

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-CSR
July 08, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10345

Nuveen Dividend Advantage Municipal Fund 3

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

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

Date of fiscal year end: October 31st

Date of reporting period: April 30th

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

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ITEM 1. REPORTS TO STOCKHOLDERS.

SEMIANNUAL REPORT April 30, 2003

Nuveen
Municipal Closed-End
Exchange-Traded
Funds

PERFORMANCE PLUS
NPP

MUNICIPAL ADVANTAGE
NMA

MARKET OPPORTUNITY
NMO

DIVIDEND ADVANTAGE
NAD
NXZ
NZF

Photo of: 2 men and child walking.

Photo of: 2 men talking.

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

Logo: NUVEEN Investments

FASTER INFORMATION
RECEIVE YOUR
NUVEEN FUND REPORT
ELECTRONICALLY

By registering for electronic delivery, you will receive an e-mail as soon as your Nuveen Fund information is available. Click on the link and you will be taken directly to the report. Your Fund report can be viewed and saved on your computer. Your report will arrive faster via e-mail than by traditional mail.

Registering is easy and only takes a few minutes (see instructions at right).

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IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

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FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to WWW.INVESTORDELIVERY.COM
- 2 Refer to the address sheet that accompanied this report. Enter the personal 13-CHARACTER ENROLLMENT NUMBER imprinted near your name.
- 3 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen. Once there, enter your e-mail address (e.g. yourID@providerID.com), and a personal, 4-digit PIN number of your choice. (Pick a number that's easy to remember.)
- 4 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 5 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 6 Use this same process if you need to change your registration information or cancel internet viewing.

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

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- 1 Go to WWW.NUVEEN.COM
- 2 Select ACCESS YOUR ACCOUNT. Select the E-REPORT ENROLLMENT section. Click on Enrollment Today.
- 3 You'll be taken to a screen that asks for your Social Security number and e-mail address. Fill in this information, then click Enroll.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

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Timothy R. Schwertfeger

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Chairman of the Board

Photo of: Timothy R. Schwertfeger

Sidebar text: "NO ONE KNOWS WHAT THE FUTURE WILL BRING, WHICH IS WHY WE THINK A WELL-BALANCED PORTFOLIO ... IS AN IMPORTANT COMPONENT IN ACHIEVING YOUR LONG-TERM FINANCIAL GOALS."

Dear

SHAREHOLDER

Once again, I am pleased to report that over the most recent reporting period your Fund continued to provide you with attractive tax-free monthly income. For more specific information about the performance of your Fund, please see the Portfolio Manager's Comments and Performance Overview sections of this report.

With interest rates at historically low levels, many have begun to wonder how fixed-income investments will perform if interest rates begin to rise. No one knows what the future will bring, which is why we think a well-balanced portfolio that is structured and carefully monitored with the help of an investment professional is an important component in achieving your long-term financial goals. A well-diversified portfolio may actually help to reduce your overall investment risk, and we believe that municipal bond investments like your Nuveen Fund can be important building blocks in a portfolio crafted to perform well through a variety of market conditions.

I'd also like to direct your attention to the inside front cover of this report, which explains the quick and easy process to begin receiving Fund reports like this via e-mail and the internet. Thousands of Nuveen Fund shareholders already have signed-up, and they are getting their Fund information faster and more conveniently than ever. I urge you to consider joining them.

Since 1898, Nuveen Investments has offered financial products and solutions that incorporate careful research, diversification, and the application of conservative risk-management principles. We are grateful that you have chosen us as a partner as you pursue your financial goals. We look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

June 16, 2003

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Nuveen Municipal Closed-End Exchange-Traded Funds
(NPP, NMA, NMO, NAD, NXZ, NZF)

Portfolio Manager's
COMMENTS

Portfolio manager Tom Spalding reviews economic and market conditions, key investment strategies, and the recent performance of these Nuveen National Funds. A 27-year Nuveen veteran, Tom has managed NXZ since its inception in March 2001, and assumed responsibility for NPP, NMA, NMO, NAD and NZF in January

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2003.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE PERIOD ENDED APRIL 30, 2003?

The underlying economic and market conditions have not changed much since our last shareholder report dated October 31, 2002. We believe the most influential factors shaping the U.S. economy and the municipal market during this reporting period continued to be the sluggish pace of economic growth and interest rates that remained at 40-year lows. At the same time, continued geopolitical concerns, centering on the ongoing threat of terrorism and the situation in Iraq, also had an impact during this reporting period, particularly in terms of investor sentiment.

In the municipal market, the slow economic recovery and the continued lack of inflationary pressures created conditions that helped many bonds perform well during this reporting period. As of April 2003, inflation was running at 1.5% annualized, the lowest annual rate in 37 years. Following a record year in 2002, municipal issuance nationwide remained very heavy during the first four months of 2003, with \$113.5 billion in new municipal bonds coming to market, an increase of 21% over the same period in 2002. Despite the large supply of new municipal bonds, firm or improving prices indicated continued strong demand from investors. In particular, institutional investors such as property/ casualty insurance companies, hedge funds, arbitrage accounts and pension funds were active buyers in the municipal market over much of this reporting period.

HOW DID THESE FUNDS PERFORM OVER THE TWELVE-MONTH PERIOD ENDED APRIL 30, 2003?

Individual results for these Funds, as well as for appropriate benchmarks, are presented in the accompanying table.

| | MARKET YIELD | | TOTAL RETURN ON NAV | LEHMAN TOTAL RETURN ¹ | LIPPER AVERAGE ² |
|-----|--------------|-------------------------------------|----------------------------|-------------------------------------|--------------------------------|
| | 4/30/03 | TAXABLE- EQUIVALENT ³ | 1 YEAR ENDED 4/30/03 | 1 YEAR ENDED 4/30/03 | 1 YEAR ENDED 4/30/03 |
| NPP | 6.44% | 9.20% | 10.48% | 8.49% | 10.27% |
| NMA | 6.74% | 9.63% | 11.46% | 8.49% | 10.27% |
| NMO | 6.57% | 9.39% | 8.71% | 8.49% | 10.27% |
| NAD | 6.53% | 9.33% | 12.44% | 8.49% | 10.27% |
| NXZ | 6.88% | 9.83% | 11.38% | 8.49% | 10.27% |
| NZF | 6.65% | 9.50% | 13.88% | 8.49% | 10.27% |

Past performance is not predictive of future results.

For additional information, see the individual Performance Overview for your Fund in this report.

For the twelve months ended April 30, 2003, all six of the Funds in this report outperformed the unleveraged, unmanaged Lehman Brothers Municipal Bond Index. All except NMO also outperformed their Lipper Fund peer group average.

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- 1 The total annual returns on common share net asset value (NAV) for these Funds are compared with the total annual return of the Lehman Brothers Municipal Bond Index, an unleveraged index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The total returns of these Nuveen Funds are compared with the average annualized return of the 58 funds in the Lipper General Leveraged Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.
- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. The taxable-equivalent yield is based on the Fund's market yield on the indicated date and a federal income tax rate of 30%.

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Much of this outperformance relative to the Lehman Index is attributable to the Funds' leveraged capital structures and to their relatively long durations⁴. While leverage adds volatility to a Fund, it can help enhance the amount of income paid to common shareholders, especially during a period of low short-term interest rates as was the case during the twelve-month period. The Funds' performances compared with the Lehman index also was helped by their relatively long durations. Duration is a measure of sensitivity to changes in interest rates, and, generally, the longer the duration, the more the price of an investment will react to a change in prevailing interest rates. In a time of generally declining interest rates, as was the case during much of the twelve-month period, longer duration investments would be expected to outperform shorter duration investments, all other things being equal. The durations of the six Funds as of April 30, 2003, ranged from 9.15 to 10.09, compared with 7.84 for the Lehman index.

In addition to leverage and duration, the relative performances of these Funds were influenced by factors such as call exposure, portfolio trading activity and the price movement of specific sectors and holdings. During the twelve-month period, for example, the performance of NMO was impacted by its holdings of bonds backed by American Airlines and United Air Lines. Over the past year, the market value of most airline-backed bonds fell, due in part to a decline in passenger volume and in part to the well-documented financial struggles of the industry's two largest carriers.

As of April 30, 2003, NMO held \$50.1 million par value, or 4.8% of its portfolio, in airline-backed bonds, and their depreciation over the twelve-month period cost the Fund approximately 375 basis points in total return performance.

HOW DID THE MARKET ENVIRONMENT AFFECT THE FUNDS' DIVIDENDS AND SHARE PRICES?

With short-term interest rates at historically low levels, the dividend-payment capabilities of these Funds benefited from their use of leverage. The amount of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred(R) shareholders. Low short-term rates can enable the Funds to reduce the amount of income they pay MuniPreferred holders, which potentially can leave more earnings to support common share dividends. During the twelve months ended April 30, 2003, the continued low level of short-term interest rates enabled us to implement four dividend increases in NPP, NMA, and NXZ; three in NMO and NAD; and one in NZF.

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Over the course of this twelve-month period, strong demand and favorable market conditions helped to

- 4 Duration is a measure of a Fund's NAV volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund. References to duration in this commentary are intended to indicate Fund duration unless otherwise noted.

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boost the share prices of all six Funds. Since their NAVs also increased, NAD moved from trading at a premium to its common share net asset value to trading at a discount, while the remaining five Funds continued to trade at discounts as of April 30, 2003 (see charts on individual Performance Overview pages).

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE PERIOD ENDED APRIL 30, 2003?

Over the reporting period, we continued to place strong emphasis on diversifying the Funds' port-folios, enhancing call protection and supporting their future dividend-paying capabilities. Strategically, our main focus centered on systematically shortening the Funds' durations, which we believe will help us better control the Funds' interest rate risk over time and enhance their ability to produce consistent returns. Interest rate risk is the risk that the value of a Fund's portfolio will decline when market interest rates rise (since bond prices move in the opposite direction of interest rates). The longer the duration of a Fund's portfolio, the greater its interest rate risk.

In line with our moderated duration strategy, we concentrated on finding value in the long-intermediate part of the yield curve (i.e., bonds that mature in about 20 years). In many cases, these long-intermediate bonds were offering yields similar to those of longer bonds but, in our opinion, had less inherent interest rate risk. Over the period, the purchase of bonds in this part of the curve helped to shorten the durations of these Funds, making their portfolios less sensitive to any changes in the interest rate environment while still allowing them to provide competitive yields.

In general, the heavy issuance in the municipal market over the past year provided us with increased opportunities to purchase the types of bond structures that we favor. We also continued to look for individual issues that we believed would perform well regardless of the future direction of interest rates. Overall, we emphasized undervalued sectors of the market and geographical areas with healthy levels of issuance, such as Texas and Florida. All six Funds also maintained substantial weightings in healthcare bonds, the top performing group among the Lehman revenue sectors for the twelve months ended April 30, 2003.

