

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
Form N-Q  
April 01, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT  
COMPANY

Investment Company Act file number 811-10345

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: 1/31/14

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, 2014

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 140.5% (97.8% of Total Investments)			
	MUNICIPAL BONDS – 139.9% (97.4% 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+	\$ 3,546,515
	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	B2	693,800
	Arizona – 2.3% (1.6% of Total Investments)			
3,390	Arizona State Transportation Board, Highway Revenue Bonds, Series 2006, 13.615%, 7/01/16 (IF)	No Opt. Call	AAA	4,246,687
	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	5,193,150
	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc	No Opt. Call	A–	3,847,462
	Prepay Contract Obligations, Series 2007, 5.000%, 12/01/37			
12,190	Total Arizona			13,287,299
	California – 14.0% (9.7% of Total Investments)			
	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–	1,796,837

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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	3,802,186
2,900	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, 2007A, 5.000%, 11/15/42 (UB)	11/16 at 100.00	AA-	2,923,432
5,355	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.788%, 5/15/14 (IF)	No Opt. Call	AA-	6,651,874
20	California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 - NCFG Insured (Alternative Minimum Tax)	6/14 at 100.00	AA	20,028
1,560	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 2013A: 5.750%, 1/15/46	1/24 at 100.00	BBB-	1,567,816
1,560	6.000%, 1/15/49	1/24 at 100.00	BBB-	1,577,410
8,820	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45 - AGC Insured	6/15 at 100.00	AA-	8,757,202
900	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: 5.000%, 6/01/33	6/17 at 100.00	B	691,479
11,865	5.125%, 6/01/47	6/17 at 100.00	B	8,595,837
7,150	Grossmont Healthcare District, California, General Obligation Bonds, Series 2011B, 6.125%, 7/15/40	7/21 at 100.00	Aa2	8,194,115
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	10,552,300
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	2,791,085
12,000	Palomar Pomerado Health, California, General Obligation Bonds, Convertible Capital	8/30 at 100.00	A+	8,980,800

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	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	10/25 at 100.00	AA–	3,673,093
205	Riverside County Transportation Commission, California, Toll Revenue Senior Lien Bonds, Series 2013A, 5.750%, 6/01/44	6/23 at 100.00	BBB–	210,871
3,550	San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011, 7.500%, 12/01/41	12/21 at 100.00	BB	3,982,177
3,000	San Diego Community College District, California, General Obligation Bonds, Tender Option Bond	8/21 at 100.00	AA+	3,593,190
10,000	Trust 1005, 13.746%, 8/01/41 (IF) (4) San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A, 0.000%, 1/15/35 – NPFPG Insured	No Opt. Call	A	2,630,600
3,000	San Mateo County Community College District, California, General Obligation Bonds, Series 2006C, 0.000%, 9/01/30 – NPFPG Insured	No Opt. Call	Aaa	1,491,210
93,555	Total California Colorado – 4.4% (3.1% of Total Investments)			82,483,542
2,805	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	2,522,705
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	4,712,500
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+	5,883,635
3,300	5.000%, 11/15/24 – FGIC Insured	11/16 at 100.00	A+	3,607,659
4,335	5.000%, 11/15/25 – FGIC Insured Maher Ranch Metropolitan District 4, Colorado, General Obligation Limited Tax Bonds, Series 2007:	11/16 at 100.00	A+	4,725,497
950	5.125%, 12/01/27 – RAAI Insured	12/17 at 100.00	N/R	900,743
2,000	5.250%, 12/01/36 – RAAI Insured		N/R	1,762,740

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		12/17 at 100.00		
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 (5)	1,036,220
630	Regional Transportation District, Colorado, Certificates of Participation, Series 2010A, 5.375%, 6/01/31	6/20 at 100.00	Aa3	677,641
25,385	Total Colorado			25,829,340
	Connecticut – 0.3% (0.2% of Total Investments) Connecticut Health and Educational Facilities Authority, Revenue Bonds, Hartford Healthcare, Series 2011A, 5.000%, 7/01/41	7/21 at 100.00	A	1,508,250
1,500	District of Columbia – 2.0% (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+	10,156,400
10,000	Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Tender Option Bond Trust 1606, 11.881%, 10/01/30 – BHAC Insured (IF) (4)	10/16 at 100.00	AA+	1,397,625
1,335	Total District of Columbia			11,554,025
11,335	Florida – 3.3% (2.3% of Total Investments) Broward County, Florida, Airport System Revenue Refunding Bonds, Series 2009O, 5.375%, 10/01/29	10/19 at 100.00	A+	5,502,004
4,980	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	2,001,597
1,950	Miami-Dade County, Florida, Subordinate Special Obligation Refunding Bonds Series 2012B, 5.000%, 10/01/37	10/22 at 100.00	A+	2,539,850
2,490	Miami-Dade County, Florida, Transit System Sales Surtax Revenue Bonds, Series 2012, 5.000%, 7/01/42	7/22 at 100.00	AA	3,459,800
3,345	South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 (UB) (4)	8/17 at 100.00	AA	5,505,022
5,455	Tolomato Community Development District, Florida, Special Assessment Bonds,	5/17 at 100.00	N/R	51,488
70				

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	Convertible, Capital Appreciation, Series 2012A-2, 0.000%, 5/01/39 Tolomato Community Development District, Florida, Special Assessment Bonds,			
200	Convertible, Capital Appreciation, Series 2012A-3, 0.000%, 5/01/40 Tolomato Community Development District, Florida, Special Assessment Bonds,	5/19 at 100.00	N/R	119,936
85	Convertible, Capital Appreciation, Series 2012A-4, 0.000%, 5/01/40 Tolomato Community Development District, Florida, Special Assessment Bonds,	5/22 at 100.00	N/R	37,770
110	Note, Series 2007-3, 6.650%, 5/01/40 (6) Tolomato Community Development District, Florida, Special Assessment Bonds, Hope	5/18 at 100.00	N/R	1
10	Performing Parcel Series 2007-1, RMKT, 6.650%, 5/01/40 (6) Tolomato Community Development District, Florida, Special Assessment Bonds, Refunding	5/18 at 100.00	N/R	9,952
200	Series 2012A-1, 6.650%, 5/01/40 Tolomato Community Development District, Florida, Special Assessment Bonds,	5/17 at 100.00	N/R	200,008
475	Southern/Forbearance Parcel Series 2007-2, 6.650%, 5/01/40 (6) Total Florida	5/18 at 100.00	N/R	266,960
19,370	Georgia – 5.6% (3.9% of Total Investments) Atlanta, Georgia, Airport General Revenue Bonds, Series 2004G, 5.000%, 1/01/26 – AGM Insured			19,694,388
1,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 2010C, 5.250%, 1/01/30	1/15 at 100.00	AA–	1,036,920
15,205	Atlanta, Georgia, Airport Passenger Facilities Charge Revenue Bonds, Series 2004J, 5.000%, 1/01/29 – AGM Insured	1/21 at 100.00	A1	16,385,820
2,000	Franklin County Industrial Building Authority, Georgia, Revenue Bonds, Ty Cobb Regional Medical Center Project, Series 2010, 8.125%, 12/01/45	No Opt. Call	AA–	2,069,720
3,000	Fulton County Residential Care Facilities Authority, Georgia, Revenue Bonds, Elderly Care, Lenbrook Square Project, Series 2006A, 5.125%, 7/01/42	12/20 at 100.00	N/R	3,122,670
2,000		7/17 at 100.00	N/R	1,629,540
8,150		2/18 at 100.00	AAA	8,869,401

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	Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%, 2/01/36			
31,355	Total Georgia			33,114,071
	Guam – 0.1% (0.1% of Total Investments)			
	Guam Waterworks Authority, Water and Wastewater System Revenue Bonds, Series 2013, 5.500%, 7/01/43	7/23 at 100.00	A–	818,262
810	Illinois – 15.3% (10.7% 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	3,300,256
3,200	Chicago, Illinois, Sales Tax Revenue Bonds, Series 2011A, 5.000%, 1/01/41	1/22 at 100.00	AAA	4,980,842
4,855	Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A, 5.500%, 1/01/16 – NPPG Insured	No Opt. Call	A+	2,406,280
2,220	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	A	3,671,818
3,630	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 (5)	7,761,525
7,500	Cook County, Illinois, General Obligation Bonds, Refunding Series 2010A, 5.250%, 11/15/33	11/20 at 100.00	AA	11,676,422
11,175	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	Baa2 (5)	2,512,252
2,415	Illinois Finance Authority, Revenue Bonds, Advocate Health Care Network, Series 2012, 5.000%, 6/01/42	No Opt. Call	AA	1,020,770
1,000	Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37	8/17 at 100.00	BBB	3,817,453
3,630	Illinois Finance Authority, Revenue Bonds, The University of Chicago, Series 2012A, 5.000%, 10/01/51	10/21 at 100.00	Aa1	4,209,604
4,125	Illinois State, General Obligation Bonds, Series 2004A, 5.000%, 3/01/28	3/14 at 100.00	A–	6,012,000
6,000	Illinois Toll Highway Authority, Toll Highway Revenue Bonds, Tender Option Bond Trust 4304, 18.345%, 1/01/21 (IF) (4)	No Opt. Call	AA–	629,014
560				



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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	3,972,920
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	12,215,160
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	8,659,800
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	3,160,568
10,000	Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.000%, 12/01/41 (Pre-refunded 12/01/14) – AGM Insured	12/14 at 100.00	AAA	10,402,700
127,100	Total Illinois Indiana – 7.6% (5.3% of Total Investments)			90,409,384
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	4,333,424
4,310	Indiana Finance Authority, Hospital Revenue Bonds, Community Health Network Project, Series 2012A, 5.000%, 5/01/42	5/23 at 100.00	A	4,283,838
5,370	Indiana Finance Authority, Private Activity Bonds, Ohio River Bridges East End Crossing Project, Series 2013A, 5.250%, 1/01/51 (Alternative Minimum Tax)	7/23 at 100.00	BBB	5,208,041
6,700	Indiana Finance Authority, Wastewater Utility Revenue Bonds, CWA Authority Project, Series 2011B, 5.000%, 10/01/41	10/21 at 100.00	AA–	6,886,327
10,925	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	N/R (5)	11,576,239
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+	7,187,390
830	Valparaiso, Indiana, Exempt Facilities Revenue Bonds, Pratt Paper LLC Project, Series 2013,	1/24 at 100.00	N/R	870,438

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	7.000%, 1/01/44 (Alternative Minimum Tax)			
	Vigo County Hospital Authority, Indiana,			
	Revenue Bonds, Union Hospital, Series 2007:			
2,500	5.750%, 9/01/42	9/17 at 100.00	N/R	2,324,900
2,500	5.800%, 9/01/47	9/17 at 100.00	N/R	2,322,150
44,365	Total Indiana			44,992,747
	Iowa – 0.2% (0.1% of Total Investments)			
	Iowa Tobacco Settlement Authority, Asset			
	Backed Settlement Revenue Bonds, Series			
	2005C:			
525	5.500%, 6/01/42	6/15 at 100.00	B+	406,586
1,000	5.625%, 6/01/46	6/15 at 100.00	B+	777,930
1,525	Total Iowa			1,184,516
	Kansas – 0.3% (0.2% of Total Investments)			
	Manhattan Health Care Facility Revenue			
	Bonds, Kansas, Meadowlarks Hills Retirement,			
	Series 2007B:			
1,000	5.125%, 5/15/37	5/14 at 103.00	N/R	892,890
1,000	5.125%, 5/15/42	5/14 at 103.00	N/R	873,810
2,000	Total Kansas			1,766,700
	Kentucky – 2.2% (1.5% of Total Investments)			
	Kentucky Economic Development Finance			
	Authority, Louisville Arena Project Revenue			
1,000	Bonds,	6/18 at 100.00	AA–	1,014,180
	Louisville Arena Authority, Inc., Series			
	2008-A1, 6.000%, 12/01/42 – AGC Insured			
	Kentucky Public Transportation Infrastructure			
	Authority, First Tier Toll Revenue Bonds,			
	Downtown Crossing Project, Convertible			
	Capital Appreciation Series 2013C:			
1,335	0.000%, 7/01/43	7/31 at 100.00	Baa3	753,314
2,295	0.000%, 7/01/46	7/31 at 100.00	Baa3	1,282,217
	Kentucky Public Transportation Infrastructure			
	Authority, First Tier Toll Revenue Bonds,			
	Downtown Crossing Project, Series 2013A:			
3,080	5.750%, 7/01/49	7/23 at 100.00	Baa3	3,180,408
615	6.000%, 7/01/53	7/23 at 100.00	Baa3	640,719
	Lexington-Fayette Urban County Government			
	Public Facilities Corporation, Kentucky State			
5,400	Lease	6/21 at 100.00	Aa3	5,809,050
	Revenue Bonds, Eastern State Hospital Project,			
	Series 2011A, 5.250%, 6/01/29			
	Warren County, Kentucky, Hospital Revenue			
	Bonds, Bowling Green-Warren County			
215	Community	10/22 at	A	205,093
	Hospital Corporation, Series 2012A, 4.000%,			
	10/01/29			
13,940	Total Kentucky			12,884,981
	Louisiana – 5.3% (3.7% of Total Investments)			
	Jefferson Parish Hospital Service District 2,			
2,000	Louisiana, Hospital Revenue Bonds, East	7/21 at 100.00	Baa3	2,101,560

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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	3,205,200
10,000	Bonds, Westlake Chemical Corporation Project, Series 2007, 6.750%, 11/01/32 Louisiana Public Facilities Authority, Revenue	10/21 at 100.00	A	10,336,900
3,700	Bonds, Loyola University Project, Refunding Series 2011, 5.000%, 10/01/41 Louisiana Public Facilities Authority, Revenue	5/17 at 100.00	Baa1	3,744,733
4,425	Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47 Louisiana Public Facilities Authority, Revenue	5/21 at 100.00	Baa1	4,944,274
6,855	Bonds, Ochsner Clinic Foundation Project, Series 2011, 6.750%, 5/15/41 Louisiana Stadium and Exposition District, Revenue Refunding Bonds, Senior Lien Series	7/23 at 100.00	A	7,080,941
29,980	2013A, 5.000%, 7/01/36 Total Louisiana			31,413,608
1,000	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	827,950
2,000	5.250%, 4/01/37 Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference	12/16 at 100.00	N/R	999,580
555	Center, Series 2006A, 5.000%, 12/01/31 (6) Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge	7/17 at 100.00	A–	556,193
1,675	Retirement Community, Series 2007, 4.750%, 7/01/34 Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health	8/23 at 100.00	A2	1,419,295
5,230	Issue, Series 2013A, 4.000%, 8/15/41 Total Maryland			3,803,018
1,375	Massachusetts – 4.0% (2.8% of Total Investments) Massachusetts Development Finance Agency, Revenue Bonds, Orchard Cove, Series 2007, 5.250%, 10/01/26	4/14 at 102.00	N/R	1,318,405
1,000	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Milton Hospital	7/15 at 100.00	BB+	994,520
1,600	Project, Series 2005D, 5.250%, 7/01/30 Massachusetts Health and Educational Facilities Authority, Revenue Refunding	7/19 at 100.00	BBB	1,678,272

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	Bonds, Suffolk University Issue, Series 2009A, 5.750%, 7/01/39			
400	Massachusetts Port Authority, Special Facilities Revenue Bonds, ConRac Project, Series 2011A, 5.125%, 7/01/41	7/21 at 100.00	A	412,672
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)	7/14 at 100.00	N/R	5,001,300
3,000	Massachusetts School Building Authority, Dedicated Sales Tax Revenue Bonds, Series 2005A, 5.000%, 8/15/30 (Pre-refunded 8/15/15)	8/15 at 100.00	Aa2 (5)	3,220,320
3,465	Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007A, 4.500%, 8/01/46 – AGM Insured (UB) (4)	2/17 at 100.00	AA+	3,508,139
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+	7,459,553
23,005	Total Massachusetts Michigan – 8.0% (5.6% of Total Investments)			23,593,181
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	16,019,250
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	BBB+	638,885
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	1,683,880
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–	3,905,959
5,000	Michigan Finance Authority, Revenue Bonds, Trinity Health Credit Group, Refunding Series 2011, 5.000%, 12/01/39	12/21 at 100.00	Aa2	5,098,650
13,000	Michigan Finance Authority, Unemployment Obligation Assessment Revenue Bonds, Series 2012A, 5.000%, 7/01/14	No Opt. Call	AAA	13,265,590

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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	2,410,875
650	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sisters of Mercy Health Corporation, Series 1993P, 5.375%, 8/15/14 – NPMG Insured (ETM)	No Opt. Call	A (5)	668,252
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	AA	2,922,787
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 (5)	714,261
45,670	Total Michigan Minnesota – 1.4% (1.0% of Total Investments)			47,328,389
1,200	Cambridge Independent School District 911, Isanti County, Minnesota, General Obligation Bonds, Refunding Series 2005C, 5.000%, 4/01/14 – NPMG Insured	No Opt. Call	Aa2	1,209,732
2,120	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)	4/14 at 103.00	Aa1	2,185,890
3,000	Minnesota State, General Obligation Bonds, Various Purpose, Refunding Series 2010D, 5.000%, 8/01/18	No Opt. Call	AA+	3,528,630
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	1,297,024
7,695	Total Minnesota Mississippi – 0.9% (0.6% of Total Investments)			8,221,276
2,135	Mississippi Business Finance Corporation, GNMA Collateralized Retirement Facility Mortgage Revenue Refunding Bonds, Aldersgate Retirement Community Inc. Project, Series 1999A, 5.450%, 5/20/34	5/14 at 100.00	AA+	2,136,495
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–	3,067,080
5,135	Total Mississippi			5,203,575

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	Missouri – 0.9% (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+	1,497,168
	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	950,170
	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	2,729,550
4,995				5,176,888
	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		4/14 at 100.00	B+	5,013,200
	Nebraska – 0.3% (0.2% of Total Investments)			
	Omaha Public Power District, Nebraska, Separate Electric System Revenue Bonds, Nebraska City 2, Tender Option Bond Trust 11673, 20.138%, 8/01/40 – AMBAC Insured (IF)			
1,005		2/17 at 100.00	AA+	1,555,127
	Nevada – 5.6% (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+	11,128,300
	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+	6,195,060
	Henderson, Nevada, General Obligation Bonds, Sewer Series 2004, 5.000%, 6/01/34 (Pre-refunded 12/01/14) – FGIC Insured			
5,000		12/14 at 100.00	AA (5)	5,200,600
	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+	10,496,700
31,000				33,020,660
	Total Nevada			
	New Jersey – 4.9% (3.4% of Total Investments)			
	New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004, 5.500%, 6/15/31 (Pre-refunded 6/15/14)			
2,850		6/14 at 100.00	Aaa	2,907,114
	New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Somerset Medical			

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	Center, Series 2003:			
200	5.500%, 7/01/23	4/14 at 100.00	Ba2	200,064
1,125	5.500%, 7/01/33	4/14 at 100.00	Ba2	1,125,011
12,970	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Capital Appreciation Series 2010A, 0.000%, 12/15/33	No Opt. Call	A+	4,551,173
20,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/33 – AGM Insured	No Opt. Call	AA–	6,990,800
7,000	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2012AA, 5.000%, 6/15/38	No Opt. Call	A+	7,278,670
7,670	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 4.750%, 6/01/34	6/17 at 100.00	B2	5,670,278
51,815	Total New Jersey New York – 8.0% (5.6% of Total Investments) Albany Industrial Development Agency, New York, Revenue Bonds, Brighter Choice Charter Schools, Series 2007A, 5.000%, 4/01/32			28,723,110
900	Brooklyn Arena Local Development Corporation, New York, Payment in Lieu of Taxes Revenue Bonds, Barclays Center Project, Series 2009: 6.000%, 7/15/30	4/17 at 100.00	BB+	814,104
1,275	0.000%, 7/15/44	1/20 at 100.00	BBB–	1,364,977
3,400	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, General Purpose Series 2011C, 5.000%, 3/15/41	No Opt. Call	BBB–	543,796
4,675	Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Senior Fiscal 2012 Series 2011A, 5.750%, 2/15/47	3/21 at 100.00	AAA	4,927,964
2,100	Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 – NPPG Insured	2/21 at 100.00	A	2,272,536
4,945	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2003B, 5.250%, 6/01/14 (ETM)	2/17 at 100.00	A	4,905,984
1,000	Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2011A, 5.000%, 5/01/36 – AGM Insured	No Opt. Call	A– (5)	1,017,060
1,200		5/21 at 100.00	AA–	1,248,360

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5,000	Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2012A, 5.000%, 9/01/42	9/22 at 100.00	A-	5,142,100
750	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2011A, 5.000%, 11/15/41	11/21 at 100.00	A	772,125
8,000	New York City Industrial Development Agency, New York, American Airlines-JFK International Airport Special Facility Revenue Bonds, Series 2005, 7.750%, 8/01/31 (Alternative Minimum Tax)	8/16 at 101.00	N/R	8,786,480
3,125	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	12/20 at 100.00	AA+	3,356,531
8,000	New York City Sales Tax Asset Receivable Corporation, New York, Dedicated Revenue Bonds, Local Government Assistance Corporation, Series 2004A, 5.000%, 10/15/21 – NPMFG Insured	10/14 at 100.00	AAA	8,267,360
60	New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 – NPMFG Insured	8/14 at 100.00	AA	60,266
3,000	New York State Power Authority, General Revenue Bonds, Series 2011A, 5.000%, 11/15/38	11/21 at 100.00	Aa2	3,229,050
585	Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Refunding Subordinate Lien Series 2013A, 5.000%, 11/15/28	No Opt. Call	A+	645,986
48,015	Total New York North Carolina – 0.8% (0.6% of Total Investments)			47,354,679
1,710	Charlotte-Mecklenburg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008, Trust 1149, 15.412%, 7/15/32 (IF) (4)	1/18 at 100.00	AA-	1,762,565
1,200	Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care System Revenue Bonds, Carolinas Health Care, Series 2007A, 5.000%, 1/15/31	1/17 at 100.00	AA-	1,226,568
1,750	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA	1/15 at 100.00	AA+ (5)	1,827,193



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4,660	Carolinas Healthcare System, Series 2005A, 4.875%, 1/15/32 (Pre-refunded 1/15/15) Total North Carolina			4,816,326
	Ohio – 3.3% (2.3% of Total Investments) Allen County, Ohio, Hospital Facilities Revenue Bonds, Catholic Health Partners, Refunding and Improvement Series 2012A:			
650	5.000%, 5/01/33	5/22 at 100.00	AA–	681,512
970	4.000%, 5/01/33	5/22 at 100.00	AA–	906,145
800	5.000%, 5/01/42	5/22 at 100.00	AA–	824,200
	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–	3,992,599
710	5.875%, 6/01/30	6/17 at 100.00	B	572,530
3,705	5.750%, 6/01/34	6/17 at 100.00	B	2,885,009
1,670	5.875%, 6/01/47	6/17 at 100.00	B	1,333,996
	Chagrin Falls Exempt Village School District, Ohio, General Obligation Bonds, Refunding Series	12/14 at 100.00	Aa1 (5)	1,996,751
	2005, 5.250%, 12/01/19 (Pre-refunded 12/01/14) – NPFG Insured			
5,800	Franklin County, Ohio, Hospital Revenue Bonds, OhioHealth Corporation, Series 2011A, 5.000%, 11/15/41	11/21 at 100.00	AA+	5,986,470
20,955	Total Ohio			19,179,212
	Oklahoma – 2.1% (1.4% of Total Investments) Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007:			
4,535	5.000%, 2/15/37	2/17 at 100.00	A+	4,609,601
1,145	5.000%, 2/15/42	2/17 at 100.00	A+	1,162,209
	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health	12/16 at 100.00	AA+	6,384,506
6,305	System, Series 2006, 5.000%, 12/15/36 (UB)			
	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health	12/16 at 100.00	AA+	90,017
88	System, Series 2008, Trust 3500, 8.577%, 6/15/30 (IF)			
12,073	Total Oklahoma			12,246,333
	Oregon – 1.1% (0.7% of Total Investments) Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, PeaceHealth Project, Series 2001, 5.250%, 11/15/21 – AMBAC Insured	5/14 at 100.00	AA–	4,715,980
4,700				
1,435	Oregon State Department of Transportation, Highway User Tax Revenue Bonds, Series	11/14 at 100.00	AAA	1,492,874

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	2004B, 5.250%, 11/15/16 (Pre-refunded 11/15/14)			
6,135	Total Oregon			6,208,854
	Pennsylvania – 1.4% (1.0% of Total Investments)			
	Bucks County Industrial Development Authority, Pennsylvania, Charter School Revenue Bonds,	3/17 at 100.00	BBB	455,905
500	School Lane Charter School, Series 2007A, 5.000%, 3/15/37			
	Northampton County Industrial Development Authority, Pennsylvania, Recovery Revenue Bonds,	4/14 at 100.00	N/R	2,078,088
2,451	Northampton Generating Project, Senior Lien Series 2013A0 & AE2, 5.000%, 12/01/23			
	Northampton County Industrial Development Authority, Pennsylvania, Recovery Revenue Bonds,	4/14 at 100.00	N/R	26,842
32	Northampton Generating Project, Senior Lien Taxable Series 2013B, 5.000%, 12/31/23 (Alternative Minimum Tax)			
	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Senior Lien Series 2012A, 5.000%, 12/01/42	12/22 at 100.00	A+	5,780,268
5,605				
8,588	Total Pennsylvania			8,341,103
	Puerto Rico – 0.3% (0.2% of Total Investments)			
	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series	8/19 at 100.00	A+	45,271
60	2009A, 6.000%, 8/01/42			
	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 5.250%, 8/01/57	8/17 at 100.00	AA–	1,906,350
2,500				
2,560	Total Puerto Rico			1,951,621
	Rhode Island – 1.5% (1.0% of Total Investments)			
	Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds,			
	Series 2002A:			
25	6.000%, 6/01/23	4/14 at 100.00	Baa1	25,002
8,730	6.250%, 6/01/42	4/14 at 100.00	BBB–	8,590,145
8,755	Total Rhode Island			8,615,147
	South Carolina – 2.0% (1.4% of Total Investments)			
	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series	12/16 at 100.00	AA	11,601,912
10,600	2006, 5.000%, 12/01/24			
	Tennessee – 1.3% (0.9% of Total Investments)			
4,885		1/23 at 100.00	A+	5,003,559

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	Chattanooga Health, Educational and Housing Facility Board, Tennessee, Hospital Revenue Bonds,			
	Catholic Health Initiatives, Series 2013A, 5.250%, 1/01/45			
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	1,589,832
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	714,362
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+	415,477
10,575	Total Tennessee			7,723,230
	Texas – 18.9% (13.2% of Total Investments)			
	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	5,490,466
2,700	Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2011, 6.250%, 1/01/46	1/21 at 100.00	Baa2	2,833,245
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–	4,723,650
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	5,113,450
1,140	Grand Parkway Transportation Corporation, Texas, System Toll Revenue Bonds, Tender Option Bond	10/23 at 100.00	AA+	1,197,285
	Trust 2013- 9A, 18.365%, 4/01/53 (IF)			
10,000	Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2011D, 5.000%, 11/15/40	11/21 at 100.00	AA	10,604,591
4,965	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment	9/16 at 100.00	A2	5,322,579
	Facilities Department, Refunding Series 2011B, 5.250%, 9/01/27			
6,000	Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2001B, 5.500%, 12/01/29 – NPMFG Insured (ETM)	No Opt. Call	AA+ (5)	7,664,580

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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	14,442,536
8,000	Lower Colorado River Authority, Texas, Transmission Contract Refunding Revenue Bonds, LCRA Transmission Services Corporation Project, Refunding & Improvement Series 2010, 5.000%, 5/15/40	5/20 at 100.00	A+	8,135,360
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	1,858,448
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	A1	2,675,300
3,500	North Texas Municipal Water District, Water System Revenue Bonds, Series 2004, 5.000%, 9/01/24 (Pre-refunded 9/01/14) – NPMFG Insured	9/14 at 100.00	AAA	3,599,400
6,390	North Texas Tollway Authority, Second Tier System Revenue Refunding Bonds, Series 2008F, 5.750%, 1/01/38	1/18 at 100.00	A3	6,766,499
4,370	North Texas Tollway Authority, Special Projects System Revenue Bonds, Series 2011A: 0.000%, 9/01/43	9/31 at 100.00	AA+	3,162,001
9,130	0.000%, 9/01/45	9/31 at 100.00	AA+	7,265,471
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-	3,887,345
7,700	Tarrant County Cultural Education Facilities Finance Corporation, Texas Health Resources, Series 2007A, 5.000%, 2/15/36 (UB)	2/17 at 100.00	AA-	7,806,953
435	Texas Municipal Gas Acquisition and Supply Corporation III, Gas Supply Revenue Bonds, Series 2012, 5.000%, 12/15/32	No Opt. Call	A3	436,831
1,665	Texas Transportation Commission, Central Texas Turnpike System Revenue Bonds, First Tier Refunding Series 2012A, 5.000%, 8/15/41	8/22 at 100.00	A-	1,669,412
	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds,			

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	Series 2006:			
1,445	0.000%, 8/15/37	8/15 at 31.98	AAA	430,682
1,445	0.000%, 8/15/40	8/15 at 27.11	AAA	364,819
1,125	0.000%, 8/15/44	8/15 at 21.88	AAA	228,825
	White Settlement Independent School District, Tarrant County, Texas, General Obligation Bonds, Series 2006:			
7,665	0.000%, 8/15/37 (Pre-refunded 8/15/15)	8/15 at 31.98	N/R (5)	2,437,087
7,665	0.000%, 8/15/40 (Pre-refunded 8/15/15)	8/15 at 27.11	N/R (5)	2,065,947
5,985	0.000%, 8/15/44 (Pre-refunded 8/15/15)	8/15 at 21.88	N/R (5)	1,301,678
128,220	Total Texas			111,484,440
	Utah – 1.1% (0.8% of Total Investments)			
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E:			
345	5.200%, 1/01/18 (Alternative Minimum Tax)	7/14 at 100.00	AA–	345,925
160	5.500%, 1/01/23 (Alternative Minimum Tax)	7/14 at 100.00	Aaa	163,486
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1:			
540	4.950%, 7/01/18 (Alternative Minimum Tax)	7/14 at 100.00	AA–	541,091
215	5.300%, 7/01/23 (Alternative Minimum Tax)	7/14 at 100.00	Aaa	219,272
	Utah Transit Authority, Sales Tax Revenue and Refunding Bonds, Series 2012, 5.000%, 6/15/42	6/22 at 100.00	A1	5,096,621
4,935	Total Utah			6,366,395
	Vermont – 1.6% (1.1% of Total Investments)			
9,000	University of Vermont and State Agricultural College, Revenue Bonds, Series 2005, 5.000%, 10/01/35 – NPMG Insured	10/15 at 100.00	Aa3	9,424,980
	Virginia – 0.3% (0.2% of Total Investments)			
	Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr	12/15 at 100.00	N/R	708,460
1,000	Village, Series 2005, 5.375%, 12/01/28			
	Virginia Commonwealth University Health System Authority, General Revenue Bonds, Series 2011, 4.750%, 7/01/41	7/21 at 100.00	AA–	1,012,750
1,000	Total Virginia			1,721,210
	Washington – 5.0% (3.5% of Total Investments)			
2,500	King County, Washington, Sewer Revenue Bonds, Series 2009, 5.250%, 1/01/42	1/19 at 100.00	AA+	2,756,975
1,820	Port of Seattle, Washington, Revenue Bonds, Intermediate Lien Refunding Series 2012A, 5.000%, 8/01/30	8/22 at 100.00	A+	1,976,684
	Port of Seattle, Washington, Revenue Bonds, Intermediate Lien Series 2005A, 5.000%, 3/01/35 – NPMG Insured	3/15 at 100.00	A+	5,243,257
5,205	Washington Health Care Facilities Authority, Revenue Bonds, Catholic Health, Series	2/21 at 100.00	A+	10,082,200

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	2011A, 5.000%, 2/01/41 Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research	1/21 at 100.00	A	3,551,379
3,410	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	4/14 at 100.00	BBB–	3,009,628
2,915	5.375%, 12/01/18 – AMBAC Insured	4/14 at 100.00	BBB–	2,918,790
28,855	Total Washington			29,538,913
	Wisconsin – 0.2% (0.1% of Total Investments) Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of	9/17 at 100.00	BBB+	1,001,910
1,000	Christian Charity HealthCare Ministry, Series 2007, 5.000%, 9/01/33			
\$ 907,646	Total Municipal Bonds (cost \$804,592,593)			824,396,117

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)				
\$ 43	Las Vegas Monorail Company, Senior Interest Bonds (7), (8)	5.500%	7/15/19	N/R	\$ 7,700
12	Las Vegas Monorail Company, Senior Interest Bonds (7), (8)	3.000%	7/15/55	N/R	1,607
\$ 55	Total Corporate Bonds (cost \$2,725)				9,307
Shares	Description (1), (9)				Value
	INVESTMENT COMPANIES – 0.6% (0.4% of Total Investments)				
6,266	BlackRock MuniHoldings Fund Inc.				\$ 96,434
26,880	Dreyfus Strategic Municipal Fund				216,115
131,278	DWS Municipal Income Trust				1,668,543
43,020	Invesco VK Investment Grade Municipal Trust				549,365
30,000	Invesco VK Municipal Opportunity Trust				363,900
43,420	PIMCO Municipal Income Fund II				509,317
	Total Investment Companies (cost \$3,325,133)				3,403,674
					827,809,098

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Total Long-Term Investments (cost  
\$807,920,451)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	SHORT-TERM INVESTMENTS – 3.2% (2.2% of Total Investments)			
	MUNICIPAL BONDS – 3.2% (2.2% of Total Investments)			
	Arizona – 0.9% (0.6% of Total Investments)			
\$ 5,000	Arizona School Facilities Board, Certificates of Participation, Variable Rate Demand Obligations, Tender Option Bond Trust 3199X, 0.090%, 9/01/21 – AGC Insured (10)	No Opt. Call	A–1	\$ 5,000,000
	Iowa – 1.0% (0.7% of Total Investments)			
1,500	Iowa State, Special Obligation Bonds, I-Jobs Program, Variable Rate Demand Obligations, Tender Option Bond Trust 13B-A REG D, 0.060%, 6/01/25 (10)	No Opt. Call	A–1	1,500,000
4,500	Iowa State, Special Obligation Bonds, I-Jobs Program, Variable Rate Demand Obligations, Tender Option Bond Trust 13B-B REG D, 0.120%, 6/01/26 (10)	6/19 at 100.00	A–1	4,500,000
6,000	Total Iowa			6,000,000
	New York – 1.3% (0.9% of Total Investments)			
7,914	Liberty Development Corporation, New York, Goldman Sachs Headquarter Revenue Bonds, Variable Rate Demand Obligations, Tender Option Bond Trust 1251, 0.360%, 10/01/35 (10)	No Opt. Call	VMIG–3	7,914,000
\$ 18,914	Total Short-Term Investments (cost \$18,914,000)			18,914,000
	Total Investments (cost \$826,834,451) – 143.7%			846,723,098 (44,412,000)
	Floating Rate Obligations – (7.5)%			(70,000,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (11.9)% (11)			(169,200,000)
	Variable Rate MuniFund Term Preferred Shares, at Liquidation Value – (28.7)% (11)			25,920,038
	Other Assets Less Liabilities – 4.4%			\$ 589,031,136
	Net Assets Applicable to Common Shares – 100%			





## 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	\$ —	\$824,396,117	\$ —	\$824,396,117
Corporate Bonds	—	—	9,307	9,307
Investment Companies	3,403,674	—	—	3,403,674
Short-Term Investments:				
Municipal Bonds	—	18,914,000	—	18,914,000
Total	\$3,403,674	\$843,310,117	\$9,307	\$846,723,098

## 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, 2014, the cost of investments was \$783,284,921.

Gross unrealized appreciation and gross unrealized depreciation of investments as of January 31, 2014, were as follows:

Gross unrealized:

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Appreciation	\$ 39,493,729
Depreciation	(20,409,442)
Net unrealized appreciation (depreciation) of investments	\$ 19,084,287

- (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.  
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.
- (3) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.  
Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (4) 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.
- (5) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment categorized as Level 3.
- (6) During January 2010, Las Vegas Monorail Company ("Las Vegas Monorail") filed for federal bankruptcy protection. During March 2012, Las Vegas Monorail emerged from federal bankruptcy with the acceptance of a reorganization plan assigned by the Federal Bankruptcy Court. Under the reorganization plan, the Fund surrendered its Las Vegas Monorail Project Revenue Bonds, First Tier, Series 2000 and in turn received two senior interest corporate bonds: the first with an annual coupon rate of 5.500% maturing on July 15, 2019 and the second with an annual coupon rate of 3.000% (5.500% after December 31, 2015) maturing on July 15, 2055. The Fund's custodian is not accruing income on the Fund's records for either senior interest corporate bond.
- (7) A copy of the most recent financial statements for the investment companies in which the Fund invests can be obtained directly from the Securities and Exchange Commission on its website at <http://www.sec.gov>.
- (8) 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.  
MuniFund Term Preferred Shares and Variable Rate MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments are 8.3% and 20.0%, respectively.
- (9)
- (10)
- (11)

- (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, 2014

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

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

Date: April 1, 2014

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

Date: April 1, 2014