

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
Form N-Q  
April 01, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT  
COMPANY

Investment Company Act file number 811-10345

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

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

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

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

Date of fiscal year end: 10/31

Date of reporting period: 1/31/13

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

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



## Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)  
 Nuveen Dividend Advantage Municipal Fund 3 (NZF)  
 January 31, 2013

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Municipal Bonds – 135.9% (98.5% of Total Investments)			
	Alabama – 0.6% (0.4% of Total Investments)			
\$ 3,500	Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006C-2, 5.000%, 11/15/36 (UB)	11/16 at 100.00	AA+	\$ 3,773,000
	Alaska – 0.1% (0.1% of Total Investments)			
1,000	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46	6/14 at 100.00	B+	883,830
	Arizona – 2.0% (1.5% of Total Investments)			
3,390	Arizona State Transportation Board, Highway Revenue Bonds, Series 2008, Trust 3151, 13.721%, 7/01/16 (IF)	No Opt. Call	AAA	4,919,873
	Phoenix Civic Improvement Corporation, Arizona, Subordinate Excise Tax Revenue Bonds, Civic Plaza Expansion Project, Series 2005A, 5.000%, 7/01/30 – FGIC Insured	7/15 at 100.00	AA	5,382,800
2,200	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc Prepay Contract Obligations, Series 2007, 5.000%, 12/01/37	No Opt. Call	A–	2,528,592
10,590	Total Arizona			12,831,265
	California – 13.0% (9.4% of Total Investments)			
	California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A:			
2,220	5.000%, 3/01/28 (Pre-refunded 3/01/13)	3/13 at 100.00	A (4)	2,228,813
140	5.000%, 3/01/33 (Pre-refunded 3/01/13)	3/13 at 100.00	A (4)	140,556

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1,670	California Health Facilities Financing Authority, Refunding Revenue Bonds, Stanford Hospital and Clinics, Series 2008A-2. RMKT, 5.250%, 11/15/40	11/21 at 100.00	AA-	1,921,419
3,400	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2009B, 5.500%, 10/01/39	10/19 at 100.00	AA	3,891,198
2,900	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, 2007A, 5.000%, 11/15/42 (UB)	11/16 at 100.00	AA-	3,159,318
5,355	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.861%, 5/15/14 (IF)	No Opt. Call	AA-	8,265,014
20	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 – NCFG Insured (Alternative Minimum Tax)	4/13 at 100.00	AA	20,036
2,180	Ceres Unified School District, Stanislaus County, California, General Obligation Bonds, Series 2002B: 0.000%, 8/01/31 – FGIC Insured	4/13 at 34.31	A+	738,737
3,300	0.000%, 8/01/32 – FGIC Insured	4/13 at 32.32	A+	1,053,393
2,995	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33 (Pre-refunded 6/01/13)	6/13 at 100.00	Aaa	3,055,679
11,865	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.125%, 6/01/47	6/17 at 100.00	B	10,238,664
7,150	Grossmont Healthcare District, California, General Obligation Bonds, Series 2011B, 6.125%, 7/15/40	7/21 at 100.00	Aa2	8,787,851
10,000	Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2011A, 5.000%, 7/01/41	1/21 at 100.00	AA	11,388,500
2,750	Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2012, 4.500%, 1/01/27 (Alternative Minimum Tax)	1/22 at 100.00	A	2,988,645
12,000		8/30 at 100.00	A+	9,753,000

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	Palomar Pomerado Health, California, General Obligation Bonds, Convertible Capital Appreciation, Election 2004 Series 2010A, 0.000%, 8/01/40			
3,850	Placentia-Yorba Linda Unified School District, Orange County, California, Certificates of Participation, Series 2011, 0.000%, 10/01/28 – AGM Insured	10/21 at 100.00	AA–	3,667,010
3,550	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB	4,349,460
3,000	San Diego Community College District, California, General Obligation Bonds, Tender Option Bond	8/21 at 100.00	AA+	4,411,110
10,000	Trust 1005, 13.606%, 8/01/41 (IF) San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue	No Opt. Call	BBB	3,071,100
3,000	Refunding Bonds, Series 1997A, 0.000%, 1/15/35 – NPFPG Insured			
91,345	San Mateo County Community College District, California, General Obligation Bonds, Series 2006C, 0.000%, 9/01/30 – NPFPG Insured	No Opt. Call	Aaa	1,546,290
	Total California			84,675,793
	Colorado – 4.5% (3.3% of Total Investments)			
1,495	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Belle Creek Education Center, Series 2002A, 7.625%, 3/15/32 (Pre-refunded 3/15/13)	3/13 at 100.00	N/R (4)	1,507,812
2,950	Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Montessori Peaks Academy, Series 2006A, 5.400%, 5/01/26	5/16 at 102.00	N/R	2,815,421
865	Colorado Housing Finance Authority, Multifamily Project Bonds, Class I, Series 2001A-1, 5.500%, 4/01/31 (Alternative Minimum Tax)	4/13 at 100.00	AAA	866,150
5,000	Compark Business Campus Metropolitan District, Colorado, General Obligation Limited Tax Bonds, Series 2007A, 5.600%, 12/01/34 – RAAI Insured	12/17 at 100.00	N/R	4,864,550
5,365	Denver City and County, Colorado, Airport Revenue Bonds, Series 2006: 5.000%, 11/15/23 – FGIC Insured	11/16 at 100.00	A+	6,113,578
3,300	5.000%, 11/15/24 – FGIC Insured	11/16 at 100.00	A+	3,719,892
4,335	5.000%, 11/15/25 – FGIC Insured		A+	4,886,585

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			11/16 at 100.00		
	Maher Ranch Metropolitan District 4, Colorado, General Obligation Limited Tax Bonds, Series 2007:				
950	5.125%, 12/01/27 – RAAI Insured		12/17 at 100.00	N/R	946,998
2,000	5.250%, 12/01/36 – RAAI Insured		12/17 at 100.00	N/R	1,921,060
1,000	Plaza Metropolitan District 1, Lakewood, Colorado, Tax Increment Revenue Bonds, Series 2003, 8.000%, 12/01/25 (Pre-refunded 6/01/14)	6/14 at 101.00		N/R (4)	1,110,150
630	Regional Transportation District, Colorado, Certificates of Participation, Series 2010A, 5.375%, 6/01/31	6/20 at 100.00		Aa3	720,676
27,890	Total Colorado Connecticut – 0.3% (0.2% of Total Investments)				29,472,872
1,500	Connecticut Health and Educational Facilities Authority, Revenue Bonds, Hartford Healthcare, Series 2011A, 5.000%, 7/01/41	7/21 at 100.00		A	1,628,010
10,000	District of Columbia – 1.9% (1.4% of Total Investments) Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Senior Lien Refunding Series 2007A, 4.500%, 10/01/30 – AMBAC Insured	10/16 at 100.00		AA+	10,532,800
1,335	Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Tender Option Bond Trust 1606, 11.761%, 10/01/30 – BHAC Insured (IF) (5)	10/16 at 100.00		AA+	1,548,360
11,335	Total District of Columbia Florida – 4.8% (3.5% of Total Investments)				12,081,160
4,980	Broward County, Florida, Airport System Revenue Refunding Bonds, Series 2009O, 5.375%, 10/01/29	10/19 at 100.00		A+	5,739,998
1,950	Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Refunding Series 2012A, 5.000%, 10/01/31 (Alternative Minimum Tax)	No Opt. Call		A	2,171,969
800	Miami-Dade County, Florida, Subordinate Special Obligation Refunding Bonds Series 2012B, 5.000%, 10/01/37	10/22 at 100.00		A+	898,008
6,850	Miami-Dade County, Florida, Transit System Sales Surtax Revenue Bonds, Series 2012,	7/22 at 100.00		AA	7,723,718

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	5.000%, 7/01/42 Orange County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G:			
1,105	5.400%, 12/01/32 – AGM Insured	4/13 at 100.00	AA–	1,106,403
2,195	5.450%, 12/01/41 – AGM Insured	4/13 at 100.00	AA–	2,197,349
	Orlando-Orange County Expressway Authority, Florida, Expressway Revenue Bonds, Series 2003B,			
5,000	5.000%, 7/01/30 – AMBAC Insured (5)	7/13 at 100.00	A	5,074,000
	South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System			
5,455	Obligation Group, Series 2007, 5.000%, 8/15/42 (UB) (5)	8/17 at 100.00	AA	5,941,968
	Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible,			
70	Capital Appreciation, Series 2012A-2, 0.000%, 5/01/39	5/17 at 100.00	N/R	50,238
	Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible,			
200	Capital Appreciation, Series 2012A-3, 0.000%, 5/01/40	5/19 at 100.00	N/R	115,238
	Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible,			
85	Capital Appreciation, Series 2012A-4, 0.000%, 5/01/40	5/22 at 100.00	N/R	36,031
	Tolomato Community Development District, Florida, Special Assessment Bonds, Hope Note, Series			
110	2007-3, 6.650%, 5/01/40 (6)	5/18 at 100.00	N/R	1
	Tolomato Community Development District, Florida, Special Assessment Bonds, Non Performing			
15	ParcelSeries 2007-1. RMKT, 6.650%, 5/01/40 (6)	5/18 at 100.00	N/R	8,078
	Tolomato Community Development District, Florida, Special Assessment Bonds, Refunding Series			
200	2012A-1, 6.650%, 5/01/40	5/17 at 100.00	N/R	198,116
	Tolomato Community Development District, Florida, Special Assessment Bonds, Southern/Forbearance Parcel Series 2007-2, 6.650%, 5/01/40 (6)			
475		5/18 at 100.00	N/R	216,728
29,490	Total Florida			31,477,843
15,205	Georgia – 4.7% (3.4% of Total Investments)	1/21 at 100.00	A1	17,628,524

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	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2010C, 5.250%, 1/01/30			
2,000	Atlanta, Georgia, Airport Passenger Facilities Charge Revenue Bonds, Series 2004J, 5.000%, 1/01/29 – AGM Insured	No Opt. Call	AA–	2,139,800
3,000	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.125%, 12/01/45	12/20 at 100.00	N/R	3,355,650
2,000	Fulton County Residential Care Facilities Authority, Georgia, Revenue Bonds, Elderly Care, Lenbrook Square Project, Series 2006A, 5.125%, 7/01/42	7/17 at 100.00	N/R	2,002,500
5,000	Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 1/01/35 – FGIC Insured	1/14 at 100.00	AA–	5,174,300
27,205	Total Georgia			30,300,774
4,295	Hawaii – 0.7% (0.5% of Total Investments) Honolulu City and County, Hawaii, General Obligation Bonds, Series 2003A, 5.250%, 3/01/26 (Pre-refunded 3/01/13) – AGM Insured	3/13 at 100.00	Aa1 (4)	4,313,254
3,200	Illinois – 14.7% (10.6% of Total Investments) Chicago Transit Authority, Illinois, Sales Tax Receipts Revenue Bonds, Series 2011, 5.250%, 12/01/40	12/21 at 100.00	AA	3,670,656
8,375	Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.500%, 1/01/19 – AGM Insured (Alternative Minimum Tax)	4/13 at 100.00	AA–	8,398,450
2,630	Chicago, Illinois, Sales Tax Revenue Bonds, Series 2011A, 5.000%, 1/01/41	1/22 at 100.00	AAA	2,954,489
2,220	Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A, 5.500%, 1/01/16 – NPMG Insured	No Opt. Call	Aa3	2,515,704
1,165	Chicago, Illinois, Third Lien General Airport Revenue Bonds, O’Hare International Airport, Series 2005A, 5.000%, 1/01/33 – FGIC Insured	1/16 at 100.00	A2	1,264,736
7,500	Community Unit School District 308, Oswego, in the Counties of Kendall, Kane, and Will, Illinois, General Obligation Bonds, Series 2004, 5.375%, 10/01/17 (Pre-refunded 10/01/14) – AGM Insured	10/14 at 100.00	Aa2 (4)	8,134,275
8,875	Cook County, Illinois, General Obligation Bonds, Refunding Series 2010A, 5.250%,	11/20 at 100.00	AA	10,189,299



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	11/15/33				
2,415	Illinois Finance Authority, General Obligation Debt Certificates, Local Government Program – Kankakee County, Series 2005B, 5.000%, 12/01/24 (Pre-refunded 12/01/14) – AMBAC Insured	12/14 at 100.00	A2 (4)	2,618,729	
775	Illinois Finance Authority, Revenue Bonds, Advocate Health Care Network, Series 2012, 5.000%, 6/01/42	No Opt. Call	AA	878,393	
3,465	Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37	8/17 at 100.00	BBB	3,803,392	
4,125	Illinois Finance Authority, Revenue Bonds, The University of Chicago, Series 2012A, 5.000%, 10/01/51	10/21 at 100.00	Aa1	4,598,633	
5,000	Lake County School District 38, Big Hollow, Illinois, General Obligation Bonds, Series 2005, 0.000%, 2/01/22 – AMBAC Insured	No Opt. Call	N/R	3,268,400	
7,000	Lombard Public Facilities Corporation, Illinois, First Tier Conference Center and Hotel Revenue Bonds, Series 2005A-1, 7.125%, 1/01/36	1/16 at 100.00	N/R	4,752,720	
12,000	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 2010A, 5.500%, 6/15/50	6/20 at 100.00	AAA	13,643,159	
45,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Capital Appreciation Refunding Series 2010B-1, 0.000%, 6/15/43 – AGM Insured	No Opt. Call	AAA	10,607,400	
2,790	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A, 5.500%, 6/15/29 – FGIC Insured	No Opt. Call	AAA	3,388,176	
10,000	Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.000%, 12/01/41 – AGM Insured	12/14 at 100.00	Aaa	10,635,800	
126,535	Total Illinois			95,322,411	
	Indiana – 6.5% (4.7% of Total Investments)				
4,230	Indiana Finance Authority, Educational Facilities Revenue Bonds, Tudor Park Foundation, Series 2005B, 5.000%, 6/01/24	6/15 at 100.00	Aa3	4,474,029	
5,310	Indiana Finance Authority, Hospital Revenue Bonds, Community Health Network Project, Series 2012A, 5.000%, 5/01/42	5/23 at 100.00	A	5,863,090	
6,700			AA–	7,437,469	

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	Indiana Finance Authority, Wastewater Utility Revenue Bonds, CWA Authority Project, Series 2011B, 5.000%, 10/01/41	10/21 at 100.00		
10,635	Indiana Health Facility Financing Authority, Revenue Bonds, Community Hospitals of Indiana, Series 2005A, 5.000%, 5/01/35 (Pre-refunded 5/01/15) – AMBAC Insured	5/15 at 100.00	A+ (4)	11,721,578
7,000	Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series 2004A, 5.000%, 1/01/32 – FGIC Insured	1/15 at 100.00	A+	7,434,350
2,500	Vigo County Hospital Authority, Indiana, Revenue Bonds, Union Hospital, Series 2007: 5.750%, 9/01/42	9/17 at 100.00	N/R	2,592,400
2,500	5.800%, 9/01/47	9/17 at 100.00	N/R	2,597,700
38,875	Total Indiana			42,120,616
	Iowa – 0.1% (0.1% of Total Investments)			
1,000	Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C, 5.625%, 6/01/46	6/15 at 100.00	B+	971,360
	Kansas – 0.3% (0.2% of Total Investments)			
1,000	Manhattan Health Care Facility Revenue Bonds, Kansas, Meadowlarks Hills Retirement, Series 2007B: 5.125%, 5/15/37	5/14 at 103.00	N/R	1,006,150
1,000	5.125%, 5/15/42	5/14 at 103.00	N/R	1,005,380
2,000	Total Kansas			2,011,530
	Kentucky – 1.2% (0.9% of Total Investments)			
1,000	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008-A1, 6.000%, 12/01/42 – AGC Insured	6/18 at 100.00	AA–	1,100,940
5,400	Lexington-Fayette Urban County Government Public Facilities Corporation, Kentucky State Lease Revenue Bonds, Eastern State Hospital Project, Series 2011A, 5.250%, 6/01/29	6/21 at 100.00	Aa3	6,339,762
215	Warren County, Kentucky, Hospital Revenue Bonds, Bowling Green-Warren County Community Hospital Corporation, Series 2012A, 4.000%, 10/01/29	10/22 at 100.00	A	221,605
6,615	Total Kentucky			7,662,307
	Louisiana – 8.2% (5.9% of Total Investments)			
2,000	Jefferson Parish Hospital Service District 2, Louisiana, Hospital Revenue Bonds, East	7/21 at 100.00	Baa2	2,357,680

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	Jefferson General Hospital, Refunding Series 2011, 6.375%, 7/01/41			
3,000	Louisiana Local Government Environmental Facilities & Community Development Authority, Revenue	11/17 at 100.00	BBB-	3,416,010
	Bonds, Westlake Chemical Corporation Project, Series 2007, 6.750%, 11/01/32			
10,000	Louisiana Public Facilities Authority, Revenue Bonds, Loyola University Project, Refunding Series 2011, 5.000%, 10/01/41	10/21 at 100.00	A+	11,211,800
3,700	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47	5/17 at 100.00	Baa1	3,944,755
4,425	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2011, 6.750%, 5/15/41	5/21 at 100.00	Baa1	5,364,693
4,805	Louisiana Stadium and Exposition District, Revenue Refunding Bonds, Senior Lien Series 2013A,	7/23 at 100.00	A	5,504,031
	5.000%, 7/01/36			
20,890	Tobacco Settlement Financing Corporation, Louisiana, Tobacco Settlement Asset-Backed Bonds,	4/13 at 100.00	A-	21,307,589
	Series 2001B, 5.875%, 5/15/39			
48,820	Total Louisiana			53,106,558
	Maryland – 0.6% (0.4% of Total Investments)			
	Howard County, Maryland, Retirement Community Revenue Bonds, Vantage House, Series 2007B,	4/17 at 100.00	N/R	999,240
1,000	5.250%, 4/01/37			
	Maryland Community Development Administration, Insured Multifamily Housing Mortgage Loan	4/13 at 100.00	Aa2	951,739
950	Revenue Bonds, Series 2001B, 5.250%, 7/01/21 (Alternative Minimum Tax)			
	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference	12/16 at 100.00	N/R	1,388,160
2,000	Center, Series 2006A, 5.000%, 12/01/31			
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge	7/17 at 100.00	A-	570,213
555	Retirement Community, Series 2007, 4.750%, 7/01/34			
4,505	Total Maryland			3,909,352
	Massachusetts – 3.3% (2.4% of Total Investments)			
	Massachusetts Development Finance Agency, Revenue Bonds, Orchard Cove, Series 2007,	4/13 at 102.00	N/R	1,401,648
1,375	5.250%, 10/01/26			
1,000		7/15 at 100.00	BB-	1,036,190

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	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Milton Hospital Project, Series 2005D, 5.250%, 7/01/30			
1,600	Massachusetts Health and Educational Facilities Authority, Revenue Refunding Bonds, Suffolk University Issue, Series 2009A, 5.750%, 7/01/39	7/19 at 100.00	BBB	1,786,256
400	Massachusetts Port Authority, Special Facilities Revenue Bonds, ConRac Project, Series 2011A, 5.125%, 7/01/41	7/21 at 100.00	A	448,104
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)	4/13 at 100.00	N/R	5,003,600
3,465	Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007A, 4.500%, 8/01/46 – AGM Insured (UB) (5)	2/17 at 100.00	AA+	3,667,044
7,165	Metropolitan Boston Transit Parking Corporation, Massachusetts, Systemwide Senior Lien Parking Revenue Bonds, Series 2011, 5.000%, 7/01/41	7/21 at 100.00	A+	8,034,043
20,005	Total Massachusetts Michigan – 8.2% (5.9% of Total Investments)			21,376,885
15,000	Detroit City School District, Wayne County, Michigan, Unlimited Tax School Building and Site Improvement Bonds, Series 2001A, 6.000%, 5/01/29 – AGM Insured (UB)	No Opt. Call	Aa2	18,474,900
690	Detroit Water and Sewerage Department, Michigan, Sewage Disposal System Revenue Bonds, Refunding Senior Lien Series 2012A, 5.250%, 7/01/39	7/22 at 100.00	A+	752,852
2,000	Garden City Hospital Finance Authority, Michigan, Revenue Bonds, Garden City Hospital Obligated Group, Series 2007A, 5.000%, 8/15/38	8/17 at 100.00	N/R	1,897,760
3,580	Lansing Board of Water and Light, Michigan, Utility System Revenue Bonds Series 2011A, 5.500%, 7/01/41	7/21 at 100.00	AA–	4,248,565
5,000	Michigan Finance Authority, Revenue Bonds, Trinity Health Credit Group, Refunding Series 2011, 5.000%, 12/01/39	12/21 at 100.00	AA	5,579,500
13,000		No Opt. Call	AAA	13,883,219

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	Michigan Finance Authority, Unemployment Obligation Assessment Revenue Bonds, Series 2012A, 5.000%, 7/01/14			
2,250	Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2011-I-A, 5.375%, 10/15/41	10/21 at 100.00	Aa3	2,596,050
1,545	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 – NPFPG Insured (ETM)	No Opt. Call	N/R (4)	1,611,126
2,865	Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 (UB)	12/16 at 100.00	Aa2	3,170,180
635	Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 (Pre-refunded 12/01/16) (UB)	12/16 at 100.00	N/R (4)	737,883
46,565	Total Michigan Minnesota – 1.1% (0.8% of Total Investments)			52,952,035
2,155	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)	4/13 at 104.00	Aaa	2,244,066
3,000	Minnesota State, General Obligation Bonds, Various Purpose, Refunding Series 2010D, 5.000%, 8/01/18	No Opt. Call	AA+	3,665,970
1,375	Saint Paul Port Authority, Minnesota, Lease Revenue Bonds, Regions Hospital Parking Ramp Project, Series 2007-1, 5.000%, 8/01/36	8/16 at 100.00	N/R	1,400,823
6,530	Total Minnesota Mississippi – 0.8% (0.6% of Total Investments)			7,310,859
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	4/13 at 100.00	AA+	2,158,405
3,000	Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 (UB)	9/14 at 100.00	AA	3,176,340
5,155	Total Mississippi			5,334,745

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	Missouri – 0.8% (0.6% of Total Investments)			
	Cape Girardeau County Industrial Development Authority, Missouri, Health Facilities Revenue Bonds, Southeast Missouri Hospital Association, Series 2007, 5.000%, 6/01/36			
1,495		6/17 at 100.00	BBB+	1,532,031
	Clinton County Industrial Development Authority, Missouri, Revenue Bonds, Cameron Regional Medical Center, Series 2007, 5.000%, 12/01/32			
1,000		12/17 at 100.00	N/R	1,019,050
	Missouri Health and Educational Facilities Authority, Revenue Bonds, Washington University, Series 2011B, 5.000%, 11/15/37			
2,500		11/21 at 100.00	AAA	2,956,750
4,995				5,507,831
	Total Missouri			
	Montana – 0.8% (0.6% of Total Investments)			
	Montana Board of Investments, Exempt Facility Revenue Bonds, Stillwater Mining Company, Series 2000, 8.000%, 7/01/20 (Alternative Minimum Tax)			
5,000		4/13 at 100.00	B	5,017,750
	Nebraska – 0.3% (0.2% of Total Investments)			
	Omaha Public Power District, Nebraska, Separate Electric System Revenue Bonds, Nebraska City 2, Series 2008, Trust 11673, 19.958%, 8/01/40 – AMBAC Insured (IF)			
1,005		2/17 at 100.00	AA+	1,747,172
	Nevada – 5.4% (3.9% of Total Investments)			
	Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2010B, 5.750%, 7/01/42			
10,000		1/20 at 100.00	A+	11,668,600
	Clark County, Nevada, Passenger Facility Charge Revenue Bonds, Las Vegas-McCarran International Airport, Series 2010A, 5.250%, 7/01/42			
6,000		1/20 at 100.00	A+	6,720,060
	Henderson, Nevada, General Obligation Sewer Bonds, Series 2004, 5.000%, 6/01/34 (Pre-refunded 12/01/14) – FGIC Insured			
5,000		12/14 at 100.00	AA (4)	5,422,550
	Las Vegas Valley Water District, Nevada, Limited Tax General Obligation Bonds, Water & Refunding Series 2011C, 5.000%, 6/01/38			
10,000		6/21 at 100.00	AA+	11,326,700
31,000				35,137,910
	Total Nevada			
	New Hampshire – 0.3% (0.2% of Total Investments)			
	New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital, Series 2001, 5.500%, 10/01/21 – AGM Insured			
2,000		10/13 at 100.00	A2	2,017,500

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New Jersey – 6.2% (4.5% of Total Investments)				
New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004, 2,835 5.500%, 6/14 at 100.00 Aaa 3,039,035 6/15/31 (Pre-refunded 6/15/14)				
New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Somerset Medical 955 Center, 7/13 at 100.00 Ba2 962,124 Series 2003, 5.500%, 7/01/33				
New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration 4,125 Grants, Series 2002A, 5.500%, 9/15/13 – AMBAC Insured No Opt. Call A1 4,256,464				
New Jersey Transportation Trust Fund Authority, Transportation System Bonds, 12,970 Capital No Opt. Call A+ 5,245,068 Appreciation Series 2010A, 0.000%, 12/15/33				
New Jersey Transportation Trust Fund Authority, Transportation System Bonds, 20,000 Series 2006C, No Opt. Call AA– 8,171,000 0.000%, 12/15/33 – AGM Insured				
New Jersey Transportation Trust Fund Authority, Transportation System Bonds, 7,000 Series 2012AA, No Opt. Call A+ 7,913,150 5.000%, 6/15/38				
New Jersey Turnpike Authority, Revenue Bonds, Series 2003A, 5.000%, 1/01/23 4,000 (Pre-refunded 7/01/13) – AGM Insured 7/13 at 100.00 AA– (4) 4,080,360				
Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed 7,260 Bonds, 6/17 at 100.00 B2 6,530,080 Series 2007-1A, 4.750%, 6/01/34				
59,145 Total New Jersey 40,197,281				
New York – 7.6% (5.5% of Total Investments)				
Albany Industrial Development Agency, New York, Revenue Bonds, Brighter Choice 900 Charter 4/17 at 100.00 BBB– 904,302 Schools, Series 2007A, 5.000%, 4/01/32				
Brooklyn Arena Local Development Corporation, New York, Payment in Lieu of Taxes Revenue Bonds, Barclays Center Project, Series 2009: 1,275 6.000%, 7/15/30 1/20 at 100.00 BBB– 1,512,622				
3,400 0.000%, 7/15/44 No Opt. Call BBB– 786,148				
Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, 4,675 General 3/21 at 100.00 AAA 5,317,298 Purpose Series 2011C, 5.000%, 3/15/41				
2,100 Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Senior Fiscal 2012 2/21 at 100.00 A 2,510,088				

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Series				
2011A, 5.750%, 2/15/47				
Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/17 at 100.00	5,010		A	5,197,474
2/15/47 – NPFPG Insured				
Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2011A, 5.000%,	1,200	5/21 at 100.00	AA–	1,356,864
5/01/36 – AGM Insured				
Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2012A, 5.000%, 9/01/42	5,000	9/22 at 100.00	A	5,642,950
Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2011A, 5.000%, 11/15/41	750	11/21 at 100.00	A	846,248
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)	8,000	8/16 at 101.00	N/R	8,771,473
New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Second Generation Resolution, Fiscal 2011 Series EE, 5.375%, 6/15/43	3,125	12/20 at 100.00	AA+	3,673,719
New York City Sales Tax Asset Receivable Corporation, New York, Dedicated Revenue Bonds, Local Government Assistance Corporation, Series 2004A, 5.000%, 10/15/21 – NPFPG Insured	8,000	10/14 at 100.00	AAA	8,619,440
New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 – 8/13 at 100.00	60		AA	60,258
NPFPG Insured				
New York State Power Authority, General Revenue Bonds, Series 2011A, 5.000%, 11/15/38	3,000	11/21 at 100.00	Aa2	3,479,250
Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Refunding Subordinate Lien Bonds, Series 2013A, 5.000%, 11/15/28	585	No Opt. Call	A+	703,106
Total New York North Carolina – 0.8% (0.6% of Total Investments)	47,080			49,381,240
Charlotte-Mecklenberg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue	1,710	1/18 at 100.00	AA–	2,040,782



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	Bonds, Series 2008, Trust 1149, 15.332%, 7/15/32 (IF) (5) Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care System Revenue			
1,200	Bonds, Carolinas Health Care, Series 2007A, 5.000%, 1/15/31 Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue	1/17 at 100.00	AA-	1,323,300
1,750	Bonds, DBA Carolinas Healthcare System, Series 2005A, 4.875%, 1/15/32 (Pre-refunded 1/15/15)	1/15 at 100.00	AA+ (4)	1,903,213
4,660	Total North Carolina Ohio – 2.8% (2.0% of Total Investments) Allen County, Ohio, Hospital Facilities Revenue Bonds, Catholic Health Partners, Refunding and Improvement Series 2012A:			5,267,295
650	5.000%, 5/01/33	5/22 at 100.00	AA-	745,531
970	4.000%, 5/01/33	5/22 at 100.00	AA-	992,194
800	5.000%, 5/01/42	5/22 at 100.00	AA-	897,104
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:			
4,735	5.125%, 6/01/24	6/17 at 100.00	B-	4,390,055
710	5.875%, 6/01/30	6/17 at 100.00	B	651,077
685	5.750%, 6/01/34	6/17 at 100.00	B	612,322
1,570	5.875%, 6/01/47	6/17 at 100.00	B	1,419,845
1,915	Chagrin Falls Exempt Village School District, Ohio, General Obligation Bonds, Refunding Series 2005, 5.250%, 12/01/19 (Pre-refunded 12/01/14) – NPFG Insured	12/14 at 100.00	Aa1 (4)	2,088,250
5,800	Franklin County, Ohio, Hospital Revenue Bonds, OhioHealth Corporation, Series 2011A, 5.000%, 11/15/41	11/21 at 100.00	AA+	6,544,314
17,835	Total Ohio Oklahoma – 1.9% (1.4% of Total Investments) Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007:			18,340,692
4,370	5.000%, 2/15/37	2/17 at 100.00	A	4,607,247
955	5.000%, 2/15/42	2/17 at 100.00	A	1,003,906
6,305	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health System, Series 2006, 5.000%, 12/15/36 (UB)	12/16 at 100.00	AA+	6,797,988
88	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis	12/16 at 100.00	AA+	100,510

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	Health System, Series 2008, Trust 3500, 8.544%, 6/15/30 (IF)			
11,718	Total Oklahoma			12,509,651
	Oregon – 0.7% (0.5% of Total Investments)			
4,700	Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, 4/13 at 100.00		AA–	4,716,685
	PeaceHealth Project, Series 2001, 5.250%, 11/15/21 – AMBAC Insured			
	Pennsylvania – 3.4% (2.4% of Total Investments)			
500	Bucks County Industrial Development Authority, Pennsylvania, Charter School Revenue Bonds, 3/17 at 100.00		BBB	510,230
	School Lane Charter School, Series 2007A, 5.000%, 3/15/37			
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) (9)	4/13 at 100.00	D	2,263,800
5,605	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Senior Lien Series 2012A, 5.000%, 12/01/42	12/22 at 100.00	Aa3	6,391,774
12,500	State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District, Series 2003, 5.000%, 6/01/33 (Pre-refunded 6/01/13) - AGM Insured	6/13 at 100.00	AA+ (4)	12,699,124
22,105	Total Pennsylvania			21,864,928
	Puerto Rico – 0.4% (0.3% of Total Investments)			
2,500	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 5.250%, 8/01/57	8/17 at 100.00	AA–	2,616,225
	South Carolina – 1.5% (1.2% of Total Investments)			
8,600	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2006, 5.000%, 12/01/24	12/16 at 100.00	AA	9,811,998
	Tennessee – 0.5% (0.4% of Total Investments)			
1,595	Harpeth Valley Utilities District, Davidson and Williamson Counties, Tennessee, Utilities Revenue Bonds, Series 2012A, 4.000%, 9/01/42	9/22 at 100.00	AA	1,636,773
3,680	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2006, 0.000%, 1/01/41	1/17 at 30.07	A	923,054

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415	Sullivan County Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds, Wellmont Health System, Series 2006C, 5.250%, 9/01/36	9/16 at 100.00	BBB+	438,746
800	Sumner County Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding Bonds, Sumner Regional Health System Inc., Series 2007: 5.500%, 11/01/37 (6)	11/17 at 100.00	N/R	2,008
2,800	5.500%, 11/01/46 (6)	11/17 at 100.00	N/R	7,028
9,290	Total Tennessee Texas – 16.9% (12.2% of Total Investments)			3,007,609
5,445	Board of Regents, University of Texas System, Financing System Revenue Bonds, Series 2006F, 4.250%, 8/15/36 (UB)	2/17 at 100.00	AAA	5,711,533
2,700	Central Texas Regional Mobility Authority, Senior Lien Revenue Bonds, Series 2011, 6.250%, 1/01/46	1/21 at 100.00	BBB–	3,193,047
4,500	Colorado River Municipal Water District, Texas, Water System Revenue Bonds, Series 2011, 5.000%, 1/01/36	1/21 at 100.00	AA–	5,097,735
5,000	Decatur Hospital Authority, Texas, Revenue Bonds, Wise Regional Health System, Series 2004A, 7.000%, 9/01/25	9/14 at 100.00	N/R	5,304,050
10,000	Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2011D, 5.000%, 11/15/40	11/21 at 100.00	AA	11,505,500
4,965	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Facilities Department, Refunding Series 2011B, 5.250%, 9/01/27	9/16 at 100.00	A2	5,527,137
6,000	Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001B, 5.500%, 12/01/29 – NPMG Insured (ETM)	12/25 at 100.00	AA+ (4)	8,558,940
14,200	Hutto Independent School District, Williamson County, Texas, General Obligation Bonds, Series 2007A, 4.750%, 8/01/43 (UB)	8/16 at 100.00	AAA	15,242,138
8,000	Lower Colorado River Authority, Texas, Transmission Contract Refunding Revenue Bonds, LCRA	5/20 at 100.00	A+	8,915,440

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	Transmission Services Corporation Project, Refunding & Improvement Series 2010, 5.000%, 5/15/40			
1,750	Martin County Hospital District, Texas, Combination Limited Tax and Revenue Bonds, Series 2011A, 7.250%, 4/01/36	4/21 at 100.00	BBB	1,988,578
2,500	Matagorda County Navigation District 1, Texas, Collateralized Revenue Refunding Bonds, Houston Light and Power Company, Series 1997, 5.125%, 11/01/28 – AMBAC Insured (Alternative Minimum Tax)	No Opt. Call	A	3,019,000
3,150	North Texas Tollway Authority, Second Tier System Revenue Refunding Bonds, Series 2008F, 5.750%, 1/01/38	1/18 at 100.00	A3	3,499,776
4,370	North Texas Tollway Authority, Special Projects System Revenue Bonds, Series 2011A: 0.000%, 9/01/43	9/31 at 100.00	AA	3,344,361
9,130	0.000%, 9/01/45	9/31 at 100.00	AA	7,621,359
3,500	Southwest Higher Education Authority Inc, Texas, Revenue Bonds, Southern Methodist University, Series 2010, 5.000%, 10/01/41	10/20 at 100.00	AA–	4,003,160
7,700	Tarrant County Cultural & Educational Facilities Financing Corporation, Texas, Revenue Bonds, Texas Health Resources, Series 2007A, 5.000%, 2/15/36 (UB)	2/17 at 100.00	AA–	8,349,033
435	Texas Municipal Gas Acquisition and Supply Corporation III, Gas Supply Revenue Bonds, Series 2012, 5.000%, 12/15/32	No Opt. Call	A3	471,453
1,665	Texas Transportation Commission, Central Texas Turnpike System Revenue Bonds, First Tier Refunding Series 2012A, 5.000%, 8/15/41	No Opt. Call	A–	1,841,140
9,110	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2006: 0.000%, 8/15/37	8/15 at 31.98	AAA	2,767,527
9,110	0.000%, 8/15/40	8/15 at 27.11	AAA	2,346,007
7,110	0.000%, 8/15/44	8/15 at 21.88	AAA	1,417,947
120,340	Total Texas Utah – 1.1% (0.8% of Total Investments) Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E:			109,724,861

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465	5.200%, 1/01/18 (Alternative Minimum Tax)	4/13 at 100.00	AA-	466,451
225	5.500%, 1/01/23 (Alternative Minimum Tax)	4/13 at 100.00	Aaa	232,535
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1:			
750	4.950%, 7/01/18 (Alternative Minimum Tax)	4/13 at 100.00	AA-	753,743
340	5.300%, 7/01/23 (Alternative Minimum Tax)	4/13 at 100.00	Aaa	350,268
	Utah Transit Authority, Sales Tax Revenue and Refunding Bonds, Series 2012, 5.000%,			
4,935	6/15/42	6/22 at 100.00	A1	5,587,259
6,715	Total Utah			7,390,256
	Vermont – 1.5% (1.1% of Total Investments)			
	University of Vermont and State Agricultural College, Revenue Bonds, Series 2005,			
9,000	5.000%,	10/15 at 100.00	Aa3	9,839,520
	10/01/35 – NPFPG Insured			
	Virginia – 0.3% (0.2% of Total Investments)			
	Chesterfield County Health Center Commission, Virginia, Mortgage Revenue			
1,000	Bonds, Lucy Corr	12/15 at 100.00	N/R	1,012,750
	Village, Series 2005, 5.375%, 12/01/28			
	Virginia Commonwealth University Health System Authority, General Revenue Bonds, Series 2011,			
1,000	4.750%, 7/01/41	7/21 at 100.00	AA-	1,113,940
2,000	Total Virginia			2,126,690
	Washington – 4.9% (3.5% of Total Investments)			
	King County, Washington, Sewer Revenue Bonds, Series 2009, 5.250%, 1/01/42			
2,500		1/19 at 100.00	AA+	2,927,625
	Port of Seattle, Washington, Revenue Bonds, Intermediate Lien Refunding Series 2012A,			
1,820	5.000%, 8/01/30	8/22 at 100.00	Aa3	2,152,805
	Port of Seattle, Washington, Revenue Bonds, Series 2005A, 5.000%, 3/01/35 – NPFPG			
5,205	Insured	3/15 at 100.00	Aa3	5,588,348
	Washington Health Care Facilities Authority, Revenue Bonds, Catholic Health, Series			
10,000	2011A,	2/21 at 100.00	AA-	11,086,600
	5.000%, 2/01/41			
	Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer			
3,410	Research	1/21 at 100.00	A	3,840,615
	Center, Series 2011A, 5.625%, 1/01/35			
	Washington State Health Care Facilities Authority, Revenue Bonds, Group Health			
	Cooperative of Puget Sound, Series 2001:			
3,005	5.375%, 12/01/17 – AMBAC Insured	4/13 at 100.00	BBB-	3,009,838
2,915	5.375%, 12/01/18 – AMBAC Insured	4/13 at 100.00	BBB-	2,919,753
28,855	Total Washington			31,525,584
	Wisconsin – 0.2% (0.2% of Total Investments)			

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1,000	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Charity HealthCare Ministry, Series 2007, 5.000%, 9/01/33	9/17 at 100.00	BBB+	1,038,280
330	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services Inc., Series 2003A, 5.125%, 8/15/33	8/13 at 100.00	A-	335,386
1,330	Total Wisconsin			1,373,666
\$ 914,128	Total Municipal Bonds (cost \$804,166,096)			882,638,803

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (3)	Value
	Corporate Bonds – 0.0% (0.0% of Total Investments)				
	Transportation – 0.0% (0.0% of Total Investments)				
\$ 40	Las Vegas Monorail Company, Senior Interest Bonds (7), (11)	5.500%	7/15/19	N/R	\$ 28,874
12	Las Vegas Monorail Company, Senior Interest Bonds (7), (11)	1.000%	6/30/55	N/R	4,985
\$ 52	Total Corporate Bonds (cost \$0)				33,859

Shares	Description (1)	Value
	Investments Companies – 0.6% (0.4% of Total Investments)	
		\$
6,266	BlackRock MuniHoldings Fund Inc.	121,497
26,880	Dreyfus Strategic Municipal Fund	264,768
131,278	DWS Municipal Income Trust	1,982,298
43,020	Invesco VK Investment Grade Municipal Trust	679,716
30,000	Invesco VK Municipal Opportunity Trust	449,700
43,420	PIMCO Municipal Income Fund II	577,485
	Total Investment Companies (cost \$3,325,133)	4,075,465

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Short-Term Investments – 1.5% (1.1% of Total Investments)			
	Arizona – 0.8% (0.6% of Total Investments)			
\$ 5,000	Arizona School Facilities Board, Certificates of Participation, Variable Rate Demand Obligations, Tender Option Bond Trust 3199X, 0.150%, 9/01/21 – AGC Insured (8)	No Opt. Call	AA-	\$ 5,000,000

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	Iowa – 0.7% (0.5% of Total Investments)		
	Iowa State, Special Obligation Bonds, I-Jobs Program, Variable	6/19 at	
4,500	Rate Demand Obligations,	100.00	AA 4,500,000
	Tender Option Bond Trust 13B-B REG D, 0.130%, 6/01/26 (8)		
\$			
9,500	Total Short-Term Investments (cost \$9,500,000)		9,500,000
	Total Investments (cost \$816,991,229) – 138.0%		896,248,127
	Floating Rate Obligations – (6.8)%		(44,412,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (10.8)%		
	(10)		(70,000,000)
	Variable Rate MuniFund Term Preferred Shares, at Liquidation		
	Value – (26.0)% (10)		(169,200,000)
	Other Assets Less Liabilities – 5.6%		36,979,915
			\$
	Net Assets Applicable to Common Shares – 100%		649,616,042

## Fair Value Measurements

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Municipal Bonds	\$ —	\$882,638,803	\$ —	\$882,638,803
Corporate Bonds	—	—	33,859	33,859
Investments Companies	4,075,465	—	—	4,075,465
Short-Term Investments:				
Municipal Bonds	—	9,500,000	—	9,500,000
Total	\$4,075,465	\$892,138,803	\$33,859	\$896,248,127

The Nuveen funds' Board of Directors/Trustees is responsible for the valuation process and has delegated the oversight of the daily valuation process to the Adviser's Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board of Directors/Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the funds' pricing policies, and reporting to the Board of Directors/Trustees. The Valuation Committee is aided in its efforts by the Adviser's dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.



The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors/Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board of Directors/Trustees.

#### Income Tax Information

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

As of January 31, 2013, the cost of investments was \$773,720,666.

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

Gross unrealized:	
Appreciation	\$85,492,990
Depreciation	(7,315,463)
Net unrealized appreciation (depreciation) of investments	\$78,177,527

- (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 highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.  
Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities,
- (4)

which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.

- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
  - (6) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing security, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has directed the Fund's custodian to cease accruing additional income on the Fund's records.
  - (7) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Directors/Trustees. For fair value measurement disclosure purposes, investment classified as Level 3. 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.
  - (8) On July 1, 2012, the Fund's Adviser determined it was unlikely that this borrower would fulfill its entire obligation on this security, and therefore reduced the security's interest rate of accrual from 6.600% to 5.280%. On December 20, 2012, the Fund's Adviser further reduced the security's interest rate of accrual from 5.280% to 4.290%.
  - (9) MuniFund Term Preferred Shares and Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments are 7.8% and 18.9%, respectively.
  - (10) During January 2010, Las Vegas Monorail Company ("Las Vegas Monorail") filed for federal bankruptcy protection. During March 2012, Las Vegas Monorail emerged from federal bankruptcy with the acceptance of a reorganization plan assigned by the federal bankruptcy court. Under the reorganization plan, the Fund surrendered its Las Vegas Monorail Project Revenue Bonds, First Tier, Series 2000 and in turn received two senior interest corporate bonds: the first with an interest rate of 5.500% maturing on July 15, 2019 and the second with an interest rate of 3.000% (5.500% after December 31, 2015) maturing on July 15, 2055.
  - (11) N/R Not rated.
- (ETM) Escrowed to maturity.  
(IF) Inverse floating rate investment.  
(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction.
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Item 2. Controls and Procedures.

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

Item 3. Exhibits.

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

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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: April 1, 2013

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

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

Date: April 1, 2013

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

Date: April 1, 2013