

NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-CSR
August 08, 2012

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 811-21153

Nuveen Maryland 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: May 31

Date of reporting period: May 31, 2012

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.

ITEM 1. REPORTS TO STOCKHOLDERS.

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Chairman's
Letter to Shareholders

Dear Shareholders,

Investors have many reasons to remain cautious. The challenges in the Euro area are casting a shadow over global economies and financial markets. The political support for addressing fiscal issues is eroding as the economic and social impacts become more visible. At the same time, member nations appear unwilling to provide adequate financial support or to surrender sufficient sovereignty to strengthen the banks or unify the Euro area financial system. The gains made in reducing deficits, and the hard-won progress on winning popular acceptance of the need for economic austerity, are at risk. To their credit, European political leaders press on to find compromise solutions, but there is increasing concern that time will begin to run out.

In the U.S., strong corporate earnings have enabled the equity markets to withstand much of the downward pressures coming from weakening job creation, slower economic growth and political uncertainty. The Fed remains committed to low interest rates but has refrained from predicting another program of quantitative easing unless economic growth were to weaken significantly or the threat of recession appears on the horizon. Pre-election maneuvering has added to the already highly partisan atmosphere in the Congress. The end of the Bush-era tax cuts and implementation of the spending restrictions of the Budget Control Act of 2011, both scheduled to take place at year-end, loom closer.

During the last year, U.S. based investors have experienced a sharp decline and a strong recovery in the equity markets. The experienced investment teams at Nuveen keep their eye on a longer time horizon and use their practiced investment disciplines to negotiate through market peaks and valleys to achieve long-term goals for investors. Experienced professionals pursue investments that will weather short-term volatility and at the same time, seek opportunities that are created by markets that overreact to negative developments. Monitoring this process is an important consideration for the Fund Board as it oversees your Nuveen Fund on your behalf.

As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner
Chairman of the Board
July 20, 2012

4 Nuveen Investments

Portfolio Manager's Comments

Nuveen Maryland Premium Income Municipal Fund (NMY)
Nuveen Maryland Dividend Advantage Municipal Fund (NFM)
Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR)
Nuveen Maryland Dividend Advantage Municipal Fund 3 (NWI)
Nuveen Virginia Premium Income Municipal Fund (NPV)
Nuveen Virginia Dividend Advantage Municipal Fund (NGB)
Nuveen Virginia Dividend Advantage Municipal Fund 2 (NNB)

Portfolio manager Tom Spalding reviews economic and municipal market conditions at the national and state levels, key investment strategies and the twelve-month performance of the Nuveen Maryland and Virginia Funds. With 37 years of investment experience at Nuveen, Tom assumed portfolio management responsibility for these seven Funds in January 2011.

What factors affected the U.S. economic and municipal market environments during the twelve-month reporting period ended May 31, 2012?

During this period, the U.S. economy's progress toward recovery from recession remained moderate. The Federal Reserve (Fed) maintained its efforts to improve the overall economic environment by continuing to hold the benchmark Fed Funds rate at the record low level of zero to 0.25% that it had established in December 2008. At its June 2012 meeting (following the end of this reporting period), the central bank affirmed its opinion that economic conditions would likely warrant keeping the Fed Funds rate at "exceptionally low levels" through at least late 2014. The Fed also announced that it would extend its program to lengthen the average maturity of its holdings of U.S. Treasury securities by purchasing another \$267 billion of these securities (in addition to the \$400 billion originally announced in September 2011) with remaining maturities of six to thirty years and selling an equal amount of U.S. Treasury securities with maturities of three years or less. The goals of this program, which the Fed has now extended through the end of December 2012, are to lower longer-term interest rates, make broader financial conditions more accommodating, support a stronger economic recovery and help ensure that inflation remains at levels consistent with the Fed's mandates of maximum employment and price stability.

In the first quarter of 2012, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 1.9%, marking eleven consecutive quarters of positive growth. The Consumer Price Index (CPI) rose 1.7% year-over-year as of May 2012, the lowest twelve-month rate of change since February 2011, while the core CPI (which excludes food and energy) increased 2.3% during the period, edging above the Fed's unofficial objective of 2.0% or lower for this inflation measure. Labor market conditions continued to be slow to improve, with national unemployment registering

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio manager as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc., or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. government or agency securities are regarded as having an implied rating equal to the rating of such securities.

Holdings designated N/R are not rated by a national rating agency.

8.2% in May 2012, down from 9.0% in May 2011 but a slight uptick from the 8.1% reading in April 2012. The housing market remained the major weak spot in the economy, beleaguered by a high level of distressed properties and difficult credit conditions. For the twelve months ended April 2012 (most recent data available at the time this report was prepared), the average home price in the Standard & Poor's (S&P)/Case-Shiller Index of 20 major metropolitan areas lost 1.9%, as housing prices remained at the lowest levels since early 2003, down approximately 34% from their 2006 peak. In addition, the U.S. economic picture continued to be clouded by concerns about the European debt crisis and global financial markets in general and efforts to reduce the U.S. federal deficit.

Municipal bond prices generally rallied during this period, amid strong demand and tight supply. Although the availability of tax-exempt supply improved in recent months, the pattern of new issuance remained light compared with long-term historical trends. This served as a key driver of performance, as tight supply and strong demand combined to create favorable market conditions for municipal bonds. Concurrent with rising prices, yields declined across most maturities, especially at the longer end of the municipal yield curve. The depressed level of municipal bond issuance during the first part of this period was due in part to the lingering effects of the taxable Build America Bonds (BAB) program. Even though the BAB program expired at the end of 2010, issuers had made extensive use of its favorable terms to issue almost \$190 billion in taxable BAB bonds during 2009 and 2010, representing approximately 25% of all municipal issuance during that period. Some borrowers accelerated issuance into 2010 in order to take advantage of the program before its termination, fulfilling their capital program borrowing needs well into 2011 and 2012. The low level of municipal issuance during this period also reflected the current political distaste for additional borrowing by state and local governments and the prevalent atmosphere of municipal budget austerity. In recent months, we have seen an increasing number of borrowers come to market seeking to take advantage of the current rate environment by calling existing debt and refinancing at lower rates.

Over the twelve months ended May 31, 2012, municipal bond issuance nationwide totaled \$357.4 billion, an increase of 2.7% compared with issuance during the twelvemonth period ended May 31, 2011. During this period, demand for municipal bonds remained very strong, especially from individual investors.

How were economic and market conditions in Maryland and Virginia during this period?

The recession in Maryland was less severe than in many other states, as the state's credit profile remained relatively strong due to historically sound fiscal management and a diverse economy. However, Maryland's recent pace of recovery has lagged the nation. In 2011, Maryland's economy expanded at a rate of 0.9%, compared with the national average of 1.5%, ranking Maryland 30th in the nation in terms of GDP growth by state. Professional, scientific and technical services were the leading contributors to Maryland's 2011 growth. As of May 2012, Maryland's unemployment rate was 6.8%, down from 7.1% in May 2011 and below the recent peak of 8.0% in early 2010. While well below

the national average of 8.2% for May 2012, this rate has been ticking upward since February 2012, when it stood at 6.5%. Employment in the transportation and financial services sectors continued to decline, and manufacturing, which has lost 20,000 jobs in the state since 2007, continued to shed workers. With Maryland's proximity to Washington D.C., the state remained vulnerable to federal cost-cutting and reductions in government employment, which represented 20% of jobs in the state versus the national average of 17%. The state's largest employer was Fort George G. Meade, with more than 44,000 workers. Maryland has one of the nation's better educated work-forces, which has facilitated the development of advanced technology and the growth of public and private research facilities. Combined with the influence of the government sector and the presence of 56 universities, this has made Maryland a center for national security and medical and biomedical research. On the fiscal front, Maryland's \$35 billion state budget for fiscal 2013, which was adopted in May 2012, provided for \$15 billion in general fund spending and included a 0.25% income tax hike on higher income residents. As of May 2012, Moody's and S&P rated Maryland general obligation debt at Aaa with a negative outlook and AAA with a stable outlook, respectively. During the twelve months ended May 31, 2012, municipal issuance in the state totaled \$6.2 billion, up 26% from the previous twelve-month period.

Virginia's proximity to Washington D.C. and its government-related employment lessened the impact of the recent recession and added some stability to the commonwealth's economy. Virginia's progress toward full recovery has been modest. For 2011, Virginia posted GDP growth of 0.3%, compared with the national GDP growth of 1.5% for 2011, which ranked Virginia 40th in economic growth by state. However, other signs pointed to a relatively healthy economy. Between May 2011 and May 2012, unemployment in the commonwealth fell from 6.2% to 5.6%, its lowest point since December 2008. This rate, which was well below the national average of 8.2%, placed Virginia among the ten states with the lowest jobless rates for May 2012. Employment in Virginia was led by the government, professional and business services, education, health care and retail trade sectors, which make up more than 60% of the commonwealth's job base. In addition, Virginia continued to serve as a center for research and development facilities, with Richmond, Charlottesville and Northern Virginia forming a research triangle. On the other hand, the manufacturing sector continued to lose jobs, and construction has yet to show real signs of recovery. In recent months, home prices in the Virginia area have risen. According to the S&P/Case-Shiller Index of 20 major metropolitan areas, the Washington D.C. area posted a 1.6% gain for the twelve months ended April 2012 (most recent data available at the time this report was prepared), compared with a 1.9% decline in home prices nationally. Virginia's \$85 billion biennium budget for fiscal 2013 and 2014, which was introduced in December 2011 and signed into law in May 2012, included \$34.5 billion in general fund spending, with several fee increases and cuts to various state services and programs. In March 2012, Virginia passed a wide-ranging pension reform measure that required full funding of the Virginia retirement system within eight years, altered benefits and contribution rates and established a hybrid defined benefit/defined contribution plan for new employees. As of May 2012, Moody's and S&P rated Virginia general obligation debt at Aaa with a negative outlook and AAA with a stable outlook, respectively. During the twelve months ended May 31, 2012, issuance in Virginia totaled \$8.7 billion, an increase of 36% from the previous twelve months.

What key strategies were used to manage these Funds during this reporting period?

As previously discussed, municipal bond prices generally rallied during this period in an environment of strong demand. In this environment, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that had the potential to perform well over the long term and helped us keep the Funds fully invested.

In both Maryland and Virginia during this period, we focused on purchasing higher-yielding bonds in anticipation of tightening credit spreads in a generally improving market. The Maryland Funds found value in several areas of the market, including health care, higher education and tobacco credits. Many of these purchases were made near the beginning of the period and performed well over the following months. Later in the period, we also added zero coupon bonds, as well as territorial paper from Guam and Puerto Rico. During times when in-state municipal bonds were in shorter supply, we took advantage of our ability to invest up to 20% of the Funds' net assets in out-of-state credits to keep the Funds fully invested. Our purchase of territorial bonds also benefited the Funds through higher yields, added diversification and triple exemption (i.e., exemption from federal, state and local taxes).

The Virginia Funds also purchased highway and sales tax bonds issued by Puerto Rico, as well as a number of in-state issues, including George Mason University and hotel tax revenue bonds issued for the Greater Richmond Convention Center. One of our purchases in the new issue market during this period was a BBB- rated credit from the Virginia Small Business Financing Authority for the Elizabeth River Crossings project, which we added to the Virginia Funds in April 2012. This project, which will build an additional two-lane tunnel under the Elizabeth River between Portsmouth and Norfolk, is a new public-private partnership in the Hampton Roads area. The underwater tunnel, which is scheduled to be completed in 2017, is intended to improve the transportation network and relieve severe congestion for commuters between the two cities.

Cash for new purchases during this period was generated primarily by the proceeds from a meaningful number of bond calls, which we worked to redeploy to keep these Funds as fully invested as possible. The Funds also sold a couple of issues for cash management purposes. Overall, selling was minimal because the bonds in our portfolios generally offered higher yields than those available in the current marketplace.

As of May 31, 2012, all of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform during the twelve-month period ended May 31, 2012?

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

Average Annual Total Returns on Common Share Net Asset Value
For periods ended 5/31/12

Fund	1-Year	5-Year	10-Year
Maryland Funds			
NMY	14.82%	6.63%	6.63%
NFM	16.05%	6.33%	6.50%
NZR	17.20%	6.50%	6.74%
NWI	14.18%	6.36%	N/A
Standard & Poor's (S&P) Maryland Municipal Bond Index*	8.59%	5.33%	5.14%
Standard & Poor's (S&P) National Municipal Bond Index*	10.77%	5.54%	5.44%
Lipper Other States Municipal Debt Funds Classification Average*	16.15%	6.27%	6.53%
Virginia Funds			
NPV	14.26%	6.52%	6.40%
NGB	16.35%	6.04%	6.57%
NNB	16.19%	6.29%	6.77%
Standard & Poor's (S&P) Virginia Municipal Bond Index*	8.53%	5.02%	5.16%
Standard & Poor's (S&P) National Municipal Bond Index*	10.77%	5.54%	5.44%
Lipper Other States Municipal Debt Funds Classification Average*	16.15%	6.27%	6.53%

For the twelve months ended May 31, 2012, the total returns on common share net asset value (NAV) for all of the Maryland and Virginia Funds exceeded the returns for their respective state's S&P Municipal Bond Index, as well as the S&P National Municipal Bond Index. For the same period, NZR, NGB and NNB outperformed the average return for the Lipper Other States Municipal Debt Funds Classification Average, NFM performed in line with this Lipper average, and NMY, NWI and NPV underperformed the Lipper group. Shareholders should note that the performance of the Lipper Other States classification represents the overall average of returns for funds from ten different states with a wide variety of municipal market conditions.

Key management factors that influenced the Funds' returns during this period included duration and yield curve positioning, credit exposure and sector allocation. The use of regulatory leverage also was an important positive factor affecting the Funds' performance. Leverage is discussed in more detail later in this report.

The Funds' duration, or interest rate positioning, provided a meaningful positive impact on performance. As interest rates fell throughout the year, it was advantageous for the portfolios to have a relatively long duration, in other words, to be more sensitive to the beneficial effects of declining rates.

During this period, municipal bonds with longer maturities generally outperformed those with shorter maturities. Overall, credits at the longest end of the municipal yield curve posted the strongest returns, while bonds at the shortest end produced the weakest results. Zero coupon bonds, which generally outperformed during this period due to their

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.

- * Refer to Glossary of Terms Used in this Report for definitions. Indexes and Lipper averages are not available for direct investment.

longer durations, were among the top contributors to the Funds' performance. Among these Funds, NZR, NGB and NNB were the most advantageously positioned in terms of duration and yield curve, with good exposure to the longer parts of the yield curve that performed best during this period. In contrast, both NMY and NPV were slightly short of their duration targets. NWI, which was introduced in September 2002, has reached the ten-year point of the bond market cycle when holdings of bonds with short call dates typically make up a larger percentage of a fund's portfolio. This greater exposure to the shorter end of the yield curve hampered NWI's performance during this period. Overall, variations in duration and yield curve positioning among the Funds accounted for many of the differences in performance.

Credit exposure was also an important factor in the Funds' performance during these twelve months, as lower quality bonds generally outperformed higher quality bonds. This outperformance was due in part to the greater demand for lower rated bonds as investors looked for investment vehicles offering higher yields. As investors became more comfortable taking on additional investment risk, credit spreads or the difference in yield spreads between U.S. Treasury securities and comparable investments such as municipal bonds, narrowed through a variety of rating categories. As a result of this spread compression, the performance of these Funds benefited from their emphasis on the lower rated credit spectrum, with all of the Funds having double-digit weightings of bonds rated BBB. In NMY and NPV, this was offset to some degree by the heaviest weightings of AAA bonds among these Funds, while NZR's performance was additionally helped by having the smallest allocation of bonds rated AAA.

Holdings that generally made positive contributions to the Funds' returns during this period included health care (including hospitals), transportation, education and water and sewer credits. All of these Funds, particularly NFM, NZR and NWI, benefited from strong weightings in the health care sector. Tobacco bonds backed by the 1998 master tobacco settlement agreement also performed well, as these bonds benefited from several market developments, including increased demand for higher-yielding investments by investors who had become less risk-averse. In addition, based on recent data showing that cigarette sales had fallen less steeply than anticipated, the 46 states participating in the agreement, including Maryland and Virginia, stand to receive increased payments from the tobacco companies. As of May 31, 2012, NZR had a considerably heavier weighting in tobacco bonds than the other six Funds.

In contrast, pre-refunded bonds, which are often backed by U.S. Treasury securities, were the poorest performing market segment during this period. The underperformance of these bonds can be attributed primarily to their shorter effective maturities and higher credit quality. As of May 31, 2012, NMY, NWI, NPV and NNB all had double-digit weightings in pre-refunded bonds, which detracted from their performance. General obligation (GO) bonds and public power and housing credits also lagged the performance of the general municipal market for this period. These Funds generally were underweighted in the GO sector, which limited the impact of these holdings.

APPROVED FUND REORGANIZATIONS

On June 22, 2012 and July 18, 2012, (following the end of this reporting period) shareholders of the Virginia and Maryland Funds, respectively, approved their reorganizations, which will be consummated before the opening of business for each Fund on August 6, 2012.

- Lower Fund expense ratios (excluding the effects of leverage), as fixed costs are spread over a larger asset base;
- Enhanced secondary market trading, as larger Funds potentially make it easier for investors to buy and sell Fund shares;
- Lower per share trading costs through reduced bid/ask spreads due to a larger common share float; and
- Increased Fund flexibility in managing the structure and cost of leverage over time.

The approved reorganizations are as follows:

Acquired Funds	Symbol	Acquiring Fund	Symbol
Maryland Funds			
Nuveen Maryland Dividend Advantage Municipal Fund	NFM	Nuveen Maryland Premium Income Municipal Fund	NMY
Nuveen Maryland Dividend Advantage Municipal Fund 2	NZR		
Nuveen Maryland Dividend Advantage Municipal Fund 3	NWI		

Acquired Funds	Symbol	Acquiring Fund	Symbol
Nuveen Virginia Dividend Advantage Municipal Fund	NGB	Nuveen Virginia Premium Income Municipal Fund	NPV
Nuveen Virginia Dividend Advantage Municipal Fund 2	NNB		

Upon the closing of the reorganizations, the Acquired Funds will transfer their assets to the Acquiring Funds in exchange for common and preferred shares of the Acquiring Funds, and the assumption by the Acquiring Funds of the liabilities of the Acquired Funds. The Acquired Funds will then be liquidated, dissolved and terminated in accordance with their Declaration of Trust.

In addition, shareholders of the Acquired Funds will become shareholders of the Acquiring Funds. Holders of common shares will receive newly issued common shares of the Acquiring Funds, the aggregate net asset value of which will be equal to the aggregate net asset value of the common shares of the Acquired Funds held immediately prior to the reorganizations (including for this purpose fractional Acquiring Fund shares to which shareholders would be entitled). Fractional shares will be sold on the open market and shareholders will receive cash in lieu of such fractional shares. Holders of MuniFund Term Preferred (MTP) Shares of each Acquired Fund will receive on a one-for-one basis newly issued MTP Shares of their Acquiring Fund, in exchange for MTP Shares of their Acquired Fund held immediately prior to the reorganization.

Fund Leverage and
Other Information

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

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

THE FUNDS' REGULATORY LEVERAGE

As of May 31, 2012, each of the Funds have issued and outstanding MTP Shares as shown in the accompanying table.

Fund	Series	MTP Shares Issued At Liquidation Value	Annual Interest Rate	NYSE Ticker
NMY	2015	38,775,000	2.65%	NMY Pr C
NMY	2016	35,818,000	2.90%	NMY Pr D
NFM	2015	26,485,000	2.60%	NFM Pr C
NZR	2015	27,300,000	2.60%	NZR Pr C
NWI	2015	20,700,000	2.65%	NWI Pr C
NWI	2016	17,066,000	2.85%	NWI Pr D
NPV	2014	29,203,000	2.25%	NPV Pr A
NPV	2015	32,205,000	2.65%	NPV Pr C
NGB	2014	22,800,000	2.80%	NGB Pr C
NNB	2014	43,200,000	2.80%	NNB Pr C

(Refer to Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies and Footnote 4 – Fund Shares for further details on MTP Shares.)

RISK CONSIDERATIONS

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment and Market Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the municipal securities owned by the Fund, which generally trade in the over-the-counter markets. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Price Risk. Shares of closed-end investment companies like these Funds frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. Each Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, distributions and returns. There is no assurance that a Fund's leveraging strategy will be successful.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Reinvestment Risk. If market interest rates decline, income earned from a Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities.

Inverse Floater Risk. The Funds may invest in inverse floaters. Due to their leveraged nature, these investments can greatly increase a Fund's exposure to interest rate risk and credit risk. In addition, investments in inverse floaters involve the risk that the Fund could lose more than its original principal investment.

Common Share Dividend
and Price Information

DIVIDEND INFORMATION

The monthly dividend of NMY was increased once in September 2011. The monthly dividends of NZR, NWI, NPV and NNB remained stable throughout the twelve-month reporting period ended May 31, 2012, while the dividends of NFM and NGB were reduced once during the period.

Due to normal portfolio activity, common shareholders of NPV received a long-term capital gains distribution of \$0.0237 per share in December 2011.

All of these Funds 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 May 31, 2012, all seven Funds in this report had positive UNII balances for both tax and financial reporting purposes.

COMMON SHARE REPURCHASES AND PRICE INFORMATION

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

As of May 31, 2012 and during the twelve-month reporting report, the Funds' common share prices were trading at (+) premiums or (-) discounts to their common share NAVs as shown in the accompanying table.

Fund	5/31/12 Twelve-Month Average	
	(+)Premium/(-)Discount	(+)Premium/(-)Discount
NMY	(-) 0.26%	(-)2.38%
NFM	(-) 2.56%	(-)5.14%
NZR	(-) 3.11%	(-)3.41%
NWI	(-) 3.59%	(-)5.35%
NPV	(+)9.29%	(+)3.90%
NGB	(+)6.68%	(+)1.76%
NNB	(+)5.33%	(+)1.61%

NMY Nuveen Maryland
 Performance Premium Income
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	15.64
Common Share Net Asset Value (NAV)	\$	15.68
Premium/(Discount) to NAV		-0.26%
Market Yield		4.95%
Taxable-Equivalent Yield ¹		7.24%
Net Assets Applicable to Common Shares (\$000)	\$	167,208

Leverage

Regulatory Leverage	30.85%
Effective Leverage	34.32%

Average Annual Total Returns
 (Inception 3/18/93)

	On Share Price	On NAV
1-Year	17.69%	14.82%
5-Year	6.48%	6.63%
10-Year	5.38%	6.63%

Portfolio Composition³

(as a % of total investments)

Health Care	19.2%
U.S. Guaranteed	16.5%
Tax Obligation/Limited	12.6%
Education and Civic Organizations	10.6%
Housing/Single Family	7.6%
Tax Obligation/General	7.2%
Housing/Multifamily	5.8%
Consumer Staples	4.4%
Long-Term Care	3.3%
Other	12.8%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 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 combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a

national rating agency.

- 3 Holdings are subject to change.

NFM Nuveen Maryland
 Performance Dividend Advantage
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	14.85
Common Share Net Asset Value (NAV)	\$	15.24
Premium/(Discount) to NAV		-2.56%
Market Yield		5.01%
Taxable-Equivalent Yield ¹		7.32%
Net Assets Applicable to Common Shares (\$000)	\$	63,987

Leverage

Regulatory Leverage	29.27%
Effective Leverage	33.07%

Average Annual Total Returns
 (Inception 1/23/01)

	On Share Price	On NAV
1-Year	20.69%	16.05%
5-Year	5.08%	6.33%
10-Year	5.24%	6.50%

Portfolio Composition³

(as a % of total investments)

Health Care	21.8%
Tax Obligation/Limited	18.3%
Tax Obligation/General	8.6%
Education and Civic Organizations	8.4%
Housing/Single Family	6.8%
Housing/Multifamily	6.4%
U.S. Guaranteed	6.4%
Long-Term Care	4.8%
Consumer Staples	4.8%
Other	13.7%

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- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a

national rating agency.

3 Holdings are subject to change.

16 Nuveen Investments

NZR Nuveen Maryland
 Performance Dividend Advantage
 OVERVIEW Municipal Fund 2

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	14.96
Common Share Net Asset Value (NAV)	\$	15.44
Premium/(Discount) to NAV		-3.11%
Market Yield		5.29%
Taxable-Equivalent Yield ¹		7.73%
Net Assets Applicable to Common Shares (\$000)	\$	64,890

Leverage

Regulatory Leverage	29.61%
Effective Leverage	33.24%

Average Annual Total Returns
(Inception 9/25/01)

	On Share Price	On NAV
1-Year	18.78%	17.20%
5-Year	5.24%	6.50%
10-Year	6.01%	6.74%

Portfolio Composition³

(as a % of total investments)

Health Care	20.5%
Tax Obligation/Limited	17.8%
Education and Civic Organizations	9.4%
Housing/Single Family	7.8%
Consumer Staples	7.3%
U.S. Guaranteed	6.9%
Housing/Multifamily	5.9%
Tax Obligation/General	5.6%
Transportation	5.2%
Other	13.6%

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national rating agency.

- 3 Holdings are subject to change.

NWI Nuveen Maryland
 Performance Dividend Advantage
 OVERVIEW Municipal Fund 3

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	14.76
Common Share Net Asset Value (NAV)	\$	15.31
Premium/(Discount) to NAV		-3.59%
Market Yield		5.12%
Taxable-Equivalent Yield ¹		7.49%
Net Assets Applicable to Common Shares (\$000)	\$	82,158

Leverage

Regulatory Leverage	31.49%
Effective Leverage	34.61%

Average Annual Total Returns
 (Inception 9/25/02)

	On Share Price	On NAV
1-Year	14.17%	14.18%
5-Year	5.55%	6.36%
Since Inception	5.22%	5.89%

Portfolio Composition³

(as a % of total investments)

Tax Obligation/Limited	23.8%
Health Care	20.8%
U.S. Guaranteed	10.2%
Education and Civic Organizations	8.7%
Tax Obligation/General	5.9%
Housing/Single Family	5.8%
Housing/Multifamily	5.0%
Consumer Staples	4.5%
Long-Term Care	4.1%
Other	11.2%

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- 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 combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a

national rating agency.

3 Holdings are subject to change.

18 Nuveen Investments

NPV Nuveen Virginia
 Performance Premium Income
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	17.05
Common Share Net Asset Value (NAV)	\$	15.60
Premium/(Discount) to NAV		9.29%
Market Yield		4.72%
Taxable-Equivalent Yield ¹		6.95%
Net Assets Applicable to Common Shares (\$000)	\$	141,099

Leverage

Regulatory Leverage	30.32%
Effective Leverage	35.07%

Average Annual Total Returns
 (Inception 3/18/93)

	On Share Price	On NAV
1-Year	20.61%	14.26%
5-Year	7.97%	6.52%
10-Year	6.14%	6.40%

Portfolio Composition³

(as a % of total investments)

Tax Obligation/Limited	21.1%
U.S. Guaranteed	19.8%
Health Care	16.3%
Transportation	12.2%
Tax Obligation/General	8.3%
Education and Civic Organizations	6.1%
Housing/Single Family	4.9%
Other	11.3%

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 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 combined federal and state income tax rate of 32.1%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
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- 3 Holdings are subject to change.

- 4 The Fund paid shareholders a capital gains distribution in December 2011 of \$0.0237 per share.

NGB Nuveen Virginia
 Performance Dividend Advantage
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	16.30
Common Share Net Asset Value (NAV)	\$	15.28
Premium/(Discount) to NAV		6.68%
Market Yield		4.45%
Taxable-Equivalent Yield ¹		6.55%
Net Assets Applicable to Common Shares (\$000)	\$	48,104

Leverage

Regulatory Leverage	32.16%
Effective Leverage	36.70%

Average Annual Total Returns
 (Inception 1/26/01)

	On Share Price	On NAV
1-Year	25.09%	16.35%
5-Year	4.11%	6.04%
10-Year	6.32%	6.57%

Portfolio Composition³
 (as a % of total
 investments)

Tax Obligation/Limited	25.1%
Health Care	17.8%
Tax Obligation/General	13.0%
Transportation	9.6%
Long-Term Care	9.4%
U.S. Guaranteed	7.7%
Housing/Single Family	5.0%
Other	12.4%

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- 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 combined federal and state income tax rate of 32.1%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.

3 Holdings are subject to change.

20 Nuveen Investments

NNB Nuveen Virginia
 Performance Dividend Advantage
 OVERVIEW Municipal Fund 2

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	16.40
Common Share Net Asset Value (NAV)	\$	15.57
Premium/(Discount) to NAV		5.33%
Market Yield		4.83%
Taxable-Equivalent Yield ¹		7.11%
Net Assets Applicable to Common Shares (\$000)	\$	89,822

Leverage

Regulatory Leverage	32.48%
Effective Leverage	36.95%

Average Annual Total Returns
 (Inception 11/15/01)

	On Share Price	On NAV
1-Year	23.88%	16.19%
5-Year	5.22%	6.29%
10-Year	6.73%	6.77%

Portfolio Composition³

(as a % of total investments)

Tax Obligation/Limited	21.7%
U.S. Guaranteed	16.6%
Health Care	16.3%
Transportation	13.7%
Long-Term Care	8.4%
Water and Sewer	5.5%
Education and Civic Organizations	5.0%
Other	12.8%

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- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.

3 Holdings are subject to change.

Nuveen Investments 21

NMY Shareholder Meeting Report

NFM

NZR

The annual meeting of shareholders was held in the offices of Nuveen Investments on November 15, 2011; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies and the approval of new Fundamental Investment Policies. The meeting was subsequently adjourned to December 16, 2011. The meeting for NMY was additionally adjourned to January 31, 2012. A special meeting of shareholders was held in the offices of Nuveen Investments on April 5, 2012; at this meeting the shareholders were asked to vote on the approval of the issuance of additional common shares and the approval of an Agreement and Plan of Reorganization. The meeting for NMY, NFM, NZR, NWI, NPV, NGB and NNB was subsequently adjourned to May 17, 2012.

	NMY		NFM		NZR	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.						
For	8,593,082	2,858,489	3,489,780	1,283,443	3,689,248	1,412,954
Against	635,514	252,262	172,163	90,182	114,620	46,889
Abstain	289,731	71,086	117,267	47,500	102,925	44,500
Total	9,518,327	3,181,837	3,779,210	1,421,125	3,906,793	1,504,343
To approve the issuance of additional common shares.						
For	8,539,450	—	—	—	—	—
Against	665,231	—	—	—	—	—
Abstain	313,646	—	—	—	—	—
Total	9,518,327	—	—	—	—	—
To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.						
For	7,688,511	2,785,216	2,749,358	1,128,582	2,951,920	1,184,383
Against	531,416	269,119	125,263	28,480	151,491	45,150
Abstain	290,158	40,305	99,057	41,523	75,389	10,050
Broker Non-Votes	2,336,171	959,369	1,042,056	282,558	1,045,258	361,517
Total	10,846,256	4,054,009	4,015,734	1,481,143	4,224,058	1,601,100
To approve the new fundamental policy relating to						

the Fund's ability to make loans.						
For	7,593,304	2,764,791	2,741,851	1,126,582	2,944,629	1,180,883
Against	613,107	288,544	130,378	30,480	154,232	46,150
Abstain	303,674	41,305	101,449	41,523	79,939	12,550
Broker Non-Votes	2,336,171	959,369	1,042,056	282,558	1,045,258	361,517
Total	10,846,256	4,054,009	4,015,734	1,481,143	4,224,058	1,601,100
Approval of the Board Members was reached as follows:						
John P. Amboian						
For	10,075,904	—	3,862,045	—	4,156,470	—
Withhold	321,654	—	153,689	—	67,588	—
Total	10,397,558	—	4,015,734	—	4,224,058	—
William C. Hunter						
For	—	3,581,810	—	1,419,353	—	1,590,700
Withhold	—	83,949	—	61,790	—	10,400
Total	—	3,665,759	—	1,481,143	—	1,601,100
David J. Kundert						
For	10,092,435	—	3,862,075	—	4,157,028	—
Withhold	305,123	—	153,659	—	67,030	—
Total	10,397,558	—	4,015,734	—	4,224,058	—
William J. Schneider						
For	—	3,576,810	—	1,419,353	—	1,590,700
Withhold	—	88,949	—	61,790	—	10,400
Total	—	3,665,759	—	1,481,143	—	1,601,100
Terence J. Toth						
For	10,089,887	—	3,862,745	—	4,155,948	—
Withhold	307,671	—	152,989	—	68,110	—
Total	10,397,558	—	4,015,734	—	4,224,058	—

NWI
NPV
NGB

	NWI		NPV		NGB	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.						
For	4,300,878	1,499,372	8,128,977	2,868,886	2,937,445	1,183,862
Against	147,507	63,039	293,102	138,889	86,718	16,661
Abstain	139,925	38,500	229,563	66,400	43,561	12,500
Total	4,588,310	1,600,911	8,651,642	3,074,175	3,067,724	1,213,023
To approve the issuance of additional common shares.						
For	—	—	8,031,441	—	—	—
Against	—	—	343,755	—	—	—
Abstain	—	—	276,446	—	—	—
Total	—	—	8,651,642	—	—	—
To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.						
For	3,984,552	1,451,631	6,615,665	2,407,417	2,484,871	1,062,264
Against	278,651	154,445	378,787	190,779	65,677	12,421
Abstain	128,285	47,300	143,287	19,600	71,656	16,400
Broker Non-Votes	1,291,035	424,049	2,064,558	701,665	692,955	295,950
Total	5,682,523	2,077,425	9,202,297	3,319,461	3,315,159	1,387,035
To approve the new fundamental policy relating to the Fund's ability to make loans.						
For	3,964,014	1,445,631	6,599,238	2,403,406	2,478,036	1,053,764
Against	295,963	160,445	392,369	194,790	72,027	20,921
Abstain	131,511	47,300	146,132	19,600	72,141	16,400
Broker Non-Votes	1,291,035	424,049	2,064,558	701,665	692,955	295,950
Total	5,682,523	2,077,425	9,202,297	3,319,461	3,315,159	1,387,035

Approval of the Board Members was reached as follows:

John P. Amboian

For	5,325,704	—	8,940,000	—	3,243,938	—
Withhold	206,364	—	262,297	—	71,221	—
Total	5,532,068	—	9,202,297	—	3,315,159	—

William C. Hunter

For	—	1,854,225	—	3,199,050	—	1,381,535
Withhold	—	92,100	—	120,411	—	5,500
Total	—	1,946,325	—	3,319,461	—	1,387,035

David J. Kundert

For	5,338,754	—	8,933,668	—	3,236,198	—
Withhold	193,314	—	268,629	—	78,961	—
Total	5,532,068	—	9,202,297	—	3,315,159	—

William J. Schneider

For	—	1,851,225	—	3,194,050	—	1,381,535
Withhold	—	95,100	—	125,411	—	5,500
Total	—	1,946,325	—	3,319,461	—	1,387,035

Terence J. Toth

For	5,331,404	—	8,956,913	—	3,228,739	—
Withhold	200,664	—	245,384	—	86,420	—
Total	5,532,068	—	9,202,297	—	3,315,159	—

Shareholder Meeting Report (continued)

NNB

	Common and Preferred shares voting together as a class	NNB Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.		
For	5,439,967	2,338,095
Against	231,971	119,000
Abstain	111,882	30,999
Total	5,783,820	2,488,094
To approve the issuance of additional common shares.		
For	—	—
Against	—	—
Abstain	—	—
Total	—	—
To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.		
For	4,590,195	1,936,127
Against	211,880	102,596
Abstain	155,211	30,000
Broker Non-Votes	1,619,864	761,005
Total	6,577,150	2,829,728
To approve the new fundamental policy relating to the Fund's ability to make loans.		
For	4,591,258	1,937,652
Against	207,385	101,071
Abstain	158,643	30,000
Broker Non-Votes	1,619,864	761,005
Total	6,577,150	2,829,728
Approval of the Board Members was reached as follows:		
John P. Amboian		
For	6,408,859	—
Withhold	168,291	—
Total	6,577,150	—
William C. Hunter		
For	—	2,782,270
Withhold	—	47,458
Total	—	2,829,728
David J. Kundert		
For	6,406,421	—
Withhold	170,729	—
Total	6,577,150	—
William J. Schneider		

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For	—	2,783,270
Withhold	—	46,458
Total	—	2,829,728
Terence J. Toth		
For	6,400,725	—
Withhold	176,425	—
Total	6,577,150	—

24 Nuveen Investments

Report of Independent
Registered Public Accounting Firm

The Board of Trustees and Shareholders
Nuveen Maryland Premium Income Municipal Fund
Nuveen Maryland Dividend Advantage Municipal Fund
Nuveen Maryland Dividend Advantage Municipal Fund 2
Nuveen Maryland Dividend Advantage Municipal Fund 3
Nuveen Virginia Premium Income Municipal Fund
Nuveen Virginia Dividend Advantage Municipal Fund
Nuveen Virginia Dividend Advantage Municipal Fund 2

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Maryland Premium Income Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund 2, Nuveen Maryland Dividend Advantage Municipal Fund 3, Nuveen Virginia Premium Income Municipal Fund, Nuveen Virginia Dividend Advantage Municipal Fund, and Nuveen Virginia Dividend Advantage Municipal Fund 2 (the "Funds") as of May 31, 2012, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of May 31, 2012, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Maryland Premium Income Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund 2, Nuveen Maryland Dividend Advantage Municipal Fund 3, Nuveen Virginia Premium Income Municipal Fund, Nuveen Virginia Dividend Advantage Municipal Fund, and Nuveen Virginia Dividend Advantage Municipal Fund 2 at May 31, 2012, and the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois
July 26, 2012

NMY Nuveen Maryland Premium Income Municipal Fund
Portfolio of Investments
May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Discretionary – 3.3% (2.2% of Total Investments)			
\$ 200	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A: 5.250%, 9/01/19 – SYNCORA GTY Insured	9/16 at 100.00	BB+	\$ 209,350
25	5.250%, 9/01/25 – SYNCORA GTY Insured	9/16 at 100.00	BB+	25,590
350	5.250%, 9/01/27 – SYNCORA GTY Insured	9/16 at 100.00	BB+	357,312
4,900	5.250%, 9/01/39 – SYNCORA GTY Insured	9/16 at 100.00	BB+	4,931,066
5,475	Total Consumer Discretionary			5,523,318
	Consumer Staples – 6.5% (4.4% of Total Investments)			
770	Guam Economic Development & Commerce Authority, Tobacco Settlement Asset-Backed Bonds, Series 2007A: 5.250%, 6/01/32	6/17 at 100.00	BB	723,723
1,200	5.625%, 6/01/47	6/17 at 100.00	BB	1,018,188
77,000	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2005A, 0.000%, 5/15/50	5/15 at 11.19	BBB–	5,510,890
2,545	Puerto Rico, The Children’s Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002: 5.375%, 5/15/33	8/12 at 100.00	BBB+	2,540,165
1,110	5.500%, 5/15/39	8/12 at 100.00	BBB+	1,106,870
82,625	Total Consumer Staples			10,899,836
	Education and Civic Organizations – 15.7% (10.6% of Total Investments)			
1,250	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount Saint Mary’s College, Series 2006, 5.625%, 9/01/38	9/16 at 100.00	BB+	1,215,650
1,000	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 100.00	A+	1,025,300
330	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Patterson Park Public Charter School Issue, Series 2010,	7/20 at 100.00	BBB	342,491

	6.000%, 7/01/40			
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School, Series 2000:			
825	5.250%, 7/01/25 – AGM Insured	1/13 at 100.00	AA–	831,666
500	5.250%, 7/01/30 – AGM Insured	1/13 at 100.00	AA–	503,260
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34	7/14 at 100.00	A–	1,282,963
1,430	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins University, Series 2004, Trust 1003, 13.683%, 1/01/13 (IF)	No Opt. Call	AA+	1,742,112
1,825	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2006, 5.000%, 6/01/30	6/16 at 100.00	Baa1	1,909,352
500	Maryland Industrial Development Financing Authority, Revenue Bonds, Our Lady of Good Counsel High School, Series 2005A, 6.000%, 5/01/35	5/15 at 100.00	N/R	515,850
1,365	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/19	5/15 at 100.00	AA	1,494,470
9,445	Morgan State University, Maryland, Student Tuition and Fee Revenue Refunding Bonds, Academic Fees and Auxiliary Facilities, Series 1993, 6.100%, 7/01/20 – NPFG Insured	No Opt. Call	Aa3	11,647,763
1,685	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2006A, 5.000%, 10/01/22	10/16 at 100.00	AA+	1,938,390

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations (continued)			
	Westminster, Maryland, Educational Facilities Revenue Bonds, McDaniel College, Series 2006:			
\$ 910	5.000%, 11/01/31	11/16 at 100.00	BBB+	\$ 936,263
850	4.500%, 11/01/36	11/16 at 100.00	BBB+	826,039
23,165	Total Education and Civic Organizations			26,211,569
	Health Care – 28.5% (19.2% of Total Investments)			
500	Baltimore County, Maryland, Revenue Bonds, Catholic Health Initiatives, Series 2006A, 5.000%, 9/01/38	9/16 at 100.00	AA	557,740
310	Maryland Health and Higher Ed Facilities Authority, Revenue Bonds, Loyola University Maryland, Series 2012A, 5.000%, 10/01/39 (WI/DD, Settling 6/07/12)	10/22 at 100.00	A	344,754
2,990	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System Issue, Series 2010, 5.125%, 7/01/39	7/19 at 100.00	A	3,223,340
565	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds Doctors Community Hospital, Refunding Series 2010, 5.750%, 7/01/38	7/20 at 100.00	Baa3	601,951
850	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Adventist Healthcare, Series 2011A, 6.250%, 1/01/31	1/22 at 100.00	Baa2	980,475
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Health System, Series 2010, 5.000%, 7/01/40	7/19 at 100.00	A–	1,584,570
1,525	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 2004, 5.500%, 7/01/36	7/14 at 100.00	A	1,567,319
3,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 5.800%, 7/01/32	7/12 at 100.00	A3	3,265,600
400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll Hospital Center, Series 2006, 5.000%, 7/01/40	7/16 at 100.00	A3	411,048
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll Hospital Center, Series 2012A:			
500	4.000%, 7/01/30	7/22 at 100.00	A3	504,745
400	5.000%, 7/01/37		A3	429,304

		7/22 at 100.00		
1,665	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Civista Medical Center, Series 2005, 5.000%, 7/01/37 – RAAI Insured	7/14 at 100.00	N/R	1,591,607
1,740	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Doctors Community Hospital, Series 2007A, 5.000%, 7/01/29	7/17 at 100.00	Baa3	1,756,234
1,400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35	7/12 at 100.00	Baa1	1,400,378
500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Health System Obligated Group Issue, Series 2011A, 5.000%, 5/15/26	5/21 at 100.00	AA–	586,635
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente System, Series 1998A, 5.375%, 7/01/15	7/12 at 100.00	A+	2,006,940
3,800	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, 5.500%, 7/01/33	7/13 at 100.00	Baa3	3,835,796
1,175	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2008, 5.000%, 7/01/28 – AGC Insured	7/17 at 100.00	AA–	1,274,323
300	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2011, 6.000%, 7/01/41	7/21 at 100.00	A	346,917
1,750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24	8/14 at 100.00	A2	1,875,510

NMY Nuveen Maryland Premium Income Municipal Fund (continued)
Portfolio of Investments
May 31, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Health Care (continued)			
\$ 3,310	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2007, 5.250%, 5/15/46 – BHAC Insured	5/16 at 100.00	AA+	\$ 3,664,170
800	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2011, 5.000%, 7/01/31	7/22 at 100.00	BBB	851,800
1,010	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center Issue, Series 2007A: 5.000%, 7/01/37	7/17 at 100.00	BBB	1,029,230
670	5.500%, 7/01/42	7/17 at 100.00	BBB	694,723
1,700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 100.00	A	1,755,964
1,900	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, The Johns Hopkins Health System Obligated Group Issue, Series 2010, 5.000%, 5/15/40	5/20 at 100.00	AA–	2,072,273
3,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2002, 5.625%, 7/01/32	7/12 at 100.00	A	3,261,213
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2004B, 5.000%, 7/01/24 – AMBAC Insured	7/13 at 100.00	A	1,016,210
3,395	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008: 5.750%, 1/01/38	1/18 at 100.00	BBB	3,580,910
1,000	6.000%, 1/01/43	1/18 at 100.00	BBB	1,067,950
225	Prince George’s County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994: 5.375%, 7/01/14	7/12 at 100.00	B3	225,144

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295	5.300%, 7/01/24	7/12 at 100.00	B3	281,952
45,675	Total Health Care Housing/Multifamily – 8.6% (5.8% of Total Investments)			47,646,725
2,065	Anne Arundel County, Maryland, FNMA Multifamily Housing Revenue Bonds, Glenview Gardens Apartments Project, Series 2009, 5.000%, 1/01/28 (Mandatory put 1/01/27)	1/20 at 102.00	AA+	2,279,554
2,500	Maryland Community Development Administration, Housing Revenue Bonds, Series 1999A, 5.350%, 7/01/41 (Alternative Minimum Tax)	7/12 at 100.00	Aa2	2,501,675
685	Maryland Community Development Administration, Housing Revenue Bonds, Series 1999B, 6.250%, 7/01/32 (Alternative Minimum Tax)			