Each of these Funds held modest positions (less than 5% of its portfolio) in bonds backed by the 1998 Master Tobacco Settlement Agreement. Over the past five years, fourteen states, the

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District of Columbia, Puerto Rico, Guam, New York City, and individual counties in California and New York have issued almost \$20 billion of tobacco securitization bonds backed by this agreement. In recent months, the prices of these bonds weakened as the result of lawsuits involving the major tobacco companies as well as the increased issuance of such bonds by states planning to use the proceeds to help close budget gaps. Although the sector as a whole produced negative returns over the twelve-month period, tobacco bonds showed some recovery toward the end of the period.

Given the current geopolitical and economic climate, we believe that maintaining strong credit quality remains a vital requirement, and we continued to emphasize higher rated and insured bonds in our purchases for the Funds. As of April 30, 2003, each of these Funds offered excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 69% to 84%. In general, our weightings in higher quality and insured bonds benefited the performance of these Funds during the twelve-month period.

WHAT IS YOUR OUTLOOK FOR THE MUNICIPAL MARKET IN GENERAL AND THESE NUVEEN FUNDS IN PARTICULAR?

We think new issuance volume should remain strong, as issuers continue to take advantage of the low rate environment. Adding to our expectations for continued strong issuance are the budget deficits affecting many states, and their continued need to raise money for infrastructure, education and healthcare needs. Over coming months, we will continue to closely monitor the states' budgetary situations to watch for any potential impact on credit ratings.

Looking at the bond call exposure, we believe these Funds offer good levels of call protection during the remainder of 2003 and through 2004. As of April 30, 2003, the percentage of bonds eligible for calls ranged from 1% in NZF to 14% in NPP during 2003 and 2004. The number of actual calls during this time will depend largely on market interest rates and the specific situations of individual issuers.

In the coming months, our primary goal will continue to be moderating the Funds' durations. In addition, we plan to watch for opportunities to purchase or swap for issues that we perceive to be under-valued, particularly in sectors of the market that have recently underperformed. The expected strong supply of new bonds should help us in this effort.

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Nuveen Performance Plus Municipal Fund, Inc.

Performance

OVERVIEW As of April 30, 2003

NPP

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 67% |
| AA | 15% |
| A | 11% |
| BBB | 3% |
| NR | 3% |
| BB OR LOWER | 1% |

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PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$14.82 |
| Common Share Net Asset Value | \$15.68 |
| Market Yield | 6.44% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.20% |
| Net Assets Applicable to Common Shares (\$000) | \$939,552 |
| Average Effective Maturity (Years) | 18.10 |
| Leverage-Adjusted Duration | 9.63 |

AVERAGE ANNUAL TOTAL RETURN (Inception 6/89)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 11.18% | 10.48% |
| 5-Year | 5.59% | 6.97% |
| 10-Year | 5.83% | 6.77% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/General | 15% |
| U.S. Guaranteed | 14% |
| Tax Obligation/Limited | 13% |
| Utilities | 11% |
| Healthcare | 9% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-------|--------|
| 5/02 | 0.0745 |
| 6/02 | 0.076 |
| 7/02 | 0.076 |
| 8/02 | 0.076 |
| 9/02 | 0.077 |
| 10/02 | 0.077 |
| 11/02 | 0.077 |
| 12/02 | 0.078 |
| 1/03 | 0.078 |
| 2/03 | 0.078 |
| 3/03 | 0.0795 |
| 4/03 | 0.0795 |

Line Chart:

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SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 5/1/02 | 14.3 |
| | 14.29 |
| | 13.96 |
| | 14.08 |
| | 14.13 |
| | 14.29 |
| | 14.33 |
| | 14.57 |
| | 14.76 |
| | 14.73 |
| | 14.71 |
| | 14.98 |
| | 14.64 |
| | 14.85 |
| | 14.97 |
| | 14.77 |
| | 14.75 |
| | 14.84 |
| | 14.93 |
| | 14.88 |
| | 14.96 |
| | 15.05 |
| | 15.08 |
| | 14.9 |
| | 13.98 |
| | 14.16 |
| | 14.4 |
| | 14.29 |
| | 14.12 |
| | 13.77 |
| | 13.95 |
| | 14.01 |
| | 13.86 |
| | 13.86 |
| | 14.15 |
| | 14.3 |
| | 13.98 |
| | 14.02 |
| | 14.16 |
| | 14.34 |
| | 14.27 |
| | 14.16 |
| | 14.15 |
| | 14.43 |
| | 14.48 |
| | 14.45 |
| | 14.28 |
| | 14.46 |
| | 14.42 |
| | 14.5 |
| | 14.59 |
| 4/30/03 | 14.68 |

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.

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2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0254 per share.

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Nuveen Municipal Advantage Fund, Inc.

Performance

OVERVIEW As of April 30, 2003

NMA

Pie Chart:

| CREDIT QUALITY | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 59% |
| AA | 16% |
| A | 11% |
| BBB | 13% |
| BB OR LOWER | 1% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$15.32 |
| Common Share Net Asset Value | \$15.74 |
| Market Yield | 6.74% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.63% |
| Net Assets Applicable to Common Shares (\$000) | \$676,349 |
| Average Effective Maturity (Years) | 19.48 |
| Leverage-Adjusted Duration | 9.16 |

AVERAGE ANNUAL TOTAL RETURN (Inception 12/89)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 11.84% | 11.46% |
| 5-Year | 6.32% | 7.02% |
| 10-Year | 6.18% | 6.85% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------|-----|
| Healthcare | 16% |
| Utilities | 14% |
| Housing/Single Family | 14% |

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| | |
|-----------------|-----|
| U.S. Guaranteed | 13% |
| Transportation | 10% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-------|--------|
| 5/02 | 0.0785 |
| 6/02 | 0.0805 |
| 7/02 | 0.0805 |
| 8/02 | 0.0805 |
| 9/02 | 0.082 |
| 10/02 | 0.082 |
| 11/02 | 0.082 |
| 12/02 | 0.0835 |
| 1/03 | 0.0835 |
| 2/03 | 0.0835 |
| 3/03 | 0.086 |
| 4/03 | 0.086 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 5/1/02 | 14.79 |
| | 14.69 |
| | 14.61 |
| | 14.64 |
| | 14.68 |
| | 14.91 |
| | 14.98 |
| | 14.97 |
| | 15.11 |
| | 15.2 |
| | 15.4 |
| | 15.3 |
| | 15.12 |
| | 15.23 |
| | 15.54 |
| | 15.27 |
| | 15.28 |
| | 15.48 |
| | 15.46 |
| | 15.5 |
| | 15.53 |
| | 15.55 |
| | 15.57 |
| | 15.38 |
| | 14.5 |
| | 14.33 |
| | 14.65 |
| | 14.78 |
| | 14.44 |
| | 14.32 |
| | 14.35 |
| | 14.58 |
| | 14.39 |
| | 14.33 |

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| | |
|---------|-------|
| | 14.7 |
| | 14.75 |
| | 14.48 |
| | 14.56 |
| | 14.75 |
| | 14.75 |
| | 14.8 |
| | 14.79 |
| | 14.83 |
| | 14.91 |
| | 15.02 |
| | 15 |
| | 14.72 |
| | 15 |
| | 15.04 |
| | 14.97 |
| | 15 |
| 4/30/03 | 15.18 |

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.0733 per share.

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Nuveen Municipal Market Opportunity Fund, Inc.

Performance

OVERVIEW As of April 30, 2003

NMO

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 63% |
| AA | 12% |
| A | 17% |
| BBB | 5% |
| NR | 1% |
| BB OR LOWER | 2% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$14.42 |
| Common Share Net Asset Value | \$15.01 |
| Market Yield | 6.57% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.39% |
| Net Assets Applicable to Common Shares (\$000) | \$683,693 |

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| | |
|------------------------------------|-------|
| Average Effective Maturity (Years) | 19.00 |
| Leverage-Adjusted Duration | 9.15 |

AVERAGE ANNUAL TOTAL RETURN (Inception 3/90)

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 7.92% | 8.71% |
| 5-Year | 4.69% | 5.58% |
| 10-Year | 5.29% | 6.08% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/General | 22% |
| Transportation | 17% |
| Tax Obligation/Limited | 16% |
| Healthcare | 11% |
| U.S. Guaranteed | 9% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|-------|
| 5/02 | 0.076 |
| 6/02 | 0.077 |
| 7/02 | 0.077 |
| 8/02 | 0.077 |
| 9/02 | 0.078 |
| 10/02 | 0.078 |
| 11/02 | 0.078 |
| 12/02 | 0.078 |
| 1/03 | 0.078 |
| 2/03 | 0.078 |
| 3/03 | 0.079 |
| 4/03 | 0.079 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 5/1/02 | 14.37 |
| | 14.36 |
| | 14.2 |
| | 14.32 |
| | 14.3 |
| | 14.41 |
| | 14.48 |
| | 14.36 |
| | 14.62 |
| | 14.71 |
| | 14.64 |

| | |
|---------|-------|
| | 14.62 |
| | 14.56 |
| | 14.71 |
| | 15.03 |
| | 14.85 |
| | 14.65 |
| | 14.96 |
| | 14.84 |
| | 14.92 |
| | 14.85 |
| | 14.95 |
| | 14.89 |
| | 14.78 |
| | 13.78 |
| | 13.77 |
| | 13.83 |
| | 14.07 |
| | 13.8 |
| | 13.57 |
| | 13.68 |
| | 13.8 |
| | 13.6 |
| | 13.63 |
| | 13.87 |
| | 13.99 |
| | 13.54 |
| | 13.72 |
| | 13.75 |
| | 13.92 |
| | 13.89 |
| | 13.89 |
| | 13.82 |
| | 14.05 |
| | 14.08 |
| | 14.05 |
| | 13.94 |
| | 14.1 |
| | 14.15 |
| | 14.1 |
| | 14.19 |
| 4/30/03 | 14.19 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.

8

Nuveen Dividend Advantage Municipal Fund

Performance

OVERVIEW As of April 30, 2003

NAD

Pie Chart:

CREDIT QUALITY

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

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 64% |
| AA | 12% |
| A | 6% |
| BBB | 3% |
| NR | 11% |
| BB OR LOWER | 4% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$15.08 |
| Common Share Net Asset Value | \$15.32 |
| Market Yield | 6.53% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.33% |
| Net Assets Applicable to Common Shares (\$000) | \$600,979 |
| Average Effective Maturity (Years) | 17.59 |
| Leverage-Adjusted Duration | 9.53 |

AVERAGE ANNUAL TOTAL RETURN (Inception 5/99)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 9.25% | 12.44% |
| Since Inception | 6.58% | 8.25% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Healthcare | 16% |
| Tax Obligation/General | 15% |
| Transportation | 13% |
| Tax Obligation/Limited | 12% |
| U.S. Guaranteed | 11% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|--------|
| 5/02 | 0.0775 |
| 6/02 | 0.0795 |
| 7/02 | 0.0795 |
| 8/02 | 0.0795 |
| 9/02 | 0.081 |
| 10/02 | 0.081 |
| 11/02 | 0.081 |
| 12/02 | 0.082 |
| 1/03 | 0.082 |
| 2/03 | 0.082 |

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| | |
|------|-------|
| 3/03 | 0.082 |
| 4/03 | 0.082 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 5/1/02 | 14.81 |
| | 14.65 |
| | 14.81 |
| | 14.82 |
| | 14.76 |
| | 14.97 |
| | 14.96 |
| | 14.82 |
| | 15.07 |
| | 15.1 |
| | 15.03 |
| | 14.99 |
| | 15 |
| | 15.2 |
| | 15.25 |
| | 14.9 |
| | 15.03 |
| | 15.2 |
| | 15.41 |
| | 15.2 |
| | 15.2 |
| | 15.46 |
| | 15.7 |
| | 15.07 |
| | 14.47 |
| | 14.45 |
| | 14.51 |
| | 14.5 |
| | 14.46 |
| | 14.34 |
| | 14.29 |
| | 14.4 |
| | 14.38 |
| | 14.4 |
| | 14.61 |
| | 14.95 |
| | 14.29 |
| | 14.5 |
| | 14.57 |
| | 14.79 |
| | 14.92 |
| | 14.87 |
| | 14.98 |
| | 15 |
| | 15.04 |
| | 14.93 |
| | 14.48 |
| | 14.74 |
| | 14.75 |
| | 14.84 |
| | 14.87 |
| 4/30/03 | 14.95 |

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

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.

9

Nuveen Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of April 30, 2003

NXZ

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 57% |
| AA | 12% |
| A | 18% |
| BBB | 6% |
| NR | 1% |
| BB OR LOWER | 6% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$14.74 |
| Common Share Net Asset Value | \$15.22 |
| Market Yield | 6.88% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.83% |
| Net Assets Applicable to Common Shares (\$000) | \$445,540 |
| Average Effective Maturity (Years) | 25.98 |
| Leverage-Adjusted Duration | 9.87 |

AVERAGE ANNUAL TOTAL RETURN (Inception 3/01)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 11.77% | 11.38% |
| Since Inception | 5.49% | 9.29% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Healthcare | 22% |
| Tax Obligation/Limited | 15% |

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| | |
|-----------------------|-----|
| Transportation | 13% |
| Water and Sewer | 11% |
| Housing/Single Family | 8% |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-------|--------|
| 5/02 | 0.0755 |
| 6/02 | 0.077 |
| 7/02 | 0.077 |
| 8/02 | 0.077 |
| 9/02 | 0.079 |
| 10/02 | 0.079 |
| 11/02 | 0.079 |
| 12/02 | 0.0815 |
| 1/03 | 0.0815 |
| 2/03 | 0.0815 |
| 3/03 | 0.0845 |
| 4/03 | 0.0845 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 5/1/02 | 14.18 |
| | 14.22 |
| | 14.23 |
| | 13.96 |
| | 14.19 |
| | 14.2 |
| | 14.26 |
| | 14.3 |
| | 14.28 |
| | 14.49 |
| | 14.44 |
| | 14.75 |
| | 14.4 |
| | 14.69 |
| | 14.6 |
| | 14.79 |
| | 14.56 |
| | 14.52 |
| | 14.69 |
| | 14.78 |
| | 14.78 |
| | 14.88 |
| | 14.94 |
| | 14.31 |
| | 14.15 |
| | 13.76 |
| | 14 |
| | 14.15 |
| | 13.83 |
| | 13.54 |
| | 13.72 |
| | 14.08 |
| | 13.89 |
| | 13.77 |

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| | |
|---------|-------|
| | 14.25 |
| | 14.21 |
| | 14.21 |
| | 13.98 |
| | 14.15 |
| | 14.23 |
| | 14.41 |
| | 14.21 |
| | 14.2 |
| | 14.44 |
| | 14.55 |
| | 14.38 |
| | 14.31 |
| | 14.56 |
| | 14.65 |
| | 14.55 |
| | 14.58 |
| 4/30/03 | 14.65 |

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.
- 2 The Fund also paid shareholders a capital gains and net ordinary income distribution in December 2002 of \$0.0093 per share.

10

Nuveen Dividend Advantage Municipal Fund 3

Performance

OVERVIEW As of April 30, 2003

NZF

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 73% |
| AA | 11% |
| A | 7% |
| BBB | 3% |
| NR | 4% |
| BB OR LOWER | 2% |

PORTFOLIO STATISTICS

| | |
|--|---------|
| Share Price | \$14.08 |
| Common Share Net Asset Value | \$14.95 |
| Market Yield | 6.65% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.50% |

Net Assets Applicable to

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| | |
|------------------------------------|-----------|
| Common Shares (\$000) | \$602,748 |
| ----- | |
| Average Effective Maturity (Years) | 22.04 |
| ----- | |
| Leverage-Adjusted Duration | 10.09 |
| ----- | |

AVERAGE ANNUAL TOTAL RETURN (Inception 9/01)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| ----- | | |
| 1-Year | 8.51% | 13.88% |
| ----- | | |
| Since Inception | 2.18% | 9.01% |
| ----- | | |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Transportation | 17% |
| ----- | |
| Healthcare | 16% |
| ----- | |
| Tax Obligation/Limited | 13% |
| ----- | |
| Water and Sewer | 12% |
| ----- | |
| Tax Obligation/General | 9% |
| ----- | |

Bar Chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|--------|
| 5/02 | 0.0755 |
| 6/02 | 0.0755 |
| 7/02 | 0.0755 |
| 8/02 | 0.0755 |
| 9/02 | 0.0755 |
| 10/02 | 0.0755 |
| 11/02 | 0.0755 |
| 12/02 | 0.0755 |
| 1/03 | 0.0755 |
| 2/03 | 0.0755 |
| 3/03 | 0.078 |
| 4/03 | 0.078 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 5/1/02 | 13.75 |
| | 14.1 |
| | 13.94 |
| | 13.79 |
| | 13.96 |
| | 14.18 |
| | 13.71 |
| | 13.83 |
| | 14.12 |
| | 14.23 |
| | 14.35 |
| | 14.37 |

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| | |
|---------|-------|
| | 13.8 |
| | 14.23 |
| | 14.38 |
| | 14.18 |
| | 14.15 |
| | 14.32 |
| | 14.38 |
| | 14.32 |
| | 14.29 |
| | 14.41 |
| | 14.46 |
| | 14.2 |
| | 13.38 |
| | 13.3 |
| | 13.62 |
| | 13.63 |
| | 13.37 |
| | 13.23 |
| | 13.26 |
| | 13.55 |
| | 13.19 |
| | 13.05 |
| | 13.49 |
| | 13.62 |
| | 13.35 |
| | 13.44 |
| | 13.62 |
| | 13.74 |
| | 13.85 |
| | 13.73 |
| | 13.55 |
| | 13.73 |
| | 13.92 |
| | 13.73 |
| | 13.57 |
| | 13.82 |
| | 13.97 |
| | 13.85 |
| | 13.93 |
| 4/30/03 | 14.07 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%.

11

Nuveen Performance Plus Municipal Fund, Inc. (NPP)
 Portfolio of
 INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | ALABAMA - 1.6% | |
| \$ 3,615 | Alabama Water Pollution Control Authority, Revolving Fund Loan | 8/05 at 100 |

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Bonds, Series 1994, 6.750%, 8/15/17 - AMBAC Insured

Jefferson County, Alabama, Sewer Revenue Refunding Warrants,
Series 1997A:

| | | |
|-------|--------------------------------|-------------|
| 5,075 | 5.625%, 2/01/22 - FGIC Insured | 2/07 at 101 |
| 5,325 | 5.375%, 2/01/27 - FGIC Insured | 2/07 at 100 |

ARIZONA - 1.4%

| | | |
|-------|---|-------------|
| 1,000 | Arizona Transportation Board, Highway Revenue Bonds, Series 2002B, 5.250%, 7/01/22 | 7/12 at 100 |
|-------|---|-------------|

Phoenix Civic Improvement Corporation, Arizona, Airport Revenue
Bonds, Series 2002B, Senior Lien:

| | | |
|-------|--|-------------|
| 5,365 | 5.750%, 7/01/15 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |
| 5,055 | 5.750%, 7/01/16 (Alternative Minimum Tax) - FGIC Insured | 7/12 at 100 |

CALIFORNIA - 11.7%

| | | |
|--------|--|-----------|
| 11,000 | Anaheim Public Financing Authority, California, Subordinate Lease Revenue Bonds, Anaheim Public Improvements Project, 1997 Series C, 0.000%, 9/01/20 - FSA Insured | No Opt. C |
|--------|--|-----------|

| | | |
|-------|--|-----------|
| 6,435 | State of California, General Obligation Bonds, Series 2002 Refunding, 6.000%, 4/01/16 - AMBAC Insured | No Opt. C |
|-------|--|-----------|

California Department of Water Resources, Power Supply
Revenue Bonds, Series 2002A:

| | | |
|-------|-----------------|-------------|
| 4,000 | 6.000%, 5/01/15 | 5/12 at 101 |
| 2,500 | 5.375%, 5/01/22 | 5/12 at 101 |

| | | |
|--------|---|-------------|
| 10,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003-A1, 6.750%, 6/01/39 | 6/13 at 100 |
|--------|---|-------------|

| | | |
|-------|---|--------------|
| 1,000 | Mt. Diablo Hospital District, California, Insured Hospital Revenue Bonds, 1993 Series A, 5.125%, 12/01/23 - AMBAC Insured | 12/03 at 102 |
|-------|---|--------------|

| | | |
|--------|---|-----------|
| 13,450 | Ontario Redevelopment Financing Authority, San Bernardino County, California, Revenue Refunding Bonds, Project No. 1, Series 1995, 7.200%, 8/01/17 - MBIA Insured | No Opt. C |
|--------|---|-----------|

| | | |
|--------|--|-----------|
| 20,420 | Community Redevelopment Agency of the City of Palmdale, California, Residential Mortgage Revenue Refunding Bonds, 1991 Series A, 7.150%, 2/01/10 | No Opt. C |
|--------|--|-----------|

| | | |
|-------|---|-----------|
| 2,325 | Community Redevelopment Agency of the City of Palmdale, California, Restructured Single Family Mortgage Revenue Bonds, Series 1986D, 8.000%, 4/01/16 (Alternative Minimum Tax) | No Opt. C |
|-------|---|-----------|

| | | |
|--------|---|-------------|
| 10,000 | San Bernardino County, California, Certificates of Participation, Series 1995, Medical Center Financing Project, 5.500%, 8/01/15 (Pre-refunded to 8/01/05) - MBIA Insured | 8/05 at 102 |
|--------|---|-------------|

| | | |
|-------|--|-------------|
| 2,000 | Airports Commission of the City and County of San Francisco, California, Second Series Revenue Bonds, San Francisco | 5/09 at 101 |
|-------|--|-------------|

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| | | |
|--------|---|--------------|
| | International Airport, Issue 23B, 5.125%, 5/01/30 - FGIC Insured | |
| 2,000 | Airports Commission of the City and County of San Francisco, California, Second Series Revenue Refunding Bonds, San Francisco International Airport, Issue 27B, 5.125%, 5/01/26 - FGIC Insured | 5/11 at 100 |
| 15,745 | Walnut Valley Unified School District, Los Angeles County, California, General Obligation Refunding Bonds, Series 1997A, 7.200%, 2/01/16 - MBIA Insured | 8/11 at 103 |
| ----- | | |
| | COLORADO - 0.5% | |
| 4,925 | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1997E, 5.250%, 11/15/23 - MBIA Insured | 11/07 at 101 |
| ----- | | |
| | DISTRICT OF COLUMBIA - 0.7% | |
| 6,985 | District of Columbia Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24 | 5/11 at 101 |

12

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | FLORIDA - 4.5% | |
| \$ 1,700 | Beacon Tradeport Community Development District, Miami-Dade County, Florida, Special Assessment Bonds, Series 2002A, Commercial Project, 5.625%, 5/01/32 - RAAI Insured | 5/12 at 102 |
| | Housing Finance Authority of Broward County, Florida, Multifamily Housing Revenue Bonds, Venice Homes Apartments Project, Series 2001A: | |
| 1,545 | 5.700%, 1/01/32 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 1,805 | 5.800%, 1/01/36 (Alternative Minimum Tax) - FSA Insured | 7/11 at 100 |
| 4,330 | Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, 2000 Series 11, 5.850%, 1/01/22 (Alternative Minimum Tax) - FSA Insured | 1/10 at 100 |
| 10,050 | State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 1999 Series D, 5.750%, 6/01/22 | 6/10 at 101 |
| 7,000 | Hillsborough County Aviation Authority, Florida, Tampa International Airport Revenue Bonds, Series 2003A, 5.250%, 10/01/17 (Alternative Minimum Tax) - MBIA Insured | 10/13 at 100 |

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| | | |
|------------------|--|--------------|
| 10,750 | Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration, L.P. Project, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/04 at 102 |
| 2,570 | Housing Finance Authority of Miami-Dade County, Florida, Multifamily Mortgage Revenue Bonds, Series 2001-1A, Country Club Villas II Project, 5.850%, 1/01/37 (Alternative Minimum Tax) - FSA Insured | 6/11 at 100 |
| ----- | | |
| GEORGIA - 3.2% | | |
| 4,920 | City of Atlanta, Georgia, Airport General Revenue and Refunding Bonds, Series 2000A, 5.600%, 1/01/30 - FGIC Insured | 1/10 at 101 |
| 5,000 | City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.500%, 11/01/22 - FGIC Insured | No Opt. C |
| 2,000 | George L. Smith II World Congress Center Authority, Georgia, Refunding Revenue Bonds, Domed Stadium Project, Series 2000, 5.500%, 7/01/20 (Alternative Minimum Tax) - MBIA Insured | 7/10 at 101 |
| 930 | Georgia Housing and Finance Authority, Home Ownership Opportunity Program Bonds, Series 1992A, 6.875%, 12/01/20 (Alternative Minimum Tax) (Pre-refunded to 6/01/03) | 6/03 at 101 |
| 15,000 | Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University Project, Series 1999A, 5.500%, 11/01/25 | 11/09 at 101 |
| ----- | | |
| IDAHO - 0.3% | | |
| 1,390 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 2000 Series G2, 5.950%, 7/01/25 (Alternative Minimum Tax) | 7/10 at 100 |
| 1,210 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 2000 Series D, 6.200%, 7/01/14 (Alternative Minimum Tax) | 1/10 at 100 |
| ----- | | |
| ILLINOIS - 20.2% | | |
| 3,000 | City of Chicago, Illinois, General Obligation Library Bonds, Series 1997, 5.750%, 1/01/17 - FGIC Insured | 1/08 at 102 |
| 32,170 | City of Chicago, Illinois, General Obligation Bonds, City Colleges of Chicago Capital Improvement Project, Series 1999: 0.000%, 1/01/21 - FGIC Insured | No Opt. C |
| 32,670 | 0.000%, 1/01/22 - FGIC Insured | No Opt. C |
| 10,000 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998A, 0.000%, 12/01/19 - FGIC Insured | No Opt. C |

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| | | |
|--------|---|-------------|
| 10,000 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured | No Opt. C |
| 9,145 | City of Chicago, Illinois, Chicago Midway Airport Revenue Bonds, Series 1996A, 5.500%, 1/01/29 - MBIA Insured | 1/07 at 101 |
| | Forest Preserve District of DuPage County, Illinois, General Obligation Limited Tax Bonds, Series 2000: | |
| 8,000 | 0.000%, 11/01/18 | No Opt. C |
| 15,285 | 0.000%, 11/01/19 | No Opt. C |
| 3,500 | Illinois Development Finance Authority, Pollution Control Refunding Revenue Bonds, Commonwealth Edison Company Project, Series 1994D, 6.750%, 3/01/15 - AMBAC Insured | 3/05 at 102 |

13

Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| \$ 10,000 | Illinois Educational Facilities Authority, Adjustable Demand Revenue Bonds, University of Chicago, Series 1985 Remarketed, 5.700%, 12/01/25 (Pre-refunded to 12/01/03) | 12/03 at 102 |
| 12,910 | Illinois Health Facilities Authority, Revenue Bonds, Series 1994A, Northwestern Memorial Hospital, 6.000%, 8/15/24 | 8/04 at 102 |
| 3,480 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Series 1999, Silver Cross Hospital and Medical Centers, 5.250%, 8/15/15 | 8/09 at 101 |
| 4,580 | Illinois Health Facilities Authority, Revenue Bonds, GNMA Collateralized, Series 2000, Midwest Care Center IX, 6.250%, 8/20/35 | 8/10 at 102 |
| 3,000 | Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33 | 7/13 at 100 |
| 4,415 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Series 1991, Proctor Community Hospital Project, 7.375%, 1/01/23 | 7/03 at 100 |
| 3,700 | Village of Libertyville, Illinois, Affordable Housing Revenue Bonds, Series 1999A, Liberty Towers Project, 7.000%, 11/01/29 (Alternative Minimum Tax) | 11/09 at 100 |
| 6,000 | McHenry County, Illinois, Conservation District General Obligation Bonds, Series 2001A, 5.625%, 2/01/21 - | 2/11 at 100 |

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FGIC Insured

| | | |
|--------|--|--------------|
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1996A: | |
| 9,400 | 0.000%, 12/15/18 - MBIA Insured | No Opt. C |
| 16,570 | 0.000%, 12/15/20 - MBIA Insured | No Opt. C |
| 23,550 | 0.000%, 12/15/22 - MBIA Insured | No Opt. C |
| 13,000 | 0.000%, 12/15/24 - MBIA Insured | No Opt. C |
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1998A: | |
| 5,180 | 5.500%, 12/15/23 - FGIC Insured | No Opt. C |
| 5,100 | 5.500%, 12/15/23 - FGIC Insured | No Opt. C |
| 10,650 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Hospitality Facilities Revenue Bonds, Series 1996A, 7.000%, 7/01/26 | No Opt. C |
| 17,865 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999, 5.750%, 6/01/23 - FSA Insured | No Opt. C |
| 6,090 | Sherman, Illinois, Mortgage Revenue Bonds, Villa Vianney, GNMA Series 1999 Refunding, 6.450%, 10/01/29 | 10/09 at 102 |

INDIANA - 6.9%

| | | |
|--------|--|--------------|
| 5,000 | Fort Wayne South Side School Building Corp., Allen County, Indiana, First Mortgage Bonds, Series 1994, 6.125%, 1/15/12 (Pre-refunded to 1/15/04) - MBIA Insured | 1/04 at 102 |
| 5,250 | Indiana Bond Bank, State Revolving Fund Program Bonds, Series 1994A, Guarantee Revenue, 6.000%, 2/01/16 | 2/04 at 102 |
| 14,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at 101 |
| | Indiana Health Facility Financing Authority, Revenue Bonds, Series 1997, Ancilla Systems Incorporated Obligated Group: | |
| 15,380 | 5.250%, 7/01/17 - MBIA Insured | 7/07 at 101 |
| 2,250 | 5.250%, 7/01/22 - MBIA Insured | 7/07 at 101 |
| 4,320 | 5.250%, 7/01/22 - MBIA Insured | 7/07 at 101 |
| 8,000 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2000, 5.375%, 12/01/25 | 12/10 at 100 |
| 5,730 | Michigan City School Building Corporation, First Mortgage Bonds, LaPorte and Porter Counties, Indiana, Series 1994A, 6.125%, 12/15/09 (Pre-refunded to 12/15/04) - AMBAC Insured | 12/04 at 102 |

IOWA - 0.4%

| | | |
|-------|--|-------------|
| 295 | Iowa Finance Authority, Single Family Mortgage Revenue Bonds, 1988 Issue B, GNMA Mortgage-Backed Securities Program, 8.250%, 5/01/20 (Alternative Minimum Tax) | 5/03 at 100 |
| 5,000 | Tobacco Settlement Authority, Iowa, Tobacco Settlement | 6/11 at 101 |

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Asset-Backed Revenue Bonds, Series 2001B, 5.600%, 6/01/35

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | KANSAS - 0.9% | |
| \$ 5,790 | Sedgwick County Unified School District No. 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/17 | 9/10 at 100 |
| 3,200 | Unified School District No. 500, County of Wyandotte, Kansas, General Obligation School Bonds, Series 2001, 4.000%, 9/01/21 - FSA Insured | 9/11 at 100 |
| ----- | | |
| | KENTUCKY - 0.5% | |
| 3,700 | Louisville and Jefferson Counties Metropolitan Sewer District, Commonwealth of Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 6.250%, 5/15/26 - MBIA Insured | 5/07 at 101 |
| ----- | | |
| | LOUISIANA - 7.4% | |
| 3,075 | East Baton Rouge Mortgage Finance Authority, Louisiana, Single Family Mortgage Revenue Refunding Bonds, GNMA and FNMA Mortgage-Backed Securities Program, Series 1997B-1, 5.750%, 10/01/26 | 10/07 at 102 |
| 35,700 | Louisiana Stadium and Exposition District, Hotel Occupancy Tax Bonds, Series 1996, 5.750%, 7/01/26 (Pre-refunded to 7/01/06) - FGIC Insured | 7/06 at 102 |
| 5,630 | New Orleans Housing Development Corporation, Louisiana, Multifamily Housing Revenue Refunding Bonds, Series 1990A, Curran Place Apartments - Fannie Mae Collateralized, 7.700%, 8/01/23 | 6/03 at 100 |
| 6,500 | Shreveport, Louisiana, Water and Sewer Revenue Bonds, Series 1986A, 5.950%, 12/01/14 (Pre-refunded to 6/01/03) - FGIC Insured | 6/03 at 103 |
| 10,000 | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B: 5.500%, 5/15/30 | 5/11 at 101 |
| 6,250 | 5.875%, 5/15/39 | 5/11 at 101 |
| ----- | | |
| | MAINE - 0.8% | |
| 7,330 | Maine State Housing Authority, Mortgage Purchase Bonds, 1994 Series A, 5.700%, 11/15/26 | 2/04 at 102 |

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| ----- | | |
|----------------------|--|--------------|
| MARYLAND - 2.8% | | |
| 1,370 | Community Development Administration, Maryland Department of Housing and Community Development, Residential Revenue Bonds, Series H, 5.800%, 9/01/32 (Alternative Minimum Tax) | 9/10 at 100 |
| 7,720 | Maryland Transportation Authority, Baltimore-Washington International Airport, Parking Revenue Bonds, Series 2002B, 5.125%, 3/01/20 (Alternative Minimum Tax) - AMBAC Insured | 3/12 at 101 |
| 7,475 | Housing Opportunities Commission of Montgomery County, Maryland, Multifamily Housing Revenue Bonds, 1994 Series A, 6.250%, 7/01/28 | 7/04 at 102 |
| 7,090 | City of Takoma Park, Maryland, Hospital Facilities Refunding and Improvement Revenue Bonds, Washington Adventist Hospital, Series 1995, 6.500%, 9/01/12 - FSA Insured | No Opt. C |
| ----- | | |
| MASSACHUSETTS - 3.3% | | |
| 2,150 | Massachusetts Educational Financing Authority, Education Loan Revenue and Refunding Bonds, Issue G, Series 2000A, 5.700%, 12/01/11 (Alternative Minimum Tax) - MBIA Insured | 12/09 at 101 |
| | Massachusetts Municipal Wholesale Electric Company, Power Supply System Revenue Bonds, 1987 Series A: | |
| 35 | 8.750%, 7/01/18 (Pre-refunded to 7/01/03) | 7/03 at 100 |
| 70 | 8.750%, 7/01/18 (Pre-refunded to 1/01/04) | 1/04 at 100 |
| 70 | 8.750%, 7/01/18 (Pre-refunded to 7/01/04) | 7/04 at 100 |
| 35 | 8.750%, 7/01/18 (Pre-refunded to 7/01/05) | 7/05 at 100 |
| 35 | 8.750%, 7/01/18 (Pre-refunded to 7/01/05) | 7/05 at 100 |
| 2,500 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002C, 5.250%, 11/01/30 | 11/12 at 100 |
| 5,000 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E, 5.250%, 1/01/22 - FGIC Insured | 1/13 at 100 |
| | Massachusetts Development Finance Authority, Revenue Bonds, 100 Cambridge Street Redevelopment, MSRB Project, 2002 Series A: | |
| 4,000 | 5.125%, 8/01/28 - MBIA Insured | 2/12 at 100 |
| 5,000 | 5.125%, 2/01/34 - MBIA Insured | 2/12 at 100 |
| 1,420 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Southcoast Health System Obligated Group Issue, Series A, 4.750%, 7/01/27 - MBIA Insured | 7/08 at 101 |

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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|---------------------------|--|--------------|
| MASSACHUSETTS (continued) | | |
| \$ 8,500 | Route 3 North Transportation Improvements Association, Commonwealth of Massachusetts, Lease Revenue Bonds, Series 2000, 5.375%, 6/15/33 (Pre-refunded to 6/15/10) - MBIA Insured | 6/10 at 100 |
| ----- | | |
| MICHIGAN - 5.4% | | |
| 17,000 | School District of the City of Birmingham, County of Oakland, Michigan, School Building and Site Bonds, Series 1998, 4.750%, 11/01/24 - FSA Insured | 11/07 at 100 |
| 3,000 | City of Detroit, Michigan, Water Supply System Revenue Bonds, Senior Lien, Series 1997-A, 5.000%, 7/01/21 - MBIA Insured | 7/07 at 101 |
| 3,935 | Grand Rapids Housing Corporation, Michigan, Multifamily Revenue Refunding Bonds, Series 1992, FHA-Insured Mortgage Loan - Section 8 Assisted Elderly Project, 7.375%, 7/15/41 | 1/04 at 104 |
| 4,030 | City of Hancock Hospital Finance Authority, Michigan, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System, Inc., Series 1998, 5.450%, 8/01/47 - MBIA Insured | 8/08 at 100 |
| 1,000 | State Building Authority, Michigan, 2001 Revenue Refunding Bonds, Series I, Facilities Program, 5.000%, 10/15/24 | 10/11 at 100 |
| 7,115 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Henry Ford Health System, Series 2003A Refunding, 5.500%, 3/01/16 | 3/13 at 100 |
| 3,000 | Michigan Strategic Fund, Limited Obligation Refunding Revenue Bonds, Detroit Edison Company Pollution Control Project, Collateralized Series 1999A, 5.550%, 9/01/29 (Alternative Minimum Tax) - MBIA Insured | 9/09 at 102 |
| 10,000 | Charter County of Wayne, Michigan, Detroit Metropolitan Wayne County Airport, Airport Revenue Bonds, Series 1998A, 5.375%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 12/08 at 101 |
| ----- | | |
| MINNESOTA - 6.9% | | |
| 7,475 | Dakota County Community Development Agency, Minnesota, Multifamily Senior Housing Revenue Bonds, Series 2002A, GNMA Collateralized Mortgage Loan, Wingate Project, 5.625%, 8/20/43 | 2/12 at 102 |
| 1,475 | Dakota County Housing and Redevelopment Authority, Minnesota, Single Family Mortgage Revenue Bonds, Fannie Mae Mortgage-Backed Securities Program, Series 1994A, 6.900%, 10/01/27 (Alternative Minimum Tax) | 4/04 at 102 |

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| | | |
|--------------------|---|--------------|
| 3,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/26 - FGIC Insured | 1/11 at 100 |
| 18,020 | Plymouth, Minnesota, Multifamily Senior Housing Revenue Bonds, Series 2002A, GNMA Collateralized Mortgage Loan, Regent at Plymouth Project, 4.090%, 9/20/43 | 3/12 at 105 |
| 22,355 | Housing and Redevelopment Authority of the City of St. Paul, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured | 11/15 at 103 |
| 5,285 | Housing and Redevelopment Authority of the City of St. Paul, Minnesota, Single Family Mortgage Revenue Refunding Bonds, Middle Income Program, Phase II FNMA Mortgage-Backed Securities Program, Series 1995, 6.800%, 3/01/28 | 3/05 at 102 |
| ----- | | |
| MISSISSIPPI - 1.0% | | |
| 9,750 | Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources, Inc. Project, Series 1998, 5.875%, 4/01/22 | 10/03 at 102 |
| ----- | | |
| MISSOURI - 1.5% | | |
| 2,000 | Missouri-Illinois Metropolitan District Bi-State Development Agency, Metrolink Cross County Extension Project, Mass Transit Sales Tax Appropriation Bonds, Series 2002B, 5.000%, 10/01/32 - FSA Insured | 10/13 at 100 |
| 6,350 | Kansas City, Missouri, General Improvement Airport Revenue Bonds, Series 2003B, 5.250%, 9/01/17 - FGIC Insured | 9/12 at 100 |
| 855 | Missouri Housing Development Commission, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, 1988 Series A, 8.300%, 5/01/19 (Alternative Minimum Tax) | 5/03 at 100 |
| 3,740 | Health and Educational Facilities Authority of Missouri, Revenue Bonds, SSM Health Care, Series 2001A, 5.250%, 6/01/28 - AMBAC Insured | 6/11 at 101 |
| ----- | | |
| MONTANA - 1.2% | | |
| \$ 2,140 | Montana Board of Housing, Single Family Program Bonds, | 6/07 at 101 |

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| | | |
|--------|--|--------------|
| | 1997 Series A, 6.150%, 6/01/30 (Alternative Minimum Tax) | |
| 3,660 | Montana Board of Housing, Single Family Program Bonds, 2000 Series A-2, 6.450%, 6/01/29 (Alternative Minimum Tax) | 12/09 at 100 |
| 4,795 | Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1998B, 5.500%, 12/01/31 (Alternative Minimum Tax) | 12/08 at 101 |
| ----- | | |
| | NEBRASKA - 0.4% | |
| 3,620 | Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, 2000 Series E, 5.850%, 9/01/20 (Alternative Minimum Tax) | 9/10 at 100 |
| ----- | | |
| | NEVADA - 2.6% | |
| 10,900 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/19 - MBIA Insured | 6/12 at 100 |
| 10,505 | State of Nevada, General Obligation Bonds, Series 1996A, Municipal Bond Bank Project No. 52, 6.000%, 5/15/21 (Pre-refunded to 5/15/06) | 5/06 at 101 |
| ----- | | |
| | NEW HAMPSHIRE - 1.2% | |
| | New Hampshire Housing Finance Authority, Multifamily Housing Revenue Bonds, 1994 Issue Remarketing, Countryside Limited Partnership - Countryside Project: | |
| 3,725 | 6.000%, 7/01/18 (Alternative Minimum Tax) | 7/10 at 101 |
| 6,945 | 6.100%, 7/01/24 (Alternative Minimum Tax) | 7/10 at 101 |
| ----- | | |
| | NEW JERSEY - 4.9% | |
| 4,615 | Higher Education Student Assistance Authority of the State of New Jersey, Student Loan Revenue Bonds, 2000 Series A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | 6/10 at 101 |
| 3,000 | New Jersey Economic Development Authority, Transportation Project Sublease Revenue Bonds, New Jersey Transit Corporation - Light Rail Transit System Projects, 1999 Series A, 5.250%, 5/01/17 - FSA Insured | 5/09 at 100 |
| 8,750 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, 1996 Series B, 5.250%, 6/15/16 | 6/07 at 102 |
| 4,500 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, 2001 Series C, 5.500%, 12/15/18 - FSA Insured | No Opt. C |
| 15,000 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 | 6/12 at 100 |
| 3,125 | Tobacco Settlement Financing Corporation, New Jersey, | 6/13 at 100 |

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Tobacco Settlement Asset-Backed Bonds, Series 2003,
6.750%, 6/01/39

Township of West Deptford, County of Gloucester, New Jersey,
General Obligation Bonds, Series of 2000:
3,150 5.500%, 9/01/21 - FGIC Insured 9/10 at 100
3,335 5.500%, 9/01/22 - FGIC Insured 9/10 at 100

NEW YORK - 16.9%

12,120 Long Island Power Authority, New York, Electric System
General Revenue Bonds, Series 1998A, 5.500%, 12/01/29 6/03 at 101
5 The City of New York, New York, General Obligation Bonds,
Fiscal 1987 Series D, 8.500%, 8/01/08 8/03 at 100
12,500 The City of New York, New York, General Obligation Bonds,
Fiscal 1997 Series A, 7.000%, 8/01/05 No Opt. C
16,295 The City of New York, New York, General Obligation Bonds,
Fiscal 1996 Series F, 5.750%, 2/01/15 2/06 at 101
20,650 New York City Municipal Water Finance Authority, New York,
Water and Sewer System Revenue Bonds, Fiscal 1996
Series B, 5.750%, 6/15/26 - MBIA Insured 6/06 at 101
4,875 New York City Municipal Water Finance Authority, New York,
Water and Sewer System Revenue Bonds, Fiscal 1997
Series A, 5.500%, 6/15/24 - MBIA Insured 6/06 at 101
10,000 New York City Municipal Water Finance Authority, New York,
Water and Sewer System Revenue Bonds, Fiscal 2000
Series A, 5.750%, 6/15/30 6/09 at 101
7,810 New York City Transitional Finance Authority, New York,
Future Tax Secured Bonds, Fiscal 2000 Series A,
5.750%, 8/15/24 (Pre-refunded to 8/15/09) 8/09 at 101

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 2,250 | Dormitory Authority of the State of New York, Lease Revenue Bonds, State University Dormitory Facilities Issue, Series 1999C, 5.500%, 7/01/29 - MBIA Insured | 7/09 at 101 |
| 4,000 | Dormitory Authority of the State of New York, Revenue Bonds, State University Educational Facilities, Series 1990B, | 5/03 at 100 |

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6.000%, 5/15/17

| | | |
|--------|---|-------------|
| 1,500 | Dormitory Authority of the State of New York, Revenue Bonds, St. Barnabas Hospital, Series 1997, 5.450%, 8/01/35 - AMBAC Insured | 8/07 at 101 |
| 2,070 | Dormitory Authority of the State of New York, Insured Revenue Bonds, 853 Schools Program, 1998 Issue 1, Gateway-Longview, Inc., Series 1998A, 5.500%, 7/01/18 - AMBAC Insured | 7/08 at 101 |
| 17,000 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1999 Series 1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured | 7/09 at 101 |
| 3,000 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1997 Series 1, 5.375%, 7/01/24 (Pre-refunded to 1/01/08) - FSA Insured | 1/08 at 102 |
| 2,000 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996B, 5.375%, 2/15/26 - MBIA Insured | 2/06 at 102 |
| | Dormitory Authority of the State of New York, Marymount Manhattan College Insured Revenue Bonds, Series 1999: | |
| 1,580 | 6.375%, 7/01/13 - RAAI Insured | 7/09 at 101 |
| 9,235 | 6.125%, 7/01/21 - RAAI Insured | 7/09 at 101 |
| 3,000 | New York State Energy Research and Development Authority, Pollution Control Revenue Bonds, Rochester Gas and Electric Corporation Project, Series 1998A, 5.950%, 9/01/33 (Alternative Minimum Tax) - MBIA Insured | 9/08 at 102 |
| 14,750 | New York State Medical Care Facilities Finance Agency, Mental Health Services Facilities Improvement Revenue Bonds, 1993 Series F Refunding, 5.375%, 2/15/14 - MBIA Insured | 2/04 at 102 |

NORTH CAROLINA - 0.2%

| | | |
|-------|--|-------------|
| 2,000 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1998A, 5.000%, 1/01/20 - MBIA Insured | 1/08 at 102 |
|-------|--|-------------|

NORTH DAKOTA - 0.7%

| | | |
|-------|---|-------------|
| 5,800 | North Dakota Housing Finance Agency, Housing Finance Program Bonds, Home Mortgage Finance Program, 2000 Series A Refunding, 6.500%, 1/01/31 (Alternative Minimum Tax) | 7/10 at 100 |
|-------|---|-------------|

OHIO - 6.0%

| | | |
|-------|--|-------------|
| 7,500 | City of Cleveland, Ohio, Airport System Revenue Bonds, Series 2000A, 5.000%, 1/01/31 - FSA Insured | 1/10 at 101 |
|-------|--|-------------|

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| | | |
|--------|---|-------------|
| 19,430 | Ohio Housing Finance Agency, Residential Mortgage Revenue Bonds, 1999 Series C, Mortgage-Backed Securities Program, Fixed-Rate, 5.750%, 9/01/30 (Alternative Minimum Tax) | 7/09 at 100 |
| 15,500 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax) | 9/08 at 102 |
| 14,300 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |

OKLAHOMA - 0.2%

| | | |
|-------|--|--------------|
| 3,400 | Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Bonds, Refunding Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 12/08 at 100 |
|-------|--|--------------|

OREGON - 1.0%

| | | |
|-------|---|-------------|
| 1,460 | Oregon Housing and Community Services Department, Mortgage Revenue Bonds, Single Family Mortgage Program, Series 2000F, 6.250%, 7/01/28 (Alternative Minimum Tax) | 1/10 at 100 |
| 9,150 | Port of St. Helens, Oregon, Pollution Control Revenue Bonds, Portland General Electric Company Project, 1985 Series B, 4.800%, 6/01/10 | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

PENNSYLVANIA - 4.3%

| | | |
|----------|---|--------------|
| | Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 1998: | |
| \$ 3,125 | 0.000%, 5/15/22 - FSA Insured | No Opt. C |
| 3,125 | 0.000%, 5/15/23 - FSA Insured | No Opt. C |
| 3,135 | 0.000%, 5/15/24 - FSA Insured | No Opt. C |
| 3,155 | 0.000%, 5/15/26 - FSA Insured | No Opt. C |
| 4,145 | 0.000%, 11/15/26 - FSA Insured | No Opt. C |
| 2,800 | 0.000%, 5/15/28 - FSA Insured | No Opt. C |
| 3,000 | 0.000%, 11/15/28 - FSA Insured | No Opt. C |
| 4,730 | Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, 2000 Series, Panther Creek Partners Project, 6.650%, 5/01/10 (Alternative Minimum Tax) | No Opt. C |
| 2,720 | Cumberland County Municipal Authority, Pennsylvania, Carlisle Hospital and Health Services First Mortgage Revenue | 11/04 at 102 |

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| | | |
|--------|---|--------------|
| | and Refunding Bonds, Series 1994, 6.800%, 11/15/14 (Pre-refunded to 11/15/04) | |
| 11,000 | Delaware County Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East Issue, Series 1998A, 4.875%, 11/15/18 - AMBAC Insured | 11/08 at 102 |
| | Pennsylvania Economic Development Finance Authority, Resource Recovery Revenue Bonds, Senior Series 1994A, Northampton Generating Project: | |
| 2,100 | 6.400%, 1/01/09 (Alternative Minimum Tax) | 1/04 at 102 |
| 4,500 | 6.500%, 1/01/13 (Alternative Minimum Tax) | 1/04 at 102 |
| 900 | Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Subordinate Bonds, Series 1994C, Northampton Generating Project, 6.875%, 1/01/11 (Alternative Minimum Tax) | 1/04 at 102 |
| 6,250 | Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds, Northampton Generating Project, Senior Lien Series 1994B, 6.750%, 1/01/07 (Alternative Minimum Tax) | No Opt. C |
| ----- | | |
| | PUERTO RICO - 0.2% | |
| 1,250 | Puerto Rico Highway and Transportation Authority, Transportation Revenue Bonds, Series B, 5.875%, 7/01/21 - MBIA Insured | 7/10 at 101 |
| ----- | | |
| | RHODE ISLAND - 0.6% | |
| 3,000 | Kent County Water Authority, Rhode Island, General Revenue Bonds, Series 2002A, 5.000%, 7/15/23 - MBIA Insured | 7/12 at 100 |
| | Rhode Island Health and Educational Building Corporation, Revenue Bonds, Salve Regina University, Series 2002 Refunding: | |
| 1,260 | 5.250%, 3/15/17 - RAAI Insured | 3/12 at 101 |
| 1,080 | 5.250%, 3/15/18 - RAAI Insured | 3/12 at 101 |
| ----- | | |
| | SOUTH CAROLINA - 2.8% | |
| 6,925 | State of South Carolina, General Obligation State Capital Improvement Bonds, Series 1999A, 4.000%, 10/01/14 | 10/09 at 101 |
| 21,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.000%, 5/15/22 | 5/11 at 101 |
| ----- | | |
| | TENNESSEE - 3.4% | |
| 2,260 | Health and Educational Facilities Board of Johnson City, Tennessee, Hospital Revenue Refunding and Improvement Bonds, Series 1998C, Johnson City Medical Center Hospital, 5.125%, 7/01/25 (Pre-refunded to 7/01/23) - MBIA Insured | 7/23 at 100 |

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| | | |
|--------|---|--------------|
| 1,700 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at 101 |
| 6,725 | Health, Educational and Housing Facility Board of the City of Memphis, Tennessee, Multifamily Mortgage Revenue Refunding Bonds, Riverdale Plaza Apartments Project, Series 1993, 6.350%, 7/20/28 | 7/03 at 103 |
| 6,000 | Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson Counties, Tennessee, Revenue Refunding and Improvement Bonds, Meharry Medical College Project, Series 1996, 6.000%, 12/01/19 - AMBAC Insured | 12/17 at 100 |
| 12,800 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-1, 6.375% 7/01/25 (Alternative Minimum Tax) | 7/10 at 101 |

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Nuveen Performance Plus Municipal Fund, Inc. (NPP) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TEXAS - 4.0% | |
| \$ 4,000 | Bell County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project, Series 2000A, 6.125%, 8/15/23 - MBIA Insured | 2/10 at 101 |
| 5,690 | Dallas-Ft. Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, Series 2000B, American Airlines, 6.050%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/05) | 11/05 at 100 |
| 1,105 | Fort Worth Housing Finance Corporation, Texas, Home Mortgage Revenue Refunding Bonds, Series 1991A, 8.500%, 10/01/11 | 10/03 at 101 |
| 1,500 | Harris County, Texas, Health Facilities Development Corporation, Revenue Bonds, Christus Health, Series 1999A, 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 195 | Hidalgo County Housing Finance Corporation, Texas, Single Family Mortgage Revenue Bonds, GNMA and FNMA Collateralized, Series 1994A, 6.750%, 10/01/15 (Alternative Minimum Tax) | 4/04 at 102 |
| 3,885 | Houston Independent School District Public Facility Corporation, Harris County, Texas, Lease Revenue Bonds, Cesar E. Chavez High School, Series 1998A, | No Opt. C |

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| | | |
|-------|---|-------------|
| | 0.000%, 9/15/19 - AMBAC Insured | |
| 1,690 | City of Laredo, Webb County, Texas, Combination Tax and Sewer System Revenue Certificates of Obligation, Series 1998A, 4.500%, 2/15/18 - MBIA Insured | 2/08 at 100 |
| | Leander Independent School District, Williamson and Travis Counties, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1998: | |
| 4,930 | 0.000%, 8/15/20 | 8/06 at 46 |
| 3,705 | 0.000%, 8/15/22 | 8/06 at 41 |
| 1,115 | Lubbock Housing Finance Corporation, Texas, Single Family Mortgage Revenue Refunding Bonds, GNMA Mortgage-Backed Securities Program, Series 1997A, 6.125%, 12/01/17 | 6/07 at 102 |
| 3,480 | Pearland, Texas, General Obligation Bonds, Series 2002, 5.000%, 3/01/27 - FGIC Insured | 3/12 at 100 |
| 6,050 | City of San Antonio, Texas, Electric and Gas Systems Revenue Bonds, New Series 1998A Refunding, 4.500%, 2/01/21 | 2/09 at 100 |
| 6,000 | Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 | 2/11 at 100 |
| 4,000 | Tarrant Regional Water District, Texas, Water Revenue Bonds, Series 1999 Refunding and Improvement, 5.000%, 3/01/22 - FSA Insured | 3/13 at 100 |

 UTAH - 4.6%

| | | |
|--------|--|-------------|
| 10,000 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, 1997 Series B, 5.750%, 7/01/19 - MBIA Insured | 7/07 at 102 |
| | Utah County, Utah, Hospital Revenue Bonds, Series 1997, IHC Health Services, Inc.: | |
| 12,500 | 5.250%, 8/15/21 - MBIA Insured | 8/07 at 101 |
| 3,900 | 5.250%, 8/15/26 - MBIA Insured | 8/07 at 101 |
| 4,495 | Utah Housing Corporation, Single Family Mortgage Bonds, 2002 Series A1, 5.300%, 7/01/18 (Alternative Minimum Tax) | 1/12 at 100 |
| 780 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 2000 Series B, 6.250%, 7/01/22 (Alternative Minimum Tax) | 1/10 at 100 |
| 2,975 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 2000 Series D-1, 6.050%, 7/01/14 (Alternative Minimum Tax) | 7/10 at 100 |
| 3,310 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 2000 Series E-1, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax) | 7/10 at 100 |
| 740 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 2000 Series E-1, Class II, 6.150%, 1/01/27 (Alternative Minimum Tax) | 7/10 at 100 |
| 1,270 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 2001 Series A2, 5.650%, 7/01/27 (Alternative Minimum Tax) | 7/11 at 100 |

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970 Utah Housing Finance Agency, Single Family Mortgage Bonds, 1/11 at 100
 2001 Series B-1, 5.750%, 7/01/19 (Alternative Minimum Tax)

 VERMONT - 0.8%

7,125 Vermont Housing Finance Agency, Single Family Housing 11/04 at 102
 Bonds, Series 5, 7.000%, 11/01/27 (Alternative
 Minimum Tax)

20

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

VIRGINIA - 1.8%

| | | |
|-----------|---|--------------|
| \$ 16,000 | Metropolitan Washington Airports Authority, Virginia, Airport System Revenue Bonds, Series 1994A, 5.500%, 10/01/24 (Alternative Minimum Tax) - MBIA Insured | 10/04 at 100 |
|-----------|---|--------------|

 WASHINGTON - 5.8%

| | | |
|--------|---|--------------|
| 12,235 | Public Utility District No. 1 of Chelan County, Washington, Columbia River-Rock Island Hydro-Electric System Revenue Refunding Bonds, Series 1997A, 0.000%, 6/01/26 - MBIA Insured | No Opt. C |
| 5,000 | Energy Northwest, Washington, Nuclear Project No. 1 Electric Revenue Bonds, Series 2003A Refunding, 5.500%, 7/01/16 | 7/13 at 100 |
| 1,815 | Grant County Public Utility District 2, Wanapum, Washington, Hydro-Electric Revenue Bonds, Series 1997A, Master Lease Program, 5.625%, 1/01/26 - MBIA Insured | 1/06 at 102 |
| 12,000 | State of Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2001D, 5.250%, 1/01/26 | 1/11 at 100 |
| 5,000 | Washington State Housing Finance Commission, Nonprofit Housing Revenue Bonds, Kline Galland Center Project, Series 1999, 6.000%, 7/01/29 - RAAI Insured | 7/09 at 101 |
| 4,500 | Washington Health Care Facilities Authority, Revenue Bonds, Series 1999, Providence Services, 5.375%, 12/01/19 - MBIA Insured | 12/09 at 101 |
| 16,000 | Washington Public Power Supply System, Nuclear Project No. 1 Refunding Revenue Bonds, Series 1993A, 5.700%, 7/01/17 - MBIA Insured | 7/03 at 102 |
| 4,000 | Washington Public Power Supply System, Nuclear Project No. 3 Refunding Revenue Bonds, Series 1993B, 5.700%, 7/01/18 | 7/03 at 102 |

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| | | |
|--------------|---|-------------|
| ----- | | |
| | WISCONSIN - 2.3% | |
| 1,660 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1993, Aurora Health Care Obligated Group, 5.250%, 8/15/23 - MBIA Insured | 8/03 at 102 |
| 11,620 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1999, Marshfield Clinic, 6.250%, 2/15/29 - RAAI Insured | 2/10 at 101 |
| 7,490 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1998, The Millennium Housing Foundation, Inc. Project, 6.100%, 1/01/28 | 7/08 at 103 |
| ----- | | |
| \$ 1,448,295 | Total Long-Term Investments (cost \$1,289,105,632) - 147.8% | |
| ===== | | |
| | SHORT-TERM INVESTMENTS - 0.7% | |
| 4,750 | North Central Texas Health Facilities Development Corporation, Hospital Revenue Bonds, Series 1985-B, Methodist Hospitals of Dallas, Variable Rate Demand Bonds, 1.350%, 10/01/15 - MBIA Insured+ | |
| 2,000 | Ohio Higher Educational Facilities Revenue Bonds, Case Western Reserve University Project, Series 2002A, Variable Rate Demand Obligations, 1.400%, 10/01/31+ | |
| ----- | | |
| \$ 6,750 | Total Short-Term Investments (cost \$6,750,000) | |
| ===== | | |
| | Total Investments (cost \$1,295,855,632) - 148.5% | |
| ----- | | |
| | Other Assets Less Liabilities - 2.5% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (51.0)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* 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.

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

+ Security has a maturity of more than one year, but has

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variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Municipal Advantage Fund, Inc. (NMA)
 Portfolio of
 INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | ALABAMA - 3.2% | |
| \$ 10,000 | Jefferson County, Alabama, Sewer Revenue Capital Improvement Warrants, Series 1999A, 5.375%, 2/01/36 (Pre-refunded to 2/01/09) - FGIC Insured | 2/09 at 101 |
| 5,075 | Health Care Authority of Florence, Lauderdale County, Alabama, Revenue Bonds, Series 1999A, Coffee Health Group, 5.250%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 5,155 | Phenix City, Alabama, Industrial Development Board Environmental Improvement Revenue Bonds, MeadWestvaco Project, Series 2002A, 6.350%, 5/15/35 (Alternative Minimum Tax) | 5/12 at 100 |
| ----- | | |
| | ARIZONA - 0.7% | |
| 5,000 | Maricopa County Pollution Control Corporation, Arizona, Pollution Control Revenue Refunding Bonds, Remarketing, Series 1992A, Public Service Company of New Mexico, 5.750%, 11/01/22 | 5/06 at 101 |
| ----- | | |
| | CALIFORNIA - 5.8% | |
| 2,500 | State of California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.375%, 5/01/22 | 5/12 at 101 |
| 7,535 | County of Contra Costa, California, Home Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities Program, Series 1989, 7.750%, 5/01/22 (Alternative Minimum Tax) | No Opt. C |
| 5,000 | Community Redevelopment Agency of the City of Palmdale, California, Residential Mortgage Revenue Refunding Bonds, Series 1991B, 7.375%, 2/01/12 | No Opt. C |

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| | | |
|-----------------------------|--|--------------|
| 5,000 | Community Redevelopment Agency of the City of Palmdale, California, Single Family Mortgage Revenue Bonds, Series 1986A Restructured, 8.000%, 3/01/16 (Alternative Minimum Tax) | No Opt. C |
| 9,315 | City of Perris, California, Single Family Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities, 1989 Series A, 7.600%, 1/01/23 (Alternative Minimum Tax) | No Opt. C |
| ----- | | |
| COLORADO - 2.4% | | |
| 8,350 | Colorado Health Facilities Authority, Revenue Bonds, 1994 Series A, Kaiser Permanente, Remarketed, 5.350%, 11/01/16 | 7/06 at 102 |
| | Platte River Power Authority, Colorado, Power Revenue Bonds, Series EE Refunding: | |
| 2,000 | 5.375%, 6/01/17 | 6/12 at 100 |
| 5,000 | 5.375%, 6/01/18 | 6/12 at 100 |
| ----- | | |
| CONNECTICUT - 0.8% | | |
| 5,000 | Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, 2000 Series B, Subseries B-2, 5.750%, 11/15/21 (Alternative Minimum Tax) | 11/09 at 100 |
| ----- | | |
| DISTRICT OF COLUMBIA - 1.7% | | |
| 6,300 | District of Columbia Housing Finance Agency, Collateralized Single Family Mortgage Revenue Bonds, Series 1988F-1, 6.375%, 6/01/26 (Alternative Minimum Tax) | 12/04 at 103 |
| 5,075 | District of Columbia Housing Finance Agency, Single Family Revenue Bonds, Series 1997-B, 5.900%, 12/01/28 (Alternative Minimum Tax) | 6/07 at 102 |
| ----- | | |
| FLORIDA - 1.9% | | |
| 2,770 | Florida Housing Finance Corporation, Housing Revenue Bonds, 2000 Series O-1, Stratford Point Apartments, 5.850%, 12/01/31 (Alternative Minimum Tax) - FSA Insured | 12/10 at 100 |
| 9,990 | City of Tampa, Florida, Allegany Health System Revenue Bonds, St. Mary's Hospital, Inc. Issue, Series 1993, 5.125%, 12/01/23 - MBIA Insured | 12/03 at 102 |
| ----- | | |
| GEORGIA - 1.2% | | |
| 7,335 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2000 Series A, Subseries A-2, 6.450%, 12/01/30 (Alternative Minimum Tax) | 3/10 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | HAWAII - 0.9% | |
| \$ 3,660 | Housing Finance and Development Corporation, Hawaii, Single Family Mortgage Purchase Revenue Bonds, 1997 Series A, 5.750%, 7/01/30 (Alternative Minimum Tax) | 7/07 at 102 |
| 2,215 | Housing and Community Development Corporation of Hawaii, Multifamily Housing Revenue Bonds, Series 2000, GNMA Collateralized - Sunset Villas, 5.700%, 7/20/31 | 7/10 at 102 |
| ----- | | |
| | ILLINOIS - 13.6% | |
| 5,865 | City of Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2000A, 6.500%, 1/01/35 (Pre-refunded to 7/01/10) - FGIC Insured | 7/10 at 101 |
| 4,000 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997, 5.750%, 12/01/20 - AMBAC Insured | 12/07 at 102 |
| 12,500 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997A, 5.250%, 12/01/27 - AMBAC Insured | 12/07 at 102 |
| 5,000 | City of Chicago, Illinois, Chicago O'Hare International Airport, Special Facility Revenue Bonds, United Air Lines, Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)# | No Opt. C |
| 5,000 | City of Chicago, Illinois, Chicago O'Hare International Airport, Second Lien Passenger Facility Charge Revenue Bonds, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 5,000 | City of Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 1997, 5.250%, 1/01/28 - AMBAC Insured | 1/08 at 102 |
| 10,115 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Series 1996A, Rush-Presbyterian-St. Luke's Medical Center Obligated Group, 6.250%, 11/15/20 - MBIA Insured | 11/06 at 102 |
| 6,165 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Series 1996B, Sarah Bush Lincoln Health Center, 5.750%, 2/15/22 | 2/07 at 102 |
| 3,935 | Illinois Health Facilities Authority, Revenue Bonds, Victory Health Service, Series 1997A, 5.375%, 8/15/16 | 8/07 at 101 |

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| | | |
|--------|--|--------------|
| 6,000 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.750%, 5/15/22 | 5/12 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A: | |
| 12,455 | 5.500%, 12/15/24 - FGIC Insured | 12/09 at 101 |
| 10,000 | 5.250%, 12/15/28 - FGIC Insured | 12/09 at 101 |
| 2,500 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1990A, 7.200%, 11/01/20 - AMBAC Insured | No Opt. C |

INDIANA - 5.2%

| | | |
|-------|--|--------------|
| 7,425 | Fort Wayne International Airport Building Corporation, Indiana, Airport Improvement Bonds, Series 1994, 5.900%, 1/01/14 (Alternative Minimum Tax) | 1/04 at 101 |
| 5,205 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at 101 |
| 9,000 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding and Improvement Bonds, Series 1995, Community Hospitals Projects, 5.700%, 5/15/22 - MBIA Insured | 5/06 at 102 |
| 6,075 | LaGrange County Jail Building Corporation, Indiana, First Mortgage Jail Bonds, Series 1998, 5.400%, 10/01/21 | 10/09 at 101 |
| 3,215 | Mooresville Consolidated School Building Corporation, Morgan County, Indiana, First Mortgage Bonds, Series 1994B, 6.400%, 7/15/15 (Pre-refunded to 1/15/04) | 1/04 at 102 |
| 2,725 | St. Joseph County Hospital Authority, Indiana, Health System Revenue Bonds, Madison Center, Inc. Project, Series 1999, 5.450%, 2/15/12 | 2/09 at 102 |

IOWA - 1.5%

| | | |
|-------|--|--------------|
| 2,455 | Iowa Finance Authority, Single Family Mortgage Bonds, 1995 Series C, 6.450%, 1/01/24 | 1/05 at 102 |
| 3,500 | City of Marshalltown, Iowa, Pollution Control Revenue Refunding Bonds, Iowa Electric Light and Power Company Project, Series 1993, 5.500%, 11/01/23 - MBIA Insured | 11/03 at 102 |
| 5,000 | Tobacco Settlement Authority, Iowa, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B, 5.600%, 6/01/35 | 6/11 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | KANSAS - 0.8% | |
| \$ 5,000 | Burlington, Kansas, Environmental Improvement Revenue Bonds, Kansas City Power and Light Company Project, Series 1998A, 4.750%, 9/01/15 (Mandatory put 10/01/07) | No Opt. C |
| ----- | | |
| | KENTUCKY - 1.6% | |
| 5,500 | Louisville and Jefferson Counties Metropolitan Sewer District, Commonwealth of Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997A, 5.250%, 5/15/27 - MBIA Insured | 5/07 at 101 |
| 4,950 | Louisville and Jefferson Counties Metropolitan Sewer District, Commonwealth of Kentucky, Sewer and Drainage System Revenue Bonds, Series 1997B, 5.200%, 5/15/25 - MBIA Insured | 11/07 at 101 |
| ----- | | |
| | LOUISIANA - 6.2% | |
| 13,500 | Parish of De Soto, State of Louisiana, Pollution Control Revenue Refunding Bonds, Cleco Utility Group, Inc. Project, Series 1999, 5.875%, 9/01/29 - AMBAC Insured | 9/09 at 102 |
| 10,000 | Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994, 11.000%, 2/01/14 | No Opt. C |
| | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B: | |
| 6,000 | 5.500%, 5/15/30 | 5/11 at 101 |
| 11,750 | 5.875%, 5/15/39 | 5/11 at 101 |
| ----- | | |
| | MASSACHUSETTS - 3.1% | |
| 5,000 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan of 2002, Series D, 5.375%, 8/01/21 - MBIA Insured | 8/12 at 100 |
| 1,750 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, UMass Memorial Health Issue A, 5.000%, 7/01/28 - AMBAC Insured | 1/09 at 101 |
| 9,585 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 77, 5.950%, 6/01/25 (Alternative Minimum Tax) - FSA Insured | 12/09 at 100 |
| 3,320 | Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 79, 5.950%, 12/01/27 (Alternative Minimum Tax) - FSA Insured | 12/09 at 100 |

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MICHIGAN - 1.3%

| | | |
|-------|---|-------------|
| 3,275 | Michigan State Hospital Finance Authority, Revenue and Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.500%, 8/15/18 | 8/03 at 102 |
| | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A: | |
| 4,995 | 5.250%, 8/15/23 | 8/08 at 101 |
| 3,000 | 5.250%, 8/15/28 | 8/08 at 101 |

MINNESOTA - 2.3%

| | | |
|-------|---|-------------|
| 5,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/32 - FGIC Insured | 1/11 at 100 |
| 5,890 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, 2000 Series C, 5.550%, 7/01/24 (Alternative Minimum Tax) | 7/09 at 100 |
| 3,685 | Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, 2000 Series J, 5.400%, 1/01/23 (Alternative Minimum Tax) | 1/10 at 100 |

MISSISSIPPI - 1.7%

| | | |
|-------|--|-------------|
| 2,165 | Coahoma-Clarksdale Housing Development Corporation, Mississippi, Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms Project, Series 1990A, 8.000%, 8/01/24 | 8/03 at 100 |
| 2,695 | Coahoma-Clarksdale Housing Development Corporation, Mississippi, Multifamily Mortgage Revenue Refunding Bonds, Gooden Estates and McLaurin Arms Project, Series 1990B, 8.000%, 8/01/24 | 8/03 at 100 |
| 2,460 | Greenwood-Leflore Housing Development Corporation, Mississippi, Multifamily Mortgage Revenue Refunding Bonds, Bishop Apartment Project, Series 1990B, 7.950%, 8/01/22 | 8/03 at 100 |
| 2,515 | Greenwood-Leflore Housing Development Corporation, Mississippi, Multifamily Mortgage Revenue Refunding Bonds, Jones Apartment Projects, Series 1990C, 7.950%, 8/01/22 | 6/03 at 100 |
| 1,575 | Greenwood-Leflore Housing Development Corporation, Mississippi, Multifamily Mortgage Revenue Refunding Bonds, McNeace Apartment Projects, Series 1990A, 7.950%, 8/01/22 | 9/03 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | MISSOURI - 0.4% | |
| \$ 1,500 | Missouri-Illinois Metropolitan District Bi-State Development Agency, Metrolink Cross County Extension Project, Mass Transit Sales Tax Appropriation Bonds, Series 2002B, 5.000%, 10/01/32 - FSA Insured | 10/13 at 100 |
| 1,350 | Missouri Housing Development Commission, Single Family Mortgage Revenue Bonds, Homeownership Loan Program, 2000 Series A-1, 7.500%, 3/01/31 (Alternative Minimum Tax) | 9/09 at 102 |
| ----- | | |
| | MONTANA - 2.9% | |
| 11,730 | Montana Board of Housing, Single Family Program Bonds, 1995 Series B, Federally Insured or Guaranteed Mortgage Loan, 6.400%, 12/01/27 (Alternative Minimum Tax) | 12/05 at 102 |
| 6,920 | Montana Board of Housing, Single Family Program Bonds, 1997 Series A, 6.050%, 12/01/37 | 6/07 at 101 |
| ----- | | |
| | NEVADA - 4.1% | |
| 7,310 | Clark County, Nevada, General Obligation Limited Tax Bond Bank Bonds, Series 2000, 5.500%, 7/01/19 | 7/10 at 100 |
| 7,500 | Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 1999A, 6.000%, 7/01/29 (Pre-refunded to 7/01/10) - MBIA Insured | 7/10 at 101 |
| 7,000 | Director of the State of Nevada, Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 3,065 | Nevada Housing Division, Single Family Mortgage Bonds, 1997 Senior Series C-2, 5.750%, 4/01/29 (Alternative Minimum Tax) | 4/07 at 102 |
| ----- | | |
| | NEW HAMPSHIRE - 0.6% | |
| 2,615 | Business Finance Authority of the State of New Hampshire, Water Facility Revenue Bonds, Pennichuck Water Works, Inc., 1994 Issue, Series A, 6.350%, 12/01/19 - AMBAC Insured | 12/04 at 102 |
| 1,435 | Business Finance Authority of the State of New Hampshire, Water Facility Revenue Bonds, Pennichuck Water Works, Inc., Series B, 6.450%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured | 12/04 at 102 |
| ----- | | |

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| | | | |
|--------|---|--|--------------|
| | NEW JERSEY - 2.0% | | |
| 16,000 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 | | 6/12 at 100 |
| ----- | | | |
| | NEW MEXICO - 1.1% | | |
| 7,500 | City of Farmington, New Mexico, Pollution Control Revenue Refunding Bonds, Series 1997B, Public Service Company of New Mexico - San Juan Project, 5.800%, 4/01/22 | | 4/06 at 101 |
| ----- | | | |
| | NEW YORK - 16.4% | | |
| 7,000 | Metropolitan Transportation Authority, New York, State Service Contract Refunding Bonds, Series 2002A, 5.125%, 1/01/29 | | 7/12 at 100 |
| | County of Nassau, New York, General Obligation Serial General Improvement Bonds, Series F: | | |
| 3,980 | 7.000%, 3/01/11 - FSA Insured | | 3/10 at 100 |
| 4,070 | 7.000%, 3/01/12 - FSA Insured | | 3/10 at 100 |
| 3,925 | 7.000%, 3/01/15 -FSA Insured | | 3/10 at 100 |
| | The City of New York, New York, General Obligation Bonds, Fiscal 1997 Series G: | | |
| 95 | 6.000%, 10/15/26 (Pre-refunded to 10/15/07) | | 10/07 at 101 |
| 9,905 | 6.000%, 10/15/26 | | 10/07 at 101 |
| | The City of New York, New York, General Obligation Bonds, Fiscal 1991 Series B: | | |
| 6,515 | 9.500%, 6/01/03 | | No Opt. C |
| 1,485 | 9.500%, 6/01/03 | | No Opt. C |
| 7,435 | The City of New York, New York, General Obligation Bonds, Fiscal 2000 Series E, 5.750%, 5/15/20 | | 5/10 at 101 |
| 9,750 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 2000 Series A, 5.750%, 6/15/31 - FGIC Insured | | 6/09 at 101 |
| 5,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 1997 Series B, 5.750%, 6/15/29 - FGIC Insured | | 6/07 at 101 |
| 10,000 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal 2000 Series B, 6.000%, 11/15/29 (Pre-refunded to 5/15/10) | | 5/10 at 101 |
| 4,975 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC Project, Series 1998, 5.250%, 12/01/32 (Alternative Minimum Tax) | | 12/08 at 102 |

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Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 3,000 | New York City Industrial Development Agency, New York, Special Facilities Revenue Bonds, British Airways PLC Project, Series 2002, 7.625%, 12/01/32 | 12/12 at 101 |
| 3,655 | Dormitory Authority of the State of New York, State University Educational Facilities Revenue Bonds, Series 1997, 5.125%, 5/15/27 (Pre-refunded to 5/15/08) | 5/08 at 101 |
| 45 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1997B: 5.625%, 2/15/21 (Pre-refunded to 2/15/07) | 2/07 at 102 |
| 7,315 | 5.625%, 2/15/21 | 2/07 at 102 |
| 9,495 | State of New York Mortgage Agency, Homeowner Mortgage Revenue Bonds, Series 94, 5.800%, 10/01/20 (Alternative Minimum Tax) | 4/10 at 100 |
| 5,000 | New York State Urban Development Corporation, Correctional Facilities Service Contract Revenue Bonds, Series C, 6.000%, 1/01/29 (Pre-refunded to 1/01/09) - AMBAC Insured | 1/09 at 101 |
| ----- | | |
| