/15/09)	8/09 at 100
1,000	Cedar Hill Independent School District, Dallas County, Texas, General Obligation Bonds, Series 2002, 0.000%, 8/15/32 - FGIC Insured	No Opt. C
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

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

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
340	5.650%, 2/15/19	2/10 at 100
235	5.700%, 2/15/20	2/10 at 100
270	5.700%, 2/15/21	2/10 at 100

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
9,660	5.650%, 2/15/19 (Pre-refunded 2/15/10)	2/10 at 100
6,645	5.700%, 2/15/20 (Pre-refunded 2/15/10)	2/10 at 100
7,750	5.700%, 2/15/21 (Pre-refunded 2/15/10)	2/10 at 100

44

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	TEXAS (continued)	
\$ 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. C
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
11,750	Dallas-Ft. Worth International Airport Facility Improvement Corporation, Texas, Revenue Refunding Bonds, American Airlines Inc., Series 2000C, 6.150%, 5/01/29 (Mandatory put 11/01/07) (Alternative Minimum Tax)	11/07 at 100
	Ennis Independent School District, Ellis County, Texas, General Obligation Bonds, Series 2006:	
3,950	0.000%, 8/15/30	8/16 at 49
4,000	0.000%, 8/15/31	8/16 at 46
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. C
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
21,500	Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured	7/10 at 100
9,350	Leander Independent School District, Williamson and Travis	8/15 at 39

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

	Counties, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/32 - FGIC Insured	
6,000	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/33	8/14 at 35
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
5,000	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/34	8/15 at 36
3,970	Wichita Falls, Wichita County, Texas, Priority Lien Water and Sewerage System Revenue Bonds, Series 2001, 5.000%, 8/01/21 (Pre-refunded 8/01/11) - AMBAC Insured	8/11 at 100
	Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005:	
3,000	0.000%, 8/15/23	8/15 at 67
2,000	0.000%, 8/15/24	8/15 at 63
-----		
194,780	Total Texas	
-----		
	WASHINGTON - 17.7% (11.2% 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
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. C
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
2,500	King County, Washington, Sewer Revenue Bonds, Series 2001, 5.000%, 1/01/23 - FGIC Insured	1/12 at 100
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
6,950	Port of Seattle, Washington, Revenue Bonds, Series 2000B, 5.625%, 2/01/24 - MBIA Insured (Alternative Minimum Tax)	8/10 at 100
	Seattle, Washington, General Obligation Refunding and Improvement Bonds, Series 2002:	
6,165	4.400%, 12/01/19	12/12 at 100
6,445	4.500%, 12/01/20	12/12 at 100
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
6,630	Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.750%, 1/01/17 (Pre-refunded 1/01/11) - FSA Insured	1/11 at 101
3,520	Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001,	10/11 at 100

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

5.000%, 10/01/21 (Pre-refunded 10/01/11) - AMBAC Insured

45

Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	WASHINGTON (continued)	
\$ 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
11,955	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26	6/13 at 100
9,000	Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, 5.000%, 1/01/21 - FSA Insured	1/12 at 100
-----		
115,800	Total Washington	
-----		
	WISCONSIN - 1.1% (0.7% OF TOTAL INVESTMENTS)	
3,995	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27	6/12 at 100
1,755	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2006, 4.750%, 5/01/25	5/16 at 100
1,250	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, United Lutheran Program for the Aging Inc., Series 1998, 5.700%, 3/01/28	3/08 at 101
-----		
7,000	Total Wisconsin	
-----		
	WYOMING - 0.4% (0.3% OF TOTAL INVESTMENTS)	
2,800	Jackson National Rural Utilities Cooperative Financing Corporation, Wyoming, Guaranteed Gas Supply Revenue Bonds, Lower Valley Power and Light Inc., Series 1997B, 5.875%, 5/01/26 (Alternative Minimum Tax)	5/07 at 101
-----		
\$ 1,248,695	Total Investments (cost \$1,025,584,256) - 158.3%	
=====		
	Floating Rate Obligations - (5.3)%	
-----		

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

Other Assets Less Liabilities - 1.9%  
 -----  
 Preferred Shares, at Liquidation Value - (54.9)%  
 -----  
 Net Assets Applicable to Common Shares - 100%  
 =====

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
  - (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
  - (3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
  - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

46

Nuveen Dividend Advantage Municipal Fund (NAD)  
 Portfolio of  
 INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
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
ALASKA - 0.1% (0.1% OF TOTAL INVESTMENTS)		
750	Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A, 5.250%, 12/01/34 - FGIC Insured	12/14 at 100

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

CALIFORNIA - 3.8% (2.5% 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. C
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. C
200	California, General Obligation Bonds, Series 1997, 5.000%, 10/01/18 - AMBAC Insured	10/07 at 101
2,195	California, General Obligation Bonds, Series 1997: 5.000%, 10/01/18 (Pre-refunded 10/01/07) - AMBAC Insured	10/07 at 101
210	5.000%, 10/01/18 (Pre-refunded 10/01/07) - AMBAC Insured	10/07 at 101
5,000	California, General Obligation Bonds, Series 2005, 5.000%, 3/01/31	3/16 at 100
5,000	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: 5.000%, 6/01/33	6/17 at 100
1,000	5.125%, 6/01/47	6/17 at 100
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. C
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. C

41,140 Total California

COLORADO - 2.4% (1.6% OF TOTAL INVESTMENTS)

3,205	Denver City and County, Colorado, Airport Special Facilities Revenue Bonds, Rental Car Projects, Series 1999A, 6.000%, 1/01/12 - MBIA Insured (Alternative Minimum Tax)	1/09 at 101
2,950	Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A, 5.000%, 12/01/22 (Pre-refunded 12/01/13) - XLCA Insured	12/13 at 100
1,475	Denver, Colorado, FHA-Insured Multifamily Housing Revenue Bonds, Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax)	10/07 at 102
8,515	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 1997B, 0.000%, 9/01/25 - MBIA Insured	No Opt. C
12,500	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2006A, 0.000%, 9/01/38 - MBIA Insured	9/26 at 54

28,645 Total Colorado

CONNECTICUT - 0.4% (0.3% OF TOTAL INVESTMENTS)

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

2,700	Connecticut Development Authority, Health Facilities Revenue Refunding Bonds, Alzheimer's Resource Center of Connecticut Inc., Series 1994A, 7.125%, 8/15/14	8/07 at 100
-------	--	-------------

---

FLORIDA - 9.2% (6.1% OF TOTAL INVESTMENTS)

1,630	Florida Housing Finance Agency, Housing Revenue Bonds, Mar Lago Village Apartments, Series 1997F, 5.800%, 12/01/17 - AMBAC Insured (Alternative Minimum Tax)	12/07 at 100
15,000	Florida State Board of Education, Public Education Capital Outlay Bonds, Series 2005E, 4.500%, 6/01/35	6/15 at 101

47

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
------------------------	-----------------	-----------------------

---

FLORIDA (continued)

\$ 14,350	JEA St. John's River Power Park System, Florida, Revenue Refunding Bonds, Issue 2, Series 2002-17, 5.250%, 10/01/13	10/11 at 100
2,500	Marion County Hospital District, Florida, Revenue Bonds, Munroe Regional Medical Center, Series 2007, 5.000%, 10/01/34 (WI/DD, Settling 5/09/07)	10/17 at 100
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)	6/07 at 100
7,370	South Miami Florida Health Facilities Authority, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 (WI/DD, Settling 5/16/07)	8/17 at 100

---

54,475 Total Florida

---

GEORGIA - 1.3% (0.9% OF TOTAL INVESTMENTS)

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
880	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 1999, 5.500%, 5/15/29 - MBIA Insured	5/09 at 101

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

2,620	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 1999, 5.500%, 5/15/29 (Pre-refunded 5/15/09) - MBIA Insured	5/09 at 101
-----		
7,500	Total Georgia	
-----		
IDAHO - 0.2% (0.1% OF TOTAL INVESTMENTS)		
210	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 1999E, 5.750%, 1/01/21 (Alternative Minimum Tax)	7/09 at 101
255	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000D, 6.350%, 7/01/22 (Alternative Minimum Tax)	1/10 at 100
400	Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000E, 5.950%, 7/01/20 (Alternative Minimum Tax)	7/10 at 100
-----		
865	Total Idaho	
-----		
ILLINOIS - 34.5% (22.9% OF TOTAL INVESTMENTS)		
2,875	Channahon, Illinois, Revenue Refunding Bonds, Morris Hospital, Series 1999, 5.750%, 12/01/12	12/09 at 102
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. C
Chicago, Illinois, FHA/GNMA Multifamily Housing Revenue Bonds, Archer Court Apartments, Series 1999A:		
810	5.500%, 12/20/19 (Alternative Minimum Tax)	10/10 at 101
1,210	5.600%, 12/20/29 (Alternative Minimum Tax)	10/10 at 101
1,925	5.650%, 12/20/40 (Alternative Minimum Tax)	10/10 at 101
22,750	Chicago, Illinois, General Obligation Refunding Bonds, Emergency Telephone System, Series 1999, 5.500%, 1/01/23 - FGIC Insured	No Opt. C
2,620	Chicago, Illinois, Motor Fuel Tax Revenue Refunding Bonds, Series 1993, 5.375%, 1/01/14 - AMBAC Insured	No Opt. C
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
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
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
500	Hoffman Estates Park District, Cook County, Illinois, General Obligation Bonds, Series 1999, 5.375%, 12/01/29 - MBIA Insured	12/09 at 102
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. C

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

48

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
ILLINOIS (continued)		
\$ 24,835	Illinois Development Finance Authority, Revenue Bonds, Presbyterian Home of Lake Forest, Series 1999, 5.625%, 9/01/31 - FSA Insured	9/07 at 102
5,570	Illinois Finance Authority, Revenue Bonds, University of Chicago, Series 2004A, 5.000%, 7/01/34	7/14 at 100
17,280	Illinois Health Facilities Authority, Converted Adjustable Rate Revenue Bonds, Highland Park Hospital, Series 1991A, 6.000%, 10/01/15 (Pre-refunded 10/01/07) - FGIC Insured	10/07 at 102
9,880	Illinois Health Facilities Authority, Remarketed Revenue Bonds, University of Chicago Project, Series 1985A, 5.500%, 8/01/20	8/11 at 103
5,400	Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 1997A, 5.000%, 7/01/24 - MBIA Insured	7/07 at 101
5,490	Illinois Health Facilities Authority, Revenue Bonds, Sarah Bush Lincoln Health Center, Series 1996B, 5.500%, 2/15/16	8/07 at 102
1,500	Illinois Housing Development Authority, Housing Finance Bonds, Series 2005E, 4.800%, 1/01/36 - FGIC Insured	1/15 at 100
11,345	Lake and McHenry Counties Community Unit School District 118, Wauconda, Illinois, General Obligation Bonds, Series 2005B, 0.000%, 1/01/25 - FSA Insured	1/15 at 60
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
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
	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A:	
9,750	0.000%, 12/15/22 - MBIA Insured	No Opt. C
13,000	0.000%, 12/15/23 - MBIA Insured	No Opt. C
	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. C
3,500	5.750%, 6/01/23 - FSA Insured	No Opt. C

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

1,300	Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.250%, 12/01/34 - FGIC Insured	12/14 at 100
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. C
4,500	Will County School District 122, New Lenox, Illinois, General Obligation Bonds, Series 2000B, 0.000%, 11/01/18 - FSA Insured	No Opt. C
<hr/>		
219,715	Total Illinois	
<hr/>		
INDIANA - 3.7% (2.4% 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
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
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
<hr/>		
20,945	Total Indiana	
<hr/>		
IOWA - 1.2% (0.8% 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
<hr/>		
KANSAS - 0.8% (0.5% OF TOTAL INVESTMENTS)		
3,825	Wichita, Kansas, Water and Sewerage Utility Revenue Bonds, Series 1999, 4.000%, 10/01/18 - FGIC Insured	10/07 at 100
1,000	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
<hr/>		
4,825	Total Kansas	
<hr/>		

49

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
KENTUCKY - 1.7% (1.1% 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
1,850	Kentucky Economic Development Finance Authority, Hospital System Revenue Refunding and Improvement Bonds, Appalachian Regional Healthcare Inc., Series 1997: 5.850%, 10/01/17	4/08 at 102
5,000	5.875%, 10/01/22	4/08 at 102
9,880	Total Kentucky	
LOUISIANA - 4.9% (3.3% 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
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
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
5,445	Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006, 4.500%, 5/01/41 - FGIC Insured (UB)	5/16 at 100
13,570	Louisiana Transportation Authority, Senior Lien Toll Road Revenue Bonds, Series 2005B, 0.000%, 12/01/28 - AMBAC Insured	12/10 at 38
9,545	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.500%, 5/15/30	5/11 at 101
37,905	Total Louisiana	
MASSACHUSETTS - 2.7% (1.8% OF TOTAL INVESTMENTS)		
1,485	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
4,365	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System, Series 2005F, 5.000%, 10/01/19 - AGC Insured	10/15 at 100
7,000	Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation, Series 1997, 5.500%, 7/01/18 - MBIA Insured (Alternative Minimum Tax)	7/07 at 102
785	Massachusetts Port Authority, Special Facilities Revenue Bonds, US Airways Group Inc., Series 1996A, 5.875%, 9/01/23 - MBIA	9/07 at 101

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

Insured (Alternative Minimum Tax)

2,000	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.125%, 1/01/17 - MBIA Insured	1/09 at 100
-------	--	-------------

---

15,635	Total Massachusetts	
--------	---------------------	--

---

MICHIGAN - 3.6% (2.4% OF TOTAL INVESTMENTS)

2,435	Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 2001A, 5.250%, 7/01/33 (Pre-refunded 7/01/11) - FGIC Insured	7/11 at 100
-------	---	-------------

15,255	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/28	8/08 at 101
--------	--	-------------

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)	12/08 at 101
-------	---	--------------

---

21,690	Total Michigan	
--------	----------------	--

---

MINNESOTA - 0.2% (0.1% OF TOTAL INVESTMENTS)

990	Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1998H-1, 5.650%, 7/01/31 (Alternative Minimum Tax)	1/10 at 101
-----	---	-------------

---

MISSOURI - 2.2% (1.5% OF TOTAL INVESTMENTS)

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

50

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
------------------------	-----------------	-----------------------

---

MISSOURI (continued)

\$ 2,185	Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, 5.250%, 6/01/21 - AMBAC Insured	6/11 at 101
----------	---	-------------

2,185	Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A: 5.250%, 6/01/21 (Pre-refunded 6/01/11) - AMBAC Insured	6/11 at 101
-------	--	-------------

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

3,670	5.250%, 6/01/28 (Pre-refunded 6/01/11) - AMBAC Insured	6/11 at 100
20,040	Total Missouri	
MONTANA - 0.3% (0.2% OF TOTAL INVESTMENTS)		
915	Montana Board of Housing, Single Family Mortgage Bonds, Series 2000A-2, 6.450%, 6/01/29 (Alternative Minimum Tax)	12/09 at 100
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
1,915	Total Montana	
NEBRASKA - 0.2% (0.1% OF TOTAL INVESTMENTS)		
1,300	NebHelp Inc., Nebraska, Senior Subordinate Bonds, Student Loan Program, Series 1993A-5A, 6.200%, 6/01/13 - MBIA Insured (Alternative Minimum Tax)	No Opt. C
NEVADA - 4.3% (2.9% OF TOTAL INVESTMENTS)		
2,115	Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.300%, 6/01/19 (Pre-refunded 6/01/11) - FGIC Insured	6/11 at 100
8,000	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000: 0.000%, 1/01/19 - AMBAC Insured	No Opt. C
3,000	5.375%, 1/01/40 - AMBAC Insured	1/10 at 100
15,000	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 2007B, 5.250%, 7/01/31 (UB)	7/17 at 100
28,115	Total Nevada	
NEW HAMPSHIRE - 0.1% (0.1% OF TOTAL INVESTMENTS)		
860	New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Revenue Bonds, Series 1995D, 6.550%, 7/01/26 (Alternative Minimum Tax)	7/07 at 100
NEW JERSEY - 5.8% (3.8% OF TOTAL INVESTMENTS)		
920	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
1,965	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 100
4,130	New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured	No Opt. C

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

4,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 1999A, 5.750%, 6/15/18	No Opt. C
20,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/28 - AMBAC Insured	No Opt. C
	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002:	
9,305	5.750%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 100
3,165	6.125%, 6/01/42 (Pre-refunded 6/01/12)	6/12 at 100
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
<hr/>		
44,850	Total New Jersey	
<hr/>		

51

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL PROVISIONS
<hr/>		
	NEW MEXICO - 0.7% (0.5% OF TOTAL INVESTMENTS)	
\$ 4,000	University of New Mexico, FHA-Insured Mortgage Hospital Revenue Bonds, Series 2004, 5.000%, 7/01/32 - FSA Insured	7/14 at 100
<hr/>		
	NEW YORK - 14.6% (9.6% 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	7/07 at 102
15	Dormitory Authority of the State of New York, Revenue Bonds, Mental Health Services Facilities Improvements, Series 1996B, 5.125%, 8/15/21 - MBIA Insured	5/07 at 101
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	2/08 at 101
2,000	Dormitory Authority of the State of New York, Third General Resolution Consolidated Revenue Bonds, City University System, Series 1997-1, 5.375%, 7/01/24 (Pre-refunded 1/01/08) - FSA Insured	1/08 at 102

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

5,000	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 (Pre-refunded 6/01/08) - FSA Insured	6/08 at 101
	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
7,005	5.250%, 6/01/21 (Pre-refunded 6/01/09) - AMBAC Insured	6/09 at 102
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
5,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2005B, 5.000%, 6/15/36 - FSA Insured	12/14 at 100
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	10/14 at 100
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
	New York City, New York, General Obligation Bonds, Fiscal Series 1998F:	
1,980	5.250%, 8/01/14 - AMBAC Insured	2/08 at 101
13,860	5.375%, 8/01/19 - MBIA Insured	2/08 at 101
	New York City, New York, General Obligation Bonds, Fiscal Series 1998F:	
20	5.250%, 8/01/14 (Pre-refunded 2/01/08) - AMBAC Insured	2/08 at 101
140	5.375%, 8/01/19 (Pre-refunded 2/01/08) - MBIA Insured	2/08 at 101
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)	12/07 at 102
83,495	Total New York	
-----		
	NORTH CAROLINA - 0.7% (0.4% 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	1/15 at 100
-----		
	OHIO - 4.0% (2.7% 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
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)	7/07 at 101
3,650	Montgomery County, Ohio, Revenue Bonds, Catholic Health Initiatives, Series 2004A, 5.000%, 5/01/30	5/14 at 100

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

12,700	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
1,115	Warren County, Ohio, Limited Tax General Obligations, Series 1997, 5.500%, 12/01/17	12/07 at 101
23,400	Total Ohio	

52

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
OREGON - 0.4% (0.3% OF TOTAL INVESTMENTS)		
\$ 2,355	Portland, Oregon, Downtown Waterfront Urban Renewal and Redevelopment Revenue Bonds, Series 2000A, 5.500%, 6/15/20 - AMBAC Insured	6/10 at 101
PENNSYLVANIA - 5.0% (3.3% 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	11/10 at 102
1,425	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. C
1,500	Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 96A, 4.650%, 10/01/31 (Alternative Minimum Tax)	10/16 at 100
18,900	Philadelphia Airport System, Pennsylvania, Revenue Refunding Bonds, Series 1998A, 5.500%, 6/15/18 - FGIC Insured (Alternative Minimum Tax)	6/08 at 102
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
28,510	Total Pennsylvania	
PUERTO RICO - 2.1% (1.4% OF TOTAL INVESTMENTS)		
12,500	Puerto Rico Housing Finance Authority, Capital Fund Program Revenue Bonds, Series 2003, 4.500%, 12/01/23	No Opt. C

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

---

RHODE ISLAND - 3.2% (2.1% 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
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
12,500	Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2002A, 6.125%, 6/01/32	6/12 at 100
18,015	Total Rhode Island	

---

SOUTH CAROLINA - 0.3% (0.2% OF TOTAL INVESTMENTS)		
1,500	Greenville, South Carolina, Hospital Facilities Revenue Bonds, Series 2001, 5.000%, 5/01/31 - AMBAC Insured	5/11 at 101

---

TENNESSEE - 1.9% (1.3% 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
2,425	Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 5.125%, 3/01/26 - FSA Insured	3/11 at 100
1,910	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
115	Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2000-2B, 6.250%, 1/01/20 (Alternative Minimum Tax)	7/10 at 100
10,850	Total Tennessee	

---

TEXAS - 15.0% (9.9% 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
4,675	Carrollton-Farmers Branch Independent School District, Dallas County, Texas, Unlimited Tax School Building Bonds, Series 1999, 6.000%, 2/15/20 (Pre-refunded 2/15/09)	2/09 at 100
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

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

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
TEXAS (continued)		
Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1999:		
\$ 5,130	0.000%, 8/15/20	8/09 at 52
7,000	0.000%, 8/15/21	8/09 at 49
7,345	0.000%, 8/15/23	8/09 at 44
7,000	0.000%, 8/15/24	8/09 at 41
7,350	0.000%, 8/15/25	8/09 at 39
7,000	0.000%, 8/15/26	8/09 at 36
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
Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A:		
12,240	5.375%, 7/01/24 (Pre-refunded 7/01/09) - MBIA Insured	7/09 at 101
11,180	5.375%, 7/01/29 (Pre-refunded 7/01/09) - MBIA Insured	7/09 at 101
2,205	Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/20 - MBIA Insured	No Opt. C
2,500	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/30 - AMBAC Insured	No Opt. C
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
2,000	Laredo, Texas, Sports Venue Sales Tax Revenue Bonds, Series 2001, 5.300%, 3/15/26 (Pre-refunded 3/15/09) - FGIC Insured	3/09 at 100
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
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
33,160	Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/38	8/14 at 26
1,000	San Antonio, Texas, Water System Revenue Bonds, Series 2005, 4.750%, 5/15/37 - MBIA Insured	5/15 at 100
10,000	Tarrant County Health Facilities Development Corporation, Texas,	2/08 at 102

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

Revenue Bonds, Texas Health Resources System, Series 1997A,  
5.250%, 2/15/17 - MBIA Insured

7,000	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2005, 0.000%, 8/15/35	8/15 at 34
	Wylie Independent School District, Taylor County, Texas, General Obligation Bonds, Series 2005:	
3,000	0.000%, 8/15/20	8/15 at 78
3,000	0.000%, 8/15/22	8/15 at 70

-----  
180,925 Total Texas  
-----

UTAH - 0.3% (0.2% OF TOTAL INVESTMENTS)

	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999C-2, Class II:	
360	5.700%, 7/01/19 (Alternative Minimum Tax)	1/10 at 101
120	5.750%, 7/01/21 (Alternative Minimum Tax)	1/10 at 101
100	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999D, 5.850%, 7/01/21 (Alternative Minimum Tax)	7/09 at 101
40	Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1999F, 6.300%, 7/01/21 (Alternative Minimum Tax)	7/09 at 101
1,020	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

-----  
1,640 Total Utah  
-----

54

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
	VIRGINIA - 0.4% (0.3% OF TOTAL INVESTMENTS)	
\$ 3,395	Virginia Small Business Financing Authority, Industrial Development Water Revenue Bonds, S.I.L. Clean Water, LLC Project, Series 1999, 7.250%, 11/01/24 (Alternative Minimum Tax)	11/09 at 102
	WASHINGTON - 11.5% (7.6% OF TOTAL INVESTMENTS)	
4,000	Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 3, Series 2003A, 5.500%, 7/01/17 - XLCA Insured	7/13 at 100
1,755	Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18, Series 1999B: 6.000%, 9/01/15 - MBIA Insured (Alternative Minimum Tax)	3/10 at 101

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

2,590	6.000%, 9/01/16 - MBIA Insured (Alternative Minimum Tax)	3/10 at 101
	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
1,260	6.000%, 9/01/16 - MBIA Insured (Alternative Minimum Tax)	3/10 at 101
9,760	Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.625%, 1/01/21 (Pre-refunded 1/01/11) - FSA Insured	1/11 at 101
4,800	Washington Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 3, Series 1997A, 5.250%, 7/01/16 (Pre-refunded 7/01/07) - FSA Insured	7/07 at 102
7,145	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26	6/13 at 100
11,605	Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.250%, 7/01/16 - MBIA Insured	7/09 at 100
3,350	Washington, General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 - FSA Insured	No Opt. C
	Washington, General Obligation Compound Interest Bonds, Series 1999S-3:	
17,650	0.000%, 1/01/20	No Opt. C
18,470	0.000%, 1/01/21	No Opt. C
<hr/>		
83,260	Total Washington	
<hr/>		
	WISCONSIN - 6.9% (4.5% OF TOTAL INVESTMENTS)	
650	Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.000%, 6/01/17	6/12 at 100
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
560	Green Bay, Wisconsin, Water System Revenue Bonds, Series 2004, 5.000%, 11/01/29 - FSA Insured	11/14 at 100
3,810	La Crosse, Wisconsin, Industrial Development Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997C, 5.550%, 2/01/15 - AMBAC Insured	12/08 at 102
	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, FH Healthcare Development Inc., Series 1999:	
8,375	6.250%, 11/15/20 (Pre-refunded 11/15/09)	11/09 at 101
5,000	6.250%, 11/15/28 (Pre-refunded 11/15/09)	11/09 at 101
4,180	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

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

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS
-----		
	WISCONSIN (continued)	
\$ 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
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
-----		
39,165	Total Wisconsin	
-----		
\$ 1,070,080	Total Investments (cost \$850,188,531) - 150.9%	
=====		
	Floating Rate Obligations - (2.3)%	
	Other Assets Less Liabilities - 0.3%	
	Preferred Shares, at Liquidation Value - (48.9)%	
	Net Assets Applicable to Common Shares - 100%	
=====		

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

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

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

56

Nuveen Dividend Advantage Municipal Fund 2 (NXZ)

Portfolio of

INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
ALABAMA - 4.3% (2.9% 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
ALASKA - 0.7% (0.5% OF TOTAL INVESTMENTS)		
2,955	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2001, 5.500%, 6/01/29 (Pre-refunded 6/01/11)	6/11 at 100
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
ARKANSAS - 0.3% (0.2% OF TOTAL INVESTMENTS)		
1,540	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
CALIFORNIA - 6.9% (4.6% OF TOTAL INVESTMENTS)		
6,000	California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32	6/11 at 101
11,200	California, General Obligation Bonds, Series 2003, 5.250%, 2/01/28	8/13 at 100
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
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
6,000	Los Angeles Regional Airports Improvement Corporation, California,	12/12 at 102

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

Sublease Revenue Bonds, Los Angeles International Airport,  
American Airlines Inc. Terminal 4 Project, Series 2002C, 7.500%,  
12/01/24 (Alternative Minimum Tax)

150	Yuba County Water Agency, California, Yuba River Development Revenue Bonds, Pacific Gas and Electric Company, Series 1966A, 4.000%, 3/01/16	9/07 at 100
29,350	Total California	

COLORADO - 7.1% (4.8% OF TOTAL INVESTMENTS)

2,730	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
	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006:	
1,790	6.601%, 11/15/23 - FGIC Insured (IF)	11/16 at 100
3,300	5.000%, 11/15/24 - FGIC Insured (UB)	11/16 at 100
1,445	6.601%, 11/15/25 - FGIC Insured (IF)	11/16 at 100
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
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
755	Jefferson County School District R1, Colorado, General Obligation Bonds, Series 2004, 5.000%, 12/15/22 - FSA Insured	12/14 at 100
5,000	Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001A, 5.250%, 6/15/41 - FSA Insured	6/11 at 102
	Northwest Parkway Public Highway Authority, Colorado, Senior Lien Revenue Bonds, Series 2001B:	
22,000	0.000%, 6/15/28 - FSA Insured	6/11 at 35
17,650	0.000%, 6/15/29 - AMBAC Insured	6/11 at 33

57

Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
------------------------	-----------------	-----------------------

COLORADO (continued)

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

\$	1,000	Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25	6/14 at 101
<hr/>			
	66,950	Total Colorado	
<hr/>			
DISTRICT OF COLUMBIA - 1.3% (0.9% OF TOTAL INVESTMENTS)			
	1,075	District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24	5/11 at 101
	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
<hr/>			
	6,075	Total District of Columbia	
<hr/>			
FLORIDA - 4.9% (3.3% OF TOTAL INVESTMENTS)			
	15,000	Jacksonville, Florida, Transportation Revenue Bonds, Series 2001, 5.250%, 10/01/29 - MBIA Insured	10/11 at 100
	4,000	Miami-Dade County Health Facility Authority, Florida, Hospital Revenue Refunding Bonds, Miami Children's Hospital, Series 2001A, 5.125%, 8/15/26 (Pre-refunded 8/15/11) - AMBAC Insured	8/11 at 101
	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
<hr/>			
	22,000	Total Florida	
<hr/>			
HAWAII - 2.2% (1.5% OF TOTAL INVESTMENTS)			
Honolulu Board of Water Supply, Hawaii, Water System Revenue Bonds, Series 2001:			
	3,000	5.250%, 7/01/26 (Pre-refunded 7/01/11) - FSA Insured	7/11 at 100
	6,725	5.250%, 7/01/31 (Pre-refunded 7/01/11) - FSA Insured	7/11 at 100
<hr/>			
	9,725	Total Hawaii	
<hr/>			
ILLINOIS - 11.0% (7.3% OF TOTAL INVESTMENTS)			
	3,620	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
	1,085	Chicago, Illinois, FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 2001A, 6.250%, 10/01/32 (Alternative Minimum Tax)	4/11 at 105
	14,920	Chicago, Illinois, General Obligation Bonds, Series 2001A, 5.250%, 1/01/33 - MBIA Insured	1/11 at 101
	350	Chicago, Illinois, General Obligation Bonds, Series 2001A, 5.250%, 1/01/33 (Pre-refunded 1/01/11) - MBIA Insured	1/11 at 101
	285	Chicago, Illinois, General Obligation Refunding Bonds, Series	7/07 at 101

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

	1996B, 5.125%, 1/01/25 - FGIC Insured	
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
910	Illinois Development Finance Authority, Revenue Bonds, Illinois Wesleyan University, Series 2001, 5.500%, 9/01/32 - AMBAC Insured	9/11 at 100
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
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
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
2,500	Illinois Housing Development Authority, Homeowner Mortgage Revenue Bonds, Series 2006C2, 5.050%, 8/01/27 (Alternative Minimum Tax)	2/16 at 100
2,275	Illinois, Sales Tax Revenue Bonds, Series 2001, 5.500%, 6/15/16	6/11 at 100
4,980	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1996A, 5.250%, 6/15/27 - AMBAC Insured	6/07 at 101
1,000	Montgomery, Illinois, Lakewood Creek Project Special Assessment Bonds, Series 2007, 4.700%, 3/01/30 - RAAI Insured	3/16 at 100

58

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	ILLINOIS (continued)	
\$ 3,360	Northfield Township High School District Number 225, Cook County, Illinois, Glenbrook, General Obligation School Bonds, Series 2007B, 0.000%, 12/01/24	12/16 at 69
-----		
50,655	Total Illinois	
-----		
	INDIANA - 4.6% (3.1% 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

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

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. C
4,000	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A, 5.000%, 6/01/23 - FSA Insured	6/13 at 100
6,000	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A, 5.000%, 6/01/24 (Pre-refunded 6/01/13) - FSA Insured	6/13 at 100
6,100	St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 1999, 5.800%, 2/15/24	2/09 at 102
20,600	Total Indiana	
IOWA - 0.2% (0.2% 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
KANSAS - 3.9% (2.6% 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
LOUISIANA - 5.1% (3.4% OF TOTAL INVESTMENTS)		
3,960	Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006, 4.500%, 5/01/41 - FGIC Insured (UB)	5/16 at 100
18,825	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39	5/11 at 101
22,785	Total Louisiana	
MASSACHUSETTS - 4.0% (2.7% OF TOTAL INVESTMENTS)		
2,875	Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Corporation, Series 1997, 5.750%, 7/01/39 - MBIA Insured (Alternative Minimum Tax)	7/07 at 102
15,585	Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior Series 1997A, 5.000%, 1/01/37 - MBIA Insured	7/07 at 102
18,460	Total Massachusetts	
MICHIGAN - 14.1% (9.4% 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
15,390	5.250%, 7/01/33 (Pre-refunded 7/01/11) - FGIC Insured	7/11 at 100
14,610	5.250%, 7/01/33 (Pre-refunded 7/01/11) - FGIC Insured	7/11 at 100

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

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
2,000	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.125%, 8/15/18	8/08 at 101
2,000	Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A: 6.250%, 8/15/13	8/07 at 100
4,000	6.500%, 8/15/18	8/07 at 100
<hr/>		
62,000	Total Michigan	
<hr/>		

59

Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
<hr/>		
MINNESOTA - 3.2% (2.1% OF TOTAL INVESTMENTS)		
\$ 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
<hr/>		
MISSOURI - 4.8% (3.2% OF TOTAL INVESTMENTS)		
21,000	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
<hr/>		
MONTANA - 0.6% (0.4% OF TOTAL INVESTMENTS)		
2,600	Montana Board of Housing, Single Family Program Bonds, Series 2001A-2, 5.700%, 6/01/32 (Alternative Minimum Tax)	12/10 at 100
<hr/>		
NEVADA - 7.4% (4.9% 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
3,500	Director of Nevada State Department of Business and Industry,	1/10 at 102

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

Revenue Bonds, Las Vegas Monorail Project, Second Tier,  
Series 2000, 7.375%, 1/01/40

2,330	Henderson, Nevada, Healthcare Facility Revenue Bonds, Catholic Healthcare West, Series 1998A, 5.250%, 7/01/18 (Pre-refunded 7/01/08)	7/08 at 101
8,000	Henderson, Nevada, Healthcare Facility Revenue Refunding Bonds, Catholic Healthcare West, Series 2007B, 5.250%, 7/01/31 (UB)	7/17 at 100
7,000	Reno, Nevada, Health Facilities Revenue Bonds, Catholic Healthcare West, Series 2007A, 5.250%, 7/01/31 (UB)	7/17 at 100

---

33,105 Total Nevada

---

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

8,000	New Hampshire Business Finance Authority, Pollution Control Remarketed Revenue Refunding Bonds, Connecticut Light and Power Company, Series 1992A, 5.850%, 12/01/22	10/08 at 102
1,285	New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Bonds, Series 2001A, 5.700%, 1/01/31 (Alternative Minimum Tax)	5/11 at 100

---

9,285 Total New Hampshire

---

NEW JERSEY - 2.4% (1.6% 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
415	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
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
425	6.750%, 6/01/39 (Pre-refunded 6/01/13)	6/13 at 100
3,085	6.250%, 6/01/43 (Pre-refunded 6/01/13)	6/13 at 100

---

10,120 Total New Jersey

---

NEW MEXICO - 5.3% (3.5% OF TOTAL INVESTMENTS)

12,000	New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A: 5.500%, 8/01/25 (Pre-refunded 8/01/11)	8/11 at 101
10,800	5.500%, 8/01/30 (Pre-refunded 8/01/11)	8/11 at 101

---

22,800 Total New Mexico

---

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

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	NEW YORK - 9.6% (6.4% 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
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
1,980	Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 - MBIA Insured	2/17 at 100
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
12,800	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2006B, 4.500%, 11/15/32 - FSA Insured (UB)	11/16 at 100
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
12,000	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Fiscal Series 2001C, 5.125%, 6/15/33	6/11 at 101
-----		
42,680	Total New York	
-----		
	NORTH CAROLINA - 1.7% (1.1% OF TOTAL INVESTMENTS)	
2,950	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 - XLCA Insured	4/13 at 100
4,500	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1999B, 5.600%, 1/01/15	1/09 at 102
-----		
7,450	Total North Carolina	
-----		
	NORTH DAKOTA - 0.5% (0.3% OF TOTAL INVESTMENTS)	
2,165	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
-----		
	OHIO - 0.4% (0.3% OF TOTAL INVESTMENTS)	

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

1,845	Columbus City School District, Franklin County, Ohio, General Obligation Bonds, Series 2003, 5.000%, 12/01/28 (Pre-refunded 6/01/13) - FGIC Insured	6/13 at 100
-----		
OKLAHOMA - 0.8% (0.5% OF TOTAL INVESTMENTS)		
Oklahoma Development Finance Authority, Revenue Refunding Bonds, Hillcrest Healthcare System, Series 1999A:		
2,655	5.125%, 8/15/10 (Pre-refunded 8/15/09)	8/09 at 101
1,000	5.200%, 8/15/11 (Pre-refunded 8/15/09)	8/09 at 101
-----		
3,655	Total Oklahoma	
-----		
OREGON - 3.8% (2.5% 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
9,000	Oregon Department of Administrative Services, Certificates of Participation, Series 2001D, 5.000%, 5/01/26 - AMBAC Insured	5/11 at 101
-----		
17,000	Total Oregon	
-----		
PENNSYLVANIA - 3.5% (2.3% 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	11/10 at 102
1,605	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. C
8,000	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, UPMC Health System, Series 2001A, 6.000%, 1/15/31	1/11 at 101
-----		
14,605	Total Pennsylvania	
-----		

61

Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		

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

TEXAS - 24.9% (16.6% 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
		Dallas-Fort Worth International Airport Public Facility Corporation, Texas, Airport Hotel Revenue Bonds, Series 2001:	
	15,000	5.250%, 1/15/26 - FSA Insured	1/09 at 100
	1,750	5.200%, 1/15/31 - FSA Insured	1/09 at 100
	6,000	Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.125%, 9/01/34	9/14 at 100
	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
	3,000	Harris County Health Facilities Development Corporation, Texas, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 (Pre-refunded 7/01/09) - MBIA Insured	7/09 at 101
	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
	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
		Hays Consolidated Independent School District, Hays County, Texas, General Obligation School Building Bonds, Series 2001:	
	10,715	0.000%, 8/15/25 (Pre-refunded 8/15/11)	8/11 at 43
	12,940	0.000%, 8/15/26 (Pre-refunded 8/15/11)	8/11 at 40
		Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B:	
	5,000	0.000%, 9/01/30 - AMBAC Insured	No Opt. C
	5,540	0.000%, 9/01/31 - AMBAC Insured	No Opt. C
	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
	10,500	Texas, General Obligation Bonds, Water Financial Assistance Program, Series 2001, 5.250%, 8/01/35	8/11 at 100
	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
	165,925	Total Texas	

VIRGINIA - 0.2% (0.2% OF TOTAL INVESTMENTS)

	5,000	Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998B, 0.000%, 8/15/33 (Pre-refunded 8/15/08)	8/08 at 23
--	-------	--	------------

WASHINGTON - 5.1% (3.4% OF TOTAL INVESTMENTS)

Seattle, Washington, Municipal Light and Power Revenue Refunding

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

	and Improvement Bonds, Series 2001:	
4,820	5.500%, 3/01/19 - FSA Insured	3/11 at 100
7,250	5.125%, 3/01/26 - FSA Insured	3/11 at 100
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
965	Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26	6/13 at 100
2,100	Washington, Certificates of Participation, Washington Convention and Trade Center, Series 1999, 5.125%, 7/01/13 - MBIA Insured	7/09 at 100
-----		
22,635	Total Washington	
-----		

WEST VIRGINIA - 1.1% (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
-----		

62

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
WISCONSIN - 0.7% (0.4% 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
2,100	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33	8/13 at 100
-----		
3,100	Total Wisconsin	
-----		
\$ 756,685	Total Long-Term Investments (cost \$642,887,561) - 149.4%	
=====		
SHORT-TERM INVESTMENTS - 0.3% (0.2% OF TOTAL INVESTMENTS)		
\$ 1,200	New York City Municipal Water Finance Authority, New York, Water and Sewerage System Revenue Bonds, Variable Rate Demand Obligations, Fiscal Series 1994C, 4.070%, 6/15/23 - FGIC Insured (5)	
-----		
	Total Short-Term Investments (cost \$1,200,000)	
-----		
	Total Investments (cost \$644,087,561) - 149.7%	
=====		

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

-----  
 Floating Rate Obligations - (5.0)%  
 -----  
 Other Assets Less Liabilities - 2.8%  
 -----  
 Preferred Shares, at Liquidation Value - (47.5)%  
 -----  
 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 or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) 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.
- N/R Not rated.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.
- (IF) Inverse floating rate investment.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

63

Nuveen Dividend Advantage Municipal Fund 3 (NZF)  
 Portfolio of  
 INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	ALABAMA - 1.0% (0.6% OF TOTAL INVESTMENTS)	

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

\$	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
-----			
		ALASKA - 2.6% (1.7% OF TOTAL INVESTMENTS)	
	4,000	Alaska Student Loan Corporation, Student Loan Revenue Bonds, Series 1998A, 5.250%, 7/01/14 - AMBAC Insured (Alternative Minimum Tax)	7/08 at 100
	12,500	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46	6/14 at 100
-----			
	16,500	Total Alaska	
-----			
		ARKANSAS - 0.9% (0.6% 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
	1,900	5.500%, 11/01/14	11/11 at 101
	1,745	5.250%, 11/01/21	11/11 at 101
-----			
	5,450	Total Arkansas	
-----			
		CALIFORNIA - 12.0% (7.8% 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
	140	5.000%, 3/01/33	3/13 at 100
	1,000	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 (WI/DD, Settling 5/01/07)	11/16 at 100
	10,000	California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/33 (Pre-refunded 1/01/28) - AMBAC Insured (UB)	1/28 at 100
	5,000	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102
	18,850	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 - MBIA Insured (Alternative Minimum Tax)	6/07 at 101
	365	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47	6/17 at 100
		Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2001:	

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

13,955	5.750%, 1/01/16 - AMBAC Insured (Alternative Minimum Tax)	1/12 at 100
5,000	5.375%, 1/01/21 - AMBAC Insured (Alternative Minimum Tax)	1/12 at 100
1,500	5.250%, 1/01/23 - AMBAC Insured (Alternative Minimum Tax)	1/12 at 100
10,000	5.500%, 1/01/32 - AMBAC Insured (Alternative Minimum Tax)	1/12 at 100
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. C
3,000	San Mateo County Community College District, California, General Obligation Bonds, Series 2006C, 0.000%, 9/01/30 - MBIA Insured	No Opt. C
-----		
79,665	Total California	
-----		

COLORADO - 6.3% (4.1% OF TOTAL INVESTMENTS)

2,250	Canterberry Crossing Metropolitan District II, Parker, Colorado, Limited Tax General Obligation Bonds, Series 2002, 7.375%, 12/01/32	12/12 at 100
-------	--	--------------

64

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
COLORADO (continued)		
\$ 1,605	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Belle Creek Education Center, Series 2002A, 7.625%, 3/15/32	3/12 at 100
3,240	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
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
3,560	Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Montessori Peaks Academy, Series 2006, 5.400%, 5/01/26	5/16 at 102
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
10,100	Colorado Springs, Colorado, Utility System Revenue Refunding and Improvement Bonds, Series 1997A, 5.375%, 11/15/26	11/07 at 100
5,365	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006: 5.000%, 11/15/23 - FGIC Insured (UB)	11/16 at 100

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

1,100	6.601%, 11/15/24 - FGIC Insured (IF)	11/16 at 100
1,445	6.601%, 11/15/25 - FGIC Insured (IF)	11/16 at 100
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
1,000	Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25	6/14 at 101
<hr/>		
36,820	Total Colorado	
<hr/>		
DELAWARE - 0.4% (0.3% OF TOTAL INVESTMENTS)		
2,560	Delaware Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24	7/12 at 100
<hr/>		
DISTRICT OF COLUMBIA - 1.7% (1.1% OF TOTAL INVESTMENTS)		
6,000	District of Columbia, Revenue Bonds, Catholic University of America, Series 1999, 5.625%, 10/01/29 - AMBAC Insured	10/09 at 101
1,000	Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007, Residuals 1606, 5.498%, 10/01/30 - AMBAC Insured (IF)	10/16 at 100
3,335	Washington DC Convention Center Authority, Dedicated Tax Revenue Bonds, Residual Series 1730, 1731, 1736, 7.230%, 10/01/30 (WI/DD, Settling 5/03/07) - AMBAC Insured (IF)	10/16 at 100
<hr/>		
10,335	Total District of Columbia	
<hr/>		
FLORIDA - 2.0% (1.3% OF TOTAL INVESTMENTS)		
2,000	Dade County, Florida, Water and Sewerage System Revenue Bonds, Series 1997, 5.375%, 10/01/16 - FGIC Insured	10/07 at 102
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
2,195	5.450%, 12/01/41 - FSA Insured	12/11 at 100
4,175	Pace Property Finance Authority Inc., Florida, Utility System Improvement and Revenue Refunding Bonds, Series 1997, 5.250%, 9/01/17 - AMBAC Insured	9/07 at 102
2,455	South Miami Florida Health Facilities Authority, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 (WI/DD, Settling 5/16/07)	8/17 at 100
<hr/>		
11,930	Total Florida	
<hr/>		
GEORGIA - 2.3% (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
2,700	Atlanta, Georgia, Tax Allocation Bonds, Atlantic Station Project,	12/11 at 101

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

Series 2001, 7.900%, 12/01/24

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
3,740	Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2001, 5.500%, 5/15/31	5/11 at 100

65

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
GEORGIA (continued)		
\$ 500	Gainesville Redevelopment Authority, Georgia, Educational Facilities Revenue Bonds, Riverside Military Academy Project, Series 2007, 5.125%, 3/01/37	3/17 at 100
13,940	Total Georgia	
ILLINOIS - 19.9% (13.0% OF TOTAL INVESTMENTS)		
16,000	Chicago Greater Metropolitan Area Sanitary District, Illinois, General Obligation Bonds, Series 2006, 5.000%, 12/01/35 (UB)	12/16 at 100
285	Chicago, Illinois, General Obligation Refunding Bonds, Series 1996B, 5.125%, 1/01/25 - FGIC Insured	7/07 at 101
8,375	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.500%, 1/01/19 - FSA Insured (Alternative Minimum Tax)	1/11 at 101
1,750	Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured	7/08 at 102
5,800	Chicago, Illinois, Sales Tax Revenue Bonds, Series 1999, 5.375%, 1/01/30 (Pre-refunded 1/01/09) - FGIC Insured	1/09 at 101
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
8,610	Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A, 5.500%, 1/01/26 (Pre-refunded 1/01/11) - AMBAC Insured	1/11 at 100

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

2,220	Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A, 5.500%, 1/01/16 - MBIA Insured	No Opt. C
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
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
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
1,100	Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2000, 6.500%, 5/15/30	5/10 at 101
9,000	Illinois Health Facilities Authority, Revenue Bonds, Covenant Retirement Communities Inc., Series 2001, 5.875%, 12/01/31	12/11 at 101
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
5,000	Lake County School District 38, Big Hallow, Illinois, General Obligation Bonds, Series 2005, 0.000%, 2/01/22 - AMBAC Insured	No Opt. C
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
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
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. C
118,070	Total Illinois	

INDIANA - 5.2% (3.4% 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
1,000	5.000%, 1/15/26 (Pre-refunded 1/15/12) - AMBAC Insured	1/12 at 100
	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
2,750	5.125%, 1/15/24 (Pre-refunded 1/15/12) - MBIA Insured	1/12 at 100
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
9,500	Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - MBIA Insured	2/11 at 100

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

66

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	INDIANA (continued)	
\$ 4,230	Indiana Finance Authority, Educational Facilities Revenue Bonds, Tudor Park Foundation, Series 2005B, 5.000%, 6/01/24	6/15 at 100
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
3,500	University of Southern Indiana, Student Fee Bonds, Series 2001H, 5.000%, 10/01/21 - AMBAC Insured	10/11 at 100
	Wayne County Jail Holding Corporation, Indiana, First Mortgage Bonds, Series 2001:	
1,150	5.625%, 7/15/18 - AMBAC Insured	1/13 at 101
1,090	5.500%, 7/15/22 - AMBAC Insured	1/13 at 101
-----		
30,525	Total Indiana	
-----		
	IOWA - 5.8% (3.8% 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
	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
3,950	5.600%, 6/01/35 (Pre-refunded 6/01/11)	6/11 at 101
-----		
33,950	Total Iowa	
-----		
	KENTUCKY - 3.1% (2.1% OF TOTAL INVESTMENTS)	
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
-----		
	LOUISIANA - 3.4% (2.2% OF TOTAL INVESTMENTS)	
19,890	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39	5/11 at 101
-----		
	MAINE - 1.0% (0.7% OF TOTAL INVESTMENTS)	
	Maine State Housing Authority, Single Family Mortgage Purchase	

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

	Bonds, Series 2001B:	
4,610	5.400%, 11/15/21 (Alternative Minimum Tax)	11/10 at 100
1,690	5.500%, 11/15/32 (Alternative Minimum Tax)	11/10 at 100
-----		
6,300	Total Maine	
-----		
	MARYLAND - 2.5% (1.7% OF TOTAL INVESTMENTS)	
1,000	Howard County, Maryland, Retirement Community Revenue Bonds, Vantage House, Series 2007B, 5.250%, 4/01/37	4/17 at 100
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
2,000	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference Center, Series 2006A, 5.000%, 12/01/31	12/16 at 100
10,600	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	9/07 at 100
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
-----		
15,725	Total Maryland	
-----		
	MASSACHUSETTS - 1.2% (0.8% OF TOTAL INVESTMENTS)	
1,000	Massachusetts Development Finance Agency, Revenue Bonds, Orchard Cove, Series 2007, 5.250%, 10/01/26 (WI/DD, Settling 5/01/07)	10/12 at 102
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
1,000	Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007, Residual Trust 7039, 5.247%, 8/01/46 - FSA Insured (IF)	2/17 at 100
-----		
7,000	Total Massachusetts	
-----		

67

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL

OPTIONAL C

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

AMOUNT (000)	DESCRIPTION (1)	PROVISIONS
MICHIGAN - 9.2% (6.0% 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	No Opt. C
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
1,235	Michigan State Building Authority, Revenue Bonds, Facilities 10/15/18 Program, Series 2001I, 5.500%,	10/11 at 100
1,355	Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/23	8/08 at 101
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. C
	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sparrow Obligated Group, Series 2001:	
1,400	5.500%, 11/15/21 (Pre-refunded 11/15/11)	11/11 at 101
2,500	5.625%, 11/15/31 (Pre-refunded 11/15/11)	11/11 at 101
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
2,395	Ypsilanti Community Utilities Authority, Washtenaw County, Michigan, General Obligation Bonds, Sanitary Sewerage System 3, Series 2001, 5.100%, 5/01/31 (Pre-refunded 5/01/11) - FGIC Insured	5/11 at 100
51,010	Total Michigan	
MINNESOTA - 0.6% (0.4% OF TOTAL INVESTMENTS)		
2,320	Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax)	10/11 at 105
1,000	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
3,320	Total Minnesota	
MISSISSIPPI - 0.4% (0.2% 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
MISSOURI - 2.6% (1.7% OF TOTAL INVESTMENTS)		

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

1,000	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
1,825	Fenton, Missouri, Tax Increment Refunding and Improvement Revenue Bonds, Gravois Bluffs Redevelopment Project, Series 2002, 6.125%, 10/01/21 (Pre-refunded 10/01/12)	10/12 at 100
	Missouri Development Finance Board, Cultural Facilities Revenue Bonds, Nelson Gallery Foundation, Series 2001A:	
3,335	5.250%, 12/01/19 - MBIA Insured	12/11 at 100
3,510	5.250%, 12/01/20 - MBIA Insured	12/11 at 100
3,695	5.250%, 12/01/21 - MBIA Insured	12/11 at 100
2,040	5.250%, 12/01/22 - MBIA Insured	12/11 at 100
15,405	Total Missouri	
-----		
MONTANA - 0.8% (0.5% OF TOTAL INVESTMENTS)		
5,000	Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax)	7/10 at 101
-----		
NEBRASKA - 1.6% (1.1% OF TOTAL INVESTMENTS)		
	Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, Series 2001D:	
2,255	5.250%, 9/01/21 (Alternative Minimum Tax)	9/11 at 100
3,035	5.375%, 9/01/32 (Alternative Minimum Tax)	9/11 at 100
4,490	Omaha Public Power District, Nebraska, Separate Electric System Revenue Bonds, Nebraska City 2, Series 2006A, 5.000%, 2/01/49 - AMBAC Insured (UB)	2/17 at 100
9,780	Total Nebraska	
-----		

68

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
NEVADA - 7.7% (5.0% OF TOTAL INVESTMENTS)		
\$ 35,000	Clark County, Nevada, Limited Tax General Obligation Bank Bonds, Series 2000, 5.500%, 7/01/30 (Pre-refunded 7/01/10) - MBIA Insured (5)	7/10 at 100
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

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

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	1/10 at 102
205	Nevada Housing Division, Single Family Mortgage Bonds, Senior Series 1998A-1, 5.300%, 4/01/18 (Alternative Minimum Tax)	4/08 at 101
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
-----		
45,495	Total Nevada	
-----		
NEW HAMPSHIRE - 0.3% (0.2% OF TOTAL INVESTMENTS)		
2,000	New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital, Series 2001, 5.500%, 10/01/21 - FSA Insured	10/11 at 101
-----		
NEW JERSEY - 4.0% (2.6% 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
4,125	New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured	No Opt. C
20,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/28 - AMBAC Insured	No Opt. C
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
-----		
36,125	Total New Jersey	
-----		
NEW YORK - 4.1% (2.7% 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
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
5,015	Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 - MBIA Insured (UB)	2/17 at 100
4,155	Monroe County Airport Authority, New York, Revenue Refunding Bonds, Greater Rochester International Airport, Series 1999, 5.750%, 1/01/13 - MBIA Insured (Alternative Minimum Tax)	No Opt. C
7,000	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
1,715	New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 - MBIA Insured	8/12 at 100

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

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
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
<hr/>		
23,350	Total New York	
<hr/>		
NORTH CAROLINA - 1.1% (0.7% OF TOTAL INVESTMENTS)		
Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A:		
1,750	4.875%, 1/15/32	1/15 at 100
3,000	5.000%, 1/15/45	1/15 at 100

69

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
<hr/>		
NORTH CAROLINA (continued)		
\$ 1,800	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.500%, 1/01/13	No Opt. C
<hr/>		
6,550	Total North Carolina	
<hr/>		
OHIO - 2.2% (1.4% OF TOTAL INVESTMENTS)		
2,030	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)	3/08 at 101
7,400	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
Portage County, Ohio, General Obligation Bonds, Series 2001:		
1,870	5.000%, 12/01/21 - FGIC Insured	12/11 at 100
1,775	5.000%, 12/01/23 - FGIC Insured	12/11 at 100
<hr/>		
13,075	Total Ohio	
<hr/>		

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

OKLAHOMA - 0.4% (0.3% OF TOTAL INVESTMENTS)

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
-------	--	-------------

OREGON - 2.5% (1.6% 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
-------	--	--------------

10,000	Oregon Housing and Community Services Department, Multifamily Housing Revenue Bonds, Series 2000A, 6.050%, 7/01/42 (Alternative Minimum Tax)	7/10 at 100
--------	--	-------------

14,700 Total Oregon

PENNSYLVANIA - 2.0% (1.3% OF TOTAL INVESTMENTS)

2,000	Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, West Penn Allegheny Health System, Series 2000B: 9.250%, 11/15/22	11/10 at 102
2,000		11/10 at 102

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
-----	--	-------------

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)	7/07 at 100
-------	---	-------------

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
-------	---	-------------

11,205 Total Pennsylvania

SOUTH CAROLINA - 1.6% (1.0% OF TOTAL INVESTMENTS)

2,185	Greenville County, South Carolina, Special Source Revenue Bonds, Road Improvement Project, Series 2001, 5.500%, 4/01/21 (Pre-refunded 4/01/11) - AMBAC Insured	4/11 at 101
-------	--	-------------

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
-------	--	--------------

9,035 Total South Carolina

TENNESSEE - 1.4% (0.9% 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
-------	--	------------

5,210	Memphis-Shelby County Airport Authority, Tennessee, Airport	3/11 at 100
-------	---	-------------

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

Revenue Bonds, Series 2001A, 5.500%, 3/01/14 - FSA Insured  
(Alternative Minimum Tax)

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
945	Tennessee Housing Development Agency, Homeownership Program Bonds, Series 1998-2, 5.350%, 7/01/23 (Alternative Minimum Tax)	1/09 at 101

70

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	TENNESSEE (continued)	
\$ 975	Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2001-3A, 5.200%, 7/01/22 (Alternative Minimum Tax)	7/11 at 100
-----		
11,085	Total Tennessee	
-----		
	TEXAS - 17.8% (11.6% 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
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
	Collins and Denton Counties, Frisco, Texas, General Obligation Bonds, Series 2001:	
1,910	5.000%, 2/15/20 - FGIC Insured	2/11 at 100
2,005	5.000%, 2/15/21 - FGIC Insured	2/11 at 100
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
5,000	Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.000%, 9/01/25	9/14 at 100
4,040	Harris County, Texas, Tax and Revenue Certificates of Obligation, Series 2001, 5.000%, 8/15/27	8/11 at 100
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. C
7,000	Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 1998B, 5.250%, 7/01/14 - FGIC Insured (Alternative	7/08 at 101

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

Minimum Tax)

	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
2,905	5.500%, 7/01/14 - FGIC Insured (Alternative Minimum Tax)		1/12 at 100
4,735	Hutto Independent School District, Williamson County, Texas, General Obligation Bonds, Series 2007, Residuals 07-1001, 5.871%, 8/01/43 (IF)		8/16 at 100
	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
8,500	5.500%, 8/15/41 - AMBAC Insured		8/11 at 100
10,700	Laredo Independent School District, Webb County, Texas, General Obligation Refunding Bonds, Series 2001, 5.000%, 8/01/25		8/11 at 100
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. C
1,540	Medina Valley Independent School District, Medina County, Texas, General Obligation Bonds, Series 2001, 5.250%, 2/15/26 (Pre-refunded 2/15/11)		2/11 at 100
5,430	Mineral Wells Independent School District, Pale Pinto and Parker Counties, Texas, Unlimited School Tax Building and Refunding Bonds, Series 1998, 4.750%, 2/15/22		2/08 at 100
2,905	North Central Texas Health Facilities Development Corporation, Revenue Bonds, Texas Health Resources System, Series 1997B, 5.375%, 2/15/26 - MBIA Insured		2/08 at 102
95	North Central Texas Health Facilities Development Corporation, Revenue Bonds, Texas Health Resources System, Series 1997B, 5.375%, 2/15/26 (Pre-refunded 2/15/08) - MBIA Insured		2/08 at 102
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
10,665	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
	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2006:		
9,110	0.000%, 8/15/37		8/15 at 31
9,110	0.000%, 8/15/40		8/15 at 27
7,110	0.000%, 8/15/44		8/15 at 21
-----			
125,750	Total Texas		
-----			

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

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)

Portfolio of INVESTMENTS April 30, 2007 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
-----		
	UTAH - 0.8% (0.5% OF TOTAL INVESTMENTS)	
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E:	
\$ 1,695	5.200%, 1/01/18 (Alternative Minimum Tax)	7/11 at 100
535	5.500%, 1/01/23 (Alternative Minimum Tax)	7/11 at 100
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1:	
2,175	4.950%, 7/01/18 (Alternative Minimum Tax)	7/11 at 100
550	5.300%, 7/01/23 (Alternative Minimum Tax)	7/11 at 100
-----		
4,955	Total Utah	
-----		
	VIRGINIA - 0.9% (0.6% OF TOTAL INVESTMENTS)	
250	Albemarle County Industrial Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Westminster-Cantebury of the Blue Ridge, Series 2007, 5.000%, 1/01/31	1/17 at 100
7,000	Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998B, 0.000%, 8/15/13 (Pre-refunded 8/15/08)	8/08 at 77
-----		
7,250	Total Virginia	
-----		
	WASHINGTON - 15.5% (10.1% 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
2,000	5.600%, 12/01/36 - MBIA Insured	12/11 at 100
1,500	Grays Harbor County Public Utility District 1, Washington, Electric System Revenue Bonds, Series 2001, 5.125%, 1/01/22 (Pre-refunded 1/01/11) - AMBAC Insured	1/11 at 100
2,475	Klickitat County Public Utility District 1, Washington, Electric Revenue Bonds, Series 2001B, 5.000%, 12/01/26 (Pre-refunded 12/01/11) - AMBAC Insured	12/11 at 100
12,955	Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B, 5.300%, 12/01/16 - AMBAC Insured (Alternative Minimum Tax)	12/08 at 101
	Port of Seattle, Washington, Revenue Bonds, Series 2001B:	

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

2,535	5.625%, 4/01/18 - FGIC Insured (Alternative Minimum Tax)	10/11 at 100
16,000	5.100%, 4/01/24 - FGIC Insured (Alternative Minimum Tax)	10/08 at 100
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
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
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
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
	Washington State Healthcare Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 2001:	
5,480	5.500%, 10/01/21 (Pre-refunded 10/01/11) - RAAI Insured	10/11 at 101
25,435	5.625%, 10/01/31 (Pre-refunded 10/01/11) - RAAI Insured	10/11 at 101
	Washington State Healthcare Facilities Authority, Revenue Bonds, Group Health Cooperative of Puget Sound, Series 2001:	
3,005	5.375%, 12/01/17 - AMBAC Insured	12/11 at 101
2,915	5.375%, 12/01/18 - AMBAC Insured	12/11 at 101
91,320	Total Washington	

WISCONSIN - 4.3% (2.8% 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
1,850	5.000%, 1/01/21 (Pre-refunded 1/01/12) - FGIC Insured	1/12 at 100
12,250	La Crosse, Wisconsin, Pollution Control Revenue Refunding Bonds, Dairyland Power Cooperative, Series 1997B, 5.550%, 2/01/15 - AMBAC Insured	12/08 at 102

72

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL C PROVISIONS
	WISCONSIN (continued)	
\$ 1,000	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Charity HealthCare Ministry, Series 2007, 5.000%, 9/01/33 (WI/DD, Settling 5/01/07)	9/17 at 100

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

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
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
2,500	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2001B, 6.000%, 2/15/25	2/12 at 100
50	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33	8/13 at 100
-----		
25,355	Total Wisconsin	
-----		
\$ 949,235	Total Investments (cost \$902,961,739) - 153.1%	
=====		
	Floating Rate Obligations - (5.0)%	
	-----	
	Other Assets Less Liabilities - 2.2%	
	-----	
	Preferred Shares, at Liquidation Value - (50.3)%	
	-----	
	Net Assets Applicable to Common Shares - 100%	
	=====	

FORWARD SWAPS OUTSTANDING AT APRIL 30, 2007:

COUNTERPARTY	NOTIONAL AMOUNT	FUND PAY/RECEIVE FLOATING RATE	FLOATING RATE INDEX	FIXED RATE (ANNUALIZED)	
Merrill Lynch	\$26,750,000	Pay	3-Month USD-LIBOR	5.184%	S

COUNTERPARTY	EFFECTIVE DATE (6)	TERMINATION DATE	UNREALIZED APPRECIATION (DEPRECIATION)
Merrill Lynch	10/30/07	10/30/16	\$106,542

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

FUTURES CONTRACTS OUTSTANDING AT APRIL 30, 2007:

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

COUNTERPARTY	CONTRACT POSITION	NUMBER OF CONTRACTS	CONTRACT EXPIRATION	APR
U.S. 3-Year Treasury Bond	Long	159	6/07	

- (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 or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Portion of the investment, with an aggregate market value of \$179,141, has been pledged to collateralize the net payment obligations under forward swap contract.
- (6) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.
- (IF) Inverse floating rate investment.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Statement of  
ASSETS AND LIABILITIES April 30, 2007 (Unaudited)

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

	PLUS (NPP)	ADVANTAGE (NMA)
<b>ASSETS</b>		
Investments, at value (cost \$1,302,301,741, \$1,004,680,494, \$1,025,584,256, \$850,188,531, \$644,087,561, \$902,961,739, respectively)	\$1,397,939,647	\$1,075,923,683
Cash	--	--
Receivables:		
Interest	20,183,764	16,604,749
Investments sold	6,182,000	2,646,836
Variation margin on futures contracts	--	--
Unrealized appreciation on forward swaps	--	--
Other assets	122,474	83,404
<b>Total assets</b>	<b>1,424,427,885</b>	<b>1,095,258,672</b>
<b>LIABILITIES</b>		
Cash overdraft	4,534,538	5,977,364
Floating rate obligations	6,665,000	36,290,000
Payable for investments purchased	--	17,318,032
Accrued expenses:		
Management fees	694,916	514,504
Other	293,736	217,398
Preferred share dividends payable	223,920	170,913
<b>Total liabilities</b>	<b>12,412,110</b>	<b>60,488,211</b>
Preferred shares, at liquidation value	479,000,000	358,000,000
Net assets applicable to Common shares	\$ 933,015,775	\$ 676,770,461
Common shares outstanding	59,914,073	43,176,828
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 15.57	\$ 15.67
<b>NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:</b>		
Common shares, \$.01 par value per share	\$ 599,141	\$ 431,768
Paid-in surplus	836,423,631	603,443,947
Undistributed (Over-distribution of) net investment income	207,135	1,399,715
Accumulated net realized gain (loss) from investments and derivative transactions	147,962	251,842
Net unrealized appreciation (depreciation) of investments and derivative transactions	95,637,906	71,243,189
Net assets applicable to Common shares	\$ 933,015,775	\$ 676,770,461
Authorized shares:		
Common	200,000,000	200,000,000

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

Preferred	1,000,000	1,000,000
	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)
<b>ASSETS</b>		
Investments, at value (cost \$1,302,301,741, \$1,004,680,494, \$1,025,584,256, \$850,188,531, \$644,087,561, \$902,961,739, respectively)	\$ 909,870,672	\$ 698,960,341
Cash	--	--
Receivables:		
Interest	12,442,983	11,217,603
Investments sold	1,460,000	9,676,500
Variation margin on futures contracts	--	--
Unrealized appreciation on forward swaps	--	--
Other assets	72,931	38,926
<b>Total assets</b>	<b>923,846,586</b>	<b>719,893,370</b>
<b>LIABILITIES</b>		
Cash overdraft	1,305,209	7,194,474
Floating rate obligations	13,630,000	23,365,000
Payable for investments purchased	10,071,929	--
Accrued expenses:		
Management fees	337,373	232,780
Other	224,044	111,929
Preferred share dividends payable	166,485	110,182
<b>Total liabilities</b>	<b>25,735,040</b>	<b>31,014,365</b>
Preferred shares, at liquidation value	295,000,000	222,000,000
Net assets applicable to Common shares	\$ 603,111,546	\$ 466,879,005
Common shares outstanding	39,287,298	29,377,055
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 15.35	\$ 15.89
<b>NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:</b>		
Common shares, \$.01 par value per share	\$ 392,873	\$ 293,771
Paid-in surplus	558,458,540	417,695,640
Undistributed (Over-distribution of) net investment income	428,824	1,485,485
Accumulated net realized gain (loss) from investments and derivative transactions	(15,850,832)	(7,468,671)
Net unrealized appreciation (depreciation) of investments and derivative transactions	59,682,141	54,872,780

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

Net assets applicable to		
Common shares	\$ 603,111,546	\$ 466,879,005
=====		
Authorized shares:		
Common	Unlimited	Unlimited
Preferred	Unlimited	Unlimited
=====		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

74

Statement of  
OPERATIONS Six Months Ended April 30, 2007 (Unaudited)

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)
-----		
INVESTMENT INCOME	\$ 34,839,091	\$ 27,478,148
-----		
EXPENSES		
Management fees	4,221,967	3,125,160
Preferred shares - auction fees	593,828	443,821
Preferred shares - dividend disbursing agent fees	24,795	24,795
Shareholders' servicing agent fees and expenses	73,529	45,398
Floating rate obligations interest expense and fees	3,757	506,589
Custodian's fees and expenses	124,785	108,433
Directors'/Trustees' fees and expenses	12,337	9,122
Professional fees	27,123	22,905
Shareholders' reports - printing and mailing expenses	73,375	52,101
Stock exchange listing fees	10,719	7,796
Investor relations expense	88,960	64,894
Other expenses	37,966	24,861
-----		
Total expenses before custodian fee credit and expense reimbursement	5,293,141	4,435,875
Custodian fee credit	(55,939)	(61,700)
Expense reimbursement	--	--
-----		
Net expenses	5,237,202	4,374,175
-----		
Net investment income	29,601,889	23,103,973
-----		
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) from investments	153,505	333,242
Net realized gain (loss) from futures	--	--
Change in net unrealized appreciation		

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

(depreciation) of investments	(7,712,916)	(7,484,592)
Change in net unrealized appreciation (depreciation) of futures	--	--
Change in net unrealized appreciation (depreciation) of forward swaps	--	--
-----		
Net realized and unrealized gain (loss)	(7,559,411)	(7,151,350)
-----		
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS		
From net investment income	(7,573,679)	(6,129,088)
From accumulated net realized gains	(858,202)	--
-----		
Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(8,431,881)	(6,129,088)
-----		
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 13,610,597	\$ 9,823,535
=====		

	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)
-----		
INVESTMENT INCOME	\$ 23,035,851	\$ 18,737,450
-----		
EXPENSES		
Management fees	2,722,177	2,096,342
Preferred shares - auction fees	365,720	275,220
Preferred shares - dividend disbursing agent fees	14,877	14,877
Shareholders' servicing agent fees and expenses	6,477	2,760
Floating rate obligations interest expense and fees	74,730	202,925
Custodian's fees and expenses	103,492	67,769
Directors'/Trustees' fees and expenses	8,452	6,202
Professional fees	18,768	17,367
Shareholders' reports - printing and mailing expenses	46,776	36,220
Stock exchange listing fees	7,025	1,237
Investor relations expense	55,878	42,410
Other expenses	18,774	16,040
-----		
Total expenses before custodian fee credit and expense reimbursement	3,443,146	2,779,369
Custodian fee credit	(53,317)	(40,470)
Expense reimbursement	(670,821)	(827,491)
-----		
Net expenses	2,719,008	1,911,408
-----		
Net investment income	20,316,843	16,826,042
-----		
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) from investments	978,560	(1,539,980)
Net realized gain (loss) from futures	--	--
Change in net unrealized appreciation		

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

(depreciation) of investments	(7,545,992)	(1,781,361)
Change in net unrealized appreciation (depreciation) of futures	--	--
Change in net unrealized appreciation (depreciation) of forward swaps	--	--
-----	-----	-----
Net realized and unrealized gain (loss)	(6,567,432)	(3,321,341)
-----	-----	-----
DISTRIBUTIONS TO PREFERRED SHAREHOLDERS		
From net investment income	(5,103,886)	(3,851,431)
From accumulated net realized gains	--	--
-----	-----	-----
Decrease in net assets applicable to Common shares from distributions to Preferred shareholders	(5,103,886)	(3,851,431)
-----	-----	-----
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 8,645,525	\$ 9,653,270
=====	=====	=====

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

75

Statement of  
CHANGES IN NET ASSETS (Unaudited)

	PERFORMANCE PLUS (NPP)		MUNICIPAL ADVANTAGE (NPP)	
	SIX MONTHS ENDED 4/30/07	YEAR ENDED 10/31/06	SIX MONTHS ENDED 4/30/07	YEAR ENDED 10/31/06
OPERATIONS				
Net investment income	\$ 29,601,889	\$ 59,826,874	\$ 23,103,973	\$ 46,635,000
Net realized gain (loss) from investments	153,505	3,609,041	333,242	(38,000)
Net realized gain (loss) from futures	--	--	--	--
Change in net unrealized appreciation (depreciation) of investments	(7,712,916)	18,585,165	(7,484,592)	11,410,000
Change in net unrealized appreciation (depreciation) of futures	--	--	--	--
Change in net unrealized appreciation (depreciation) of forward swaps	--	--	--	--
Distributions to Preferred shareholders:				
From net investment income	(7,573,679)	(14,851,985)	(6,129,088)	(11,096,000)
From accumulated net realized gains	(858,202)	(204,889)	--	(95,000)
-----	-----	-----	-----	-----
Net increase (decrease) in net assets applicable to Common shares from operations	13,610,597	66,964,206	9,823,535	46,815,000
-----	-----	-----	-----	-----

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

DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(23,051,656)	(50,243,956)	(18,502,996)	(38,834,628)
From accumulated net realized gains	(2,765,395)	(1,042,505)	--	(628,000)
-----				
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(25,817,051)	(51,286,461)	(18,502,996)	(39,462,628)
-----				
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	--	--	1,775,376	643,000
-----				
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	--	1,775,376	643,000
-----				
Net increase (decrease) net assets applicable to Common shares	(12,206,454)	15,677,745	(6,904,085)	7,996,000
-----				
Net assets applicable to Common shares at the beginning of period	945,222,229	929,544,484	683,674,546	675,678,000
-----				
Net assets applicable to Common shares at the end of period	\$933,015,775	\$945,222,229	\$676,770,461	\$683,678,000
=====				
Undistributed (Over-distribution of) net investment income at the end of period	\$ 207,135	\$ 1,230,581	\$ 1,399,715	\$ 2,927,000
=====				

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

76

	DIVIDEND ADVANTAGE (NAD)		DIVIDEND ADVANTAGE 2 (NAD)	
	SIX MONTHS ENDED 4/30/07	YEAR ENDED 10/31/06	SIX MONTHS ENDED 4/30/07	YEAR ENDED 10/31/06
-----				
OPERATIONS				
Net investment income	\$ 20,316,843	\$ 40,993,576	\$ 16,826,042	\$ 32,992,000
Net realized gain (loss) from investments	978,560	4,172,514	(1,539,980)	(1,053,000)
Net realized gain (loss) from futures	--	--	--	--
Change in net unrealized appreciation (depreciation) of investments	(7,545,992)	8,567,260	(1,781,361)	10,301,000
Change in net unrealized appreciation (depreciation) of futures	--	--	--	--
Change in net unrealized appreciation (depreciation) of forward swaps	--	--	--	--

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

Distributions to Preferred shareholders:				
From net investment income	(5,103,886)	(9,396,656)	(3,851,431)	(7,047,973)
From accumulated net realized gains	--	--	--	--
-----				
Net increase (decrease) in net assets applicable to Common shares from operations	8,645,525	44,336,694	9,653,270	35,192,589
-----				
DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(16,158,637)	(33,907,479)	(13,478,052)	(28,774,168)
From accumulated net realized gains	--	--	--	--
-----				
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(16,158,637)	(33,907,479)	(13,478,052)	(28,774,168)
-----				
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	308,797	--	514,496	909,293
-----				
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	308,797	--	514,496	909,293
-----				
Net increase (decrease) in net assets applicable to Common shares	(7,204,315)	10,429,215	(3,310,286)	7,327,425
-----				
Net assets applicable to Common shares at the beginning of period	610,315,861	599,886,646	470,189,291	462,862,169
-----				
Net assets applicable to Common shares at the end of period	\$603,111,546	\$610,315,861	\$466,879,005	\$470,189,594
=====				
Undistributed (Over-distribution of) net investment income at the end of period	\$ 428,824	\$ 1,374,504	\$ 1,485,485	\$ 1,988,813
=====				

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

77

Notes to  
FINANCIAL STATEMENTS (Unaudited)

### 1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds (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). Performance Plus (NPP), Municipal Advantage (NMA), Market Opportunity (NMO) and Dividend Advantage (NAD) are traded on the New York

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

Stock Exchange while Dividend Advantage 2 (NXZ) and Dividend Advantage 3 (NZF) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies.

Each Fund seeks to provide current income exempt from regular federal income tax by investing primarily in a diversified 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 U.S. 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. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service may establish fair value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. 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. If the pricing service is unable to supply a price for a municipal bond, forward swap contract or futures contract, each Fund may use a market price or fair market value quote provided by a major broker/dealer in such investments. If it is determined that the market price or fair market value for an investment is unavailable or inappropriate, the Board of Directors/Trustees of the Funds, or its designee, may establish a fair value for the investment. Temporary investments in securities that have variable rate and demand features qualifying them as short-term investments are valued at amortized cost, which approximates market 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, 2007, Municipal Advantage (NMA), Dividend Advantage (NAD) and Dividend Advantage 3 (NZF) had outstanding when-issued/delayed delivery purchase commitments of \$17,318,032, \$10,071,929, and \$8,715,237, respectively. There were no such outstanding purchase commitments in either Performance Plus (NPP), Market Opportunity (NMO) or Dividend Advantage 2 (NXZ) at April 30, 2007.

### INVESTMENT INCOME

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

### FEDERAL INCOME TAXES

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of

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

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.

78

### 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 not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

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

### PREFERRED SHARES

The Funds have issued and outstanding Preferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's 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. The number of 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 2 (NXZ)	ADV
-----						
Number of shares:						
Series M	4,000	3,000	4,000	4,000	3,000	
Series T	4,000	3,000	4,000	4,000	3,000	
Series W	4,000	3,000	3,200	--	--	
Series TH	3,160	2,320	--	3,800	--	
Series F	4,000	3,000	4,000	--	2,880	
-----						
Total	19,160	14,320	15,200	11,800	8,880	
=====						

### INVERSE FLOATING RATE SECURITIES

Each Fund may 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,

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

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"). An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as an "Inverse floating rate investment". An investment in a self-deposited inverse floater is accounted for as a financing transaction in accordance with Statement of Financial Accounting Standards (SFAS) No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". In such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as an "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 obligations" on the Statement of Assets and Liabilities. In addition, the Fund reflects in Investment Income the entire earnings of the underlying bond and accounts for the related interest paid to the holders of the short-term floating rate certificates as "Floating rate obligations interest expense and fees" in the Statement of Operations.

During the six months ended April 30, 2007, each Fund invested in externally deposited inverse floaters and/or self-deposited inverse floaters.

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, 2007, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	AD
Average floating rate obligations	\$184,116	\$26,452,901	\$30,179,116	\$3,886,188	\$1
Average annual interest rate and fees	4.11%	3.86%	3.85%	3.88%	

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

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

### FORWARD SWAP TRANSACTIONS

The Funds are authorized to invest in certain derivative financial instruments. 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. To reduce such credit risk, all counterparties are required to pledge collateral daily (based on the daily valuation of each swap) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, 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 swap valuations fluctuate, either up or down, by at least the predetermined threshold amount.

### FUTURES CONTRACTS

The Funds are 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 noted in the Statement of Assets and Liabilities. Additionally, the Statement of Assets and Liabilities reflects a receivable or payable for the variation margin when applicable.

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

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

of the underlying securities or indices.

### CUSTODIAN FEE CREDIT

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

### INDEMNIFICATIONS

Under the Funds' organizational documents, their Officers and Director/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.

80

### USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. 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. FUND SHARES

Transactions in Common shares were as follows:

	PERFORMANCE PLUS (NPP)		MUNICIPAL ADVANTAGE (NMA)		OPPOR
	SIX MONTHS ENDED	YEAR ENDED	SIX MONTHS ENDED	YEAR ENDED	SIX MONTH ENDE
	4/30/07	10/31/06	4/30/07	10/31/06	4/30/0
Common shares issued to shareholders due to reinvestment of distributions	--	--	110,925	40,309	16,91

DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	D ADVAN
-----------------------------	-------------------------------	------------

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

	SIX MONTHS ENDED 4/30/07	YEAR ENDED 10/31/06	SIX MONTHS ENDED 4/30/07	YEAR ENDED 10/31/06	SIX MONTHS ENDED 4/30/07
Common shares issued to shareholders due to reinvestment of distributions	19,807	--	31,023	55,164	31,600

3. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the six months ended April 30, 2007, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	ADVANTAGE (NAD)
Purchases	\$24,019,379	\$62,792,969	\$31,586,262	\$38,728,509	\$39,000,000
Sales and maturities	28,094,680	14,536,000	26,793,287	17,080,850	25,000,000

4. 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 the treatment of paydown gains and losses, 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. 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, 2007, the cost of investments was as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	ADVANTAGE (NAD)
Cost of investments	\$1,294,828,878	\$966,808,482	\$988,622,888	\$835,229,954	\$622,000,000

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

Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

Gross unrealized appreciation and gross unrealized depreciation of investments at April 30, 2007, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	ADVANTAGE (NAD)
Gross unrealized:					
Appreciation	\$96,957,012	\$72,963,682	\$71,194,926	\$62,181,459	\$55,181,459
Depreciation	(494,261)	(128,854)	(264,003)	(1,208,091)	(2,000,000)
Net unrealized appreciation (depreciation) of investments	\$96,462,751	\$72,834,828	\$70,930,923	\$60,973,368	\$53,181,459

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at October 31, 2006, the Funds' last tax year end, were as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	ADVANTAGE (NAD)
Undistributed net tax-exempt income *	\$ 4,425,692	\$ 4,620,835	\$ 3,659,265	\$ 2,916,963	\$ 3,659,265
Undistributed net ordinary income **	58,535	26,427	77,487	118,459	77,487
Undistributed net long-term capital gains	3,618,054	--	--	--	--

\* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on October 2, 2006, paid on November 1, 2006.

\*\* 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, 2006, was designated for purposes of the dividends paid deduction as follows:

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

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	ADVANTAGE 2 (NXZ)
Distributions from net tax-exempt income	\$65,689,928	\$50,218,101	\$49,767,991	\$43,683,872	\$36,683,872
Distributions from net ordinary income **	6,686	154,403	196,171	--	--
Distributions from net long-term capital gains	1,247,394	593,511	--	--	--

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

82

At October 31, 2006, the Funds' last tax year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

Expiration year:	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)
2008	\$ --	\$ --	\$12,130,329	\$ --
2009	--	--	--	--
2010	--	--	--	--
2011	--	7,158,110	4,594,300	--
2012	--	973,824	--	246,691
2013	--	--	104,762	1,591,323
2014	35,364	3,141,529	--	1,882,135
Total	\$ 35,364	\$11,273,463	\$16,829,391	\$ 3,720,149

5. 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 Nuveen Asset Management (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc., ("Nuveen"), 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.

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

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

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES)	PERFORMANCE MUNICIPAL ADVANTAGE MARKET OPPORTUNITY FUND-LEVEL
For the first \$125 million	
For the next \$125 million	
For the next \$250 million	
For the next \$500 million	
For the next \$1 billion	
For the next \$3 billion	
For net assets over \$5 billion	

AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES)	DIVIDEND ADVANTAGE MUNICIPAL FUND-LEVEL
For the first \$125 million	
For the next \$125 million	
For the next \$250 million	
For the next \$500 million	
For the next \$1 billion	
For net assets over \$2 billion	

Notes to FINANCIAL STATEMENTS (Unaudited) (continued)

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 assets managed as stated in the table below. As of April 30, 2007, the complex-level fee rate was .1824%.

COMPLEX-LEVEL ASSETS(1)	COMPLEX-LEVEL
-------------------------	---------------

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

For the first \$55 billion  
 For the next \$1 billion  
 For the next \$1 billion  
 For the next \$3 billion  
 For the next \$3 billion  
 For the next \$3 billion  
 For the next \$5 billion  
 For the next \$5 billion  
 For the next \$15 billion  
 For Managed Assets over \$91 billion(2)

- (1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to preferred stock issued by or borrowings by the Nuveen funds) of Nuveen-sponsored funds in the U.S.
- (2) With respect to the complex-wide Managed Assets over \$91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.

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.

84

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 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.

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

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 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.

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 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.

85

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

### 6. NEW ACCOUNTING PRONOUNCEMENTS

#### FINANCIAL ACCOUNTING STANDARDS BOARD INTERPRETATION NO. 48

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires

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

the evaluation of tax positions taken or expected to be taken in the course of preparing the Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the effective date. Recent SEC guidance allows funds to delay implementing FIN 48 into NAV calculations until the fund's last NAV calculation in the first required financial statement reporting period. As a result, the Funds must begin to incorporate FIN 48 into their NAV calculations by October 31, 2007. At this time, management is continuing to evaluate the implications of FIN 48 and does not expect the adoption of FIN 48 will have a significant impact on the net assets or results of operations of the Funds.

### FINANCIAL ACCOUNTING STANDARDS BOARD STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 157

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this standard relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of April 30, 2007, the Funds do not believe the adoption of SFAS No. 157 will impact the financial statement amounts; however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements included within the Statement of Operations for the period.

### 7. 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, 2007, to shareholders of record on May 15, 2007, as follows:

	PERFORMANCE PLUS (NPP)	MUNICIPAL ADVANTAGE (NMA)	MARKET OPPORTUNITY (NMO)	DIVIDEND ADVANTAGE (NAD)	DIVIDEND ADVANTAGE 2 (NXZ)	
Dividend per share	\$0.0640	\$0.0715	\$0.0635	\$0.0665	\$0.0765	

#### AGREEMENT AND PLAN OF MERGER

On June 20, 2007, Nuveen Investments announced that it had entered into a definitive Agreement and Plan of Merger ("Merger Agreement") with an investor group majority-led by Madison Dearborn Partners, LLC. Madison Dearborn Partners, LLC is a private equity investment firm based in Chicago, Illinois. The investor

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

group includes affiliates of Merrill Lynch, Wachovia, Citigroup, Deutsche Bank and Morgan Stanley. It is anticipated that Merrill Lynch and its affiliates will be indirect "affiliated persons" (as that term is defined in the Investment Company Act of 1940) of the Funds. Under the terms of the merger, each outstanding share of Nuveen Investments' common stock (other than dissenting shares) will be converted into the right to receive a specified amount of cash, without interest. The merger is expected to be completed by the end of the year, subject to customary conditions, including obtaining the approval of Nuveen Investments shareholders, obtaining necessary fund and client consents sufficient to satisfy the terms of the Merger Agreement, and expiration of certain regulatory waiting periods. The obligations of Madison Dearborn Partners, LLC to consummate the merger are not conditioned on its obtaining financing. The Merger Agreement includes a "go shop" provision through July 19, 2007 during which Nuveen Investments may actively solicit and negotiate competing takeover proposals.

The consummation of the merger will be deemed to be an "assignment" (as defined in the 1940 Act) of the investment management agreement between each Fund and the Adviser, and will result in the automatic termination of each Fund's agreement. Prior to the consummation of the merger, it is anticipated that the Board of Trustees of each Fund will consider a new investment management agreement with the Adviser. If approved by the Board, the new agreement would be presented to the Fund's shareholders for approval, and, if so approved by shareholders, would take effect upon consummation of the merger. There can be no assurance that the merger described above will be consummated as contemplated or that necessary shareholder approvals will be obtained.

86

Financial  
HIGHLIGHTS (Unaudited)

87

Financial  
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

						Investment Operations				
						Distributions	Distributions			
						from Net	from			
						Investment	Capital			
						Income to	Gains to			
						Preferred	Preferred			
						Share-	Share-			
						holders+	holders+	Total		
Beginning										
Common			Net	Realized/						
Share		Net	Unrealized							
Net Asset	Investment	Income	Gain	(Loss)						
Value										

PERFORMANCE PLUS (NPP)

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

Year Ended 10/31:

2007 (b)	\$15.78	\$ .49	\$ (.13)	\$ (.13)	\$ (.01)	\$ .22
2006	15.51	1.00	.38	(.25)	--	1.13
2005	15.87	1.02	(.26)	(.16)	--	.60
2004	15.45	1.04	.42	(.07)	--	1.39
2003	15.38	1.07	.05	(.07)	--	1.05
2002	15.57	1.09	(.22)	(.10)	(.01)	.76

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

2007 (b)	15.88	.54	(.18)	(.14)	--	.22
2006	15.70	1.08	.27	(.26)	--	1.09
2005	16.02	1.09	(.24)	(.16)	--	.69
2004	15.62	1.11	.41	(.08)	--	1.44
2003	15.41	1.13	.25	(.07)	(.01)	1.30
2002	15.56	1.15	(.22)	(.10)	(.03)	.80

Total Returns

Offering Costs and Preferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Based on Common Share Net Asset Value**	Ending Net Assets Applicable to Common Shares (000)
---	-------------------------------------	---------------------	-------------------------	---	---

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

2007 (b)	\$ --	\$15.57	\$15.19	3.55%	1.41%	\$ 933,016
2006	--	15.78	15.09	10.78	7.50	945,222
2005	--	15.51	14.43	3.02	3.83	929,544
2004	--	15.87	14.95	9.10	9.30	950,993
2003	--	15.45	14.64	9.58	6.97	925,525
2002	(.01)	15.38	14.28	4.51	5.03	921,376

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

2007 (b)	--	15.67	16.05	4.00	1.45	676,770
2006	--	15.88	15.85	10.68	7.16	683,675
2005	--	15.70	15.19	3.29	4.42	675,678
2004	--	16.02	15.70	8.82	9.57	689,190
2003	--	15.62	15.44	13.17	8.71	671,147
2002	--	15.41	14.66	5.89	5.39	662,270

Ratios/Supplemental Data

Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement/Refund			Ratios to Average Net Assets Applicable to Common Shares After Credit/Reimbursement/Refund		
Expenses Including	Expenses Excluding	Net Investment	Expenses Including	Expenses Excluding	Net Investment

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

	Interest++(a)	Interest++(a)	Income++	Interest++(a)	Interest++(a)
PERFORMANCE PLUS (NPP)					
Year Ended 10/31:					
2007 (b)	1.14%*	1.14%*	6.35%*	1.13%*	1.12%*
2006	1.15	1.15	6.44	1.14	1.14
2005	1.15	1.15	6.45	1.14	1.14
2004	1.17	1.17	6.69	1.17	1.17
2003	1.18	1.18	6.89	1.18	1.18
2002	1.18	1.18	7.11	1.17	1.17

MUNICIPAL ADVANTAGE (NMA)					
Year Ended 10/31:					
2007 (b)	1.31*	1.16*	6.82*	1.30*	1.15*
2006	1.18	1.18	6.92	1.17	1.17
2005	1.17	1.17	6.81	1.16	1.16
2004	1.19	1.19	7.00	1.18	1.18
2003	1.21	1.21	7.27	1.20	1.20
2002	1.22	1.22	7.55	1.22	1.22

	Preferred Shares at End of Period			Floating Rate Obligations at End of Period	
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000

PERFORMANCE PLUS (NPP)					
Year Ended 10/31:					
2007 (b)	\$479,000	\$25,000	\$73,696	\$ 6,665	\$212,855
2006	479,000	25,000	74,333	--	--
2005	479,000	25,000	73,515	--	--
2004	479,000	25,000	74,634	--	--
2003	479,000	25,000	73,305	--	--
2002	479,000	25,000	73,089	--	--

MUNICIPAL ADVANTAGE (NMA)					
Year Ended 10/31:					
2007 (b)	358,000	25,000	72,261	36,290	29,514
2006	358,000	25,000	72,743	--	--
2005	358,000	25,000	72,184	--	--
2004	358,000	25,000	73,128	--	--
2003	358,000	25,000	71,868	--	--
2002	358,000	25,000	71,248	--	--

\* Annualized.

\*\* Total Return 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

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

per share at the time of reinvestment. Total Return 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. Total returns are not annualized.

- \*\*\* After custodian fee credit, expense reimbursement, and legal fee refund, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares, where applicable.
- (a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1 - Inverse Floating Rate Securities.
- (b) For the six months ended April 30, 2007.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Spread 88-89

### Financial HIGHLIGHTS (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

	Investment Operations						Total
	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Gain (Loss)	Distributions from Net Investment Income to Preferred Share- holders+	Distributions from Capital Gains to Preferred Share- holders+		
<b>MARKET OPPORTUNITY (NMO)</b>							
Year Ended 10/31:							
2007 (b)	\$15.41	\$ .53	\$ (.20)	\$ (.15)	\$ --	\$ .18	
2006	15.14	1.02	.34	(.26)	--	1.10	
2005	15.48	1.03	(.29)	(.16)	--	.58	
2004	15.11	1.03	.37	(.08)	--	1.32	
2003	14.60	1.03	.50	(.08)	--	1.45	
2002	15.24	1.11	(.70)	(.11)	(.01)	.29	
<b>DIVIDEND ADVANTAGE (NAD)</b>							
Year Ended 10/31:							
2007 (b)	15.54	.52	(.17)	(.13)	--	.22	
2006	15.28	1.04	.32	(.24)	--	1.12	

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

2005	15.62	1.06	(.25)	(.15)	--	.66
2004	15.17	1.09	.46	(.07)	--	1.48
2003	14.94	1.10	.19	(.07)	--	1.22
2002	14.84	1.13	.01	(.10)	--	1.04

Total Returns

Offering Costs and Preferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Based on Common Share Net Asset Value**	Ending Net Assets Applicable to Common Shares (000)
---	-------------------------------------	---------------------	---	---

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:						
2007 (b)	\$ --	\$15.20	\$14.98	2.48%	1.19%	\$ 692,530
2006	--	15.41	15.00	11.92	7.49	701,559
2005	--	15.14	14.19	4.70	3.78	689,682
2004	--	15.48	14.44	7.97	9.00	704,760
2003	--	15.11	14.29	10.62	10.24	687,955
2002	--	14.60	13.80	.49	2.03	664,914

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:						
2007 (b)	--	15.35	15.06	1.10	1.44	603,112
2006	--	15.54	15.30	11.19	7.59	610,316
2005	--	15.28	14.58	1.77	4.27	599,887
2004	--	15.62	15.31	8.37	10.06	613,328
2003	--	15.17	15.12	11.41	8.41	595,266
2002	--	14.94	14.50	2.01	7.26	586,045

Ratios/Supplemental Data

Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement/Refund			Ratios to Average Net Assets Applicable to Common Shares After Credit/Reimbursement/Refund		
Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:					
2007 (b)	1.35%*	1.18%*	6.94%*	1.33%*	1.16%*
2006	1.19	1.19	6.73	1.18	1.18
2005	1.19	1.19	6.66	1.18	1.18
2004	1.21	1.21	6.75	1.19	1.19
2003	1.25	1.25	6.94	1.25	1.25
2002	1.24	1.24	7.50	1.24	1.24

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

### DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

2007 (b)	1.14*	1.12*	6.51*	.90*	.88*
2006	1.12	1.12	6.54	.83	.83
2005	1.17	1.17	6.48	.80	.80
2004	1.14	1.14	6.69	.70	.70
2003	1.35	1.35	6.78	.89	.89
2002	1.25	1.25	7.24	.80	.80

Preferred Shares at End of Period			Floating Rate Obligations at End of Period	
Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000

### MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

2007 (b)	\$380,000	\$25,000	\$70,561	\$36,660	\$ 30,256
2006	380,000	25,000	71,155	--	--
2005	380,000	25,000	70,374	--	--
2004	380,000	25,000	71,366	--	--
2003	380,000	25,000	70,260	--	--
2002	380,000	25,000	68,744	--	--

### DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

2007 (b)	295,000	25,000	76,111	13,630	66,892
2006	295,000	25,000	76,722	--	--
2005	295,000	25,000	75,838	--	--
2004	295,000	25,000	76,977	--	--
2003	295,000	25,000	75,446	--	--
2002	295,000	25,000	74,665	--	--

\* Annualized.

\*\* Total Return 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. Total Return 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. Total returns are not annualized.

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

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable

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

to Preferred shares, where applicable.

- (a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1 - Inverse Floating Rate Securities.
- (b) For the six months ended April 30, 2007.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Spread 90-91

## Financial HIGHLIGHTS (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

	Investment Operations						Total
	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Gain (Loss)	Distributions from Net Investment Income to Preferred Share- holders+	Distributions from Capital Gains to Preferred Share- holders+		
-----							
DIVIDEND ADVANTAGE 2 (NXZ)							
-----							
Year Ended 10/31:							
2007 (b)	\$16.02	\$ .57	\$ (.11)	\$ (.13)	\$ --	\$ .33	
2006	15.80	1.12	.32	(.24)	--	1.20	
2005	15.63	1.13	.22	(.15)	--	1.20	
2004	15.13	1.12	.51	(.07)	--	1.56	
2003	14.89	1.16	.17	(.07)	--	1.26	
2002	15.07	1.15	(.32)	(.10)	--	.73	
-----							
DIVIDEND ADVANTAGE 3 (NZF)							
-----							
Year Ended 10/31:							
2007 (b)	15.54	.54	(.12)	(.13)	(.01)	.28	
2006	15.32	1.07	.29	(.24)	--	1.12	
2005	15.36	1.06	.01	(.15)	--	.92	
2004	14.74	1.06	.59	(.07)	--	1.58	
2003	14.56	1.07	.10	(.07)	--	1.10	
2002	14.47	1.03	.16	(.10)	--	1.09	
=====							

## Total Returns

Offering Costs and	Ending	Based on	Ending Net
-----------------------	--------	-------------	---------------

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

	Preferred Share Underwriting Discounts	Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Common Share Net Asset Value**	Assets Applicable to Common Shares (000)
-----						
DIVIDEND ADVANTAGE 2 (NXZ)						
-----						
Year Ended 10/31:						
2007 (b)	\$ --	\$15.89	\$17.00	5.90%	2.08%	\$ 466,879
2006	--	16.02	16.50	11.95	7.86	470,189
2005	--	15.80	15.64	8.58	7.83	462,862
2004	--	15.63	15.38	11.16	10.67	457,552
2003	--	15.13	14.85	14.39	8.67	443,101
2002	.01	14.89	13.91	(.81)	5.16	435,907

DIVIDEND ADVANTAGE 3 (NZF)

-----						
Year Ended 10/31:						
2007 (b)	--	15.37	15.82	2.51	1.84	620,472
2006	--	15.54	15.88	16.90	7.57	626,836
2005	--	15.32	14.41	6.11	6.09	617,358
2004	--	15.36	14.50	12.45	11.10	619,118
2003	.01	14.74	13.80	9.04	7.82	594,154
2002	(.09)	14.56	13.53	(4.26)	7.20	586,799
=====						

Ratios/Supplemental Data

Ratios to Average Net Assets Applicable to Common Shares Before Credit/Reimbursement/Refund			Ratios to Average Applicable to Co After Credit/Reimburs		
Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	Net Investment Income++	Expenses Including Interest++ (a)	Expenses Excluding Interest++ (a)	
-----					

DIVIDEND ADVANTAGE 2 (NXZ)

-----					
Year Ended 10/31:					
2007 (b)	1.20%*	1.11%*	6.87%*	.82%*	.74%*
2006	1.11	1.11	6.70	.70	.70
2005	1.12	1.12	6.66	.67	.67
2004	1.14	1.14	6.87	.69	.69
2003	1.17	1.17	7.20	.71	.71
2002	1.17	1.17	7.32	.70	.70

DIVIDEND ADVANTAGE 3 (NZF)

-----					
Year Ended 10/31:					
2007 (b)	1.30*	1.13*	6.68*	.92*	.74*
2006	1.13	1.13	6.51	.68	.68
2005	1.13	1.13	6.39	.68	.68
2004	1.15	1.15	6.64	.69	.69
2003	1.17	1.17	6.80	.71	.71
2002	1.17	1.17	6.78	.70	.70
=====					

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

	Preferred Shares at End of Period			Floating Rate Obligations at End of Period	
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share	Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000
DIVIDEND ADVANTAGE 2 (NXZ)					
Year Ended 10/31:					
2007 (b)	\$222,000	\$25,000	\$77,576	\$23,365	\$ 30,483
2006	222,000	25,000	77,949	--	--
2005	222,000	25,000	77,124	--	--
2004	222,000	25,000	76,526	--	--
2003	222,000	25,000	74,899	--	--
2002	222,000	25,000	74,089	--	--
DIVIDEND ADVANTAGE 3 (NZF)					
Year Ended 10/31:					
2007 (b)	312,000	25,000	74,717	30,780	31,295
2006	312,000	25,000	75,227	--	--
2005	312,000	25,000	74,468	--	--
2004	312,000	25,000	74,609	--	--
2003	312,000	25,000	72,608	--	--
2002	312,000	25,000	72,019	--	--

\* Annualized.

\*\* Total Return 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. Total Return 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. Total returns are not annualized.

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

+ The amounts shown are based on Common share equivalents.

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

(a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1 - Inverse Floating Rate Securities.

(b) For the six months ended April 30, 2007.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Spread 92-93

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

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 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 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.

94

FLEXIBLE

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

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.

95

### Glossary of TERMS USED IN THIS REPORT

**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.

**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

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

investment in the underlying bond on a leveraged basis.

**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 common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

**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.

96

Notes

97

Notes

98

Other Useful  
INFORMATION

### QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

Each Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2006, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities are available 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 1-202-942-8090 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 450 Fifth Street NW, Washington, D.C. 20549.

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

### CEO CERTIFICATION DISCLOSURE

For Funds listed on the New York Stock Exchange, each Fund's Chief Executive Officer has submitted to the Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

Each Fund has filed with the Securities and Exchange Commission the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

### BOARD OF DIRECTORS/TRUSTEES

Robert P. Bremner  
Lawrence H. Brown  
Jack B. Evans  
William C. Hunter  
David J. Kundert  
William J. Schneider  
Timothy R. Schwertfeger  
Judith M. Stockdale  
Carol E. Stone  
Eugene S. Sunshine

### 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

EACH FUND INTENDS TO REPURCHASE SHARES OF ITS OWN COMMON STOCK IN THE FUTURE AT SUCH TIMES AND IN SUCH AMOUNTS AS IS DEEMED ADVISABLE. NO SHARES WERE REPURCHASED DURING THE PERIOD COVERED BY THIS REPORT. ANY FUTURE REPURCHASES WILL BE REPORTED TO SHAREHOLDERS IN THE NEXT ANNUAL OR SEMIANNUAL REPORT.

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

Nuveen Investments:  
SERVING Investors  
For GENERATIONS

Photo of: 2 women looking at a photo album.

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.

WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT NEEDS.

Managing \$166 billion in assets, as of March 31, 2007, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under six distinct brands: NWQ, specializing in value-style equities; Nuveen, managing fixed-income investments; Santa Barbara, committed to growth equities; Tradewinds, specializing in global value equities; Rittenhouse, focused on "blue-chip" growth equities; and Symphony, with expertise in alternative investments as well as equity and income portfolios.

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.

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

Learn more  
about Nuveen Funds at  
[www.nuveen.com/cef](http://www.nuveen.com/cef)

[LOGO]

NUVEEN  
INVESTMENTS

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

ESA-B-0407D

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

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 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

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

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: Ex-99.CERT attached hereto.

(a) (3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons: Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. 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 9, 2007

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

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

Chief Administrative Officer  
(principal executive officer)

Date: July 9, 2007  
-----

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

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

Date: July 9, 2007  
-----

\* Print the name and title of each signing officer under his or her signature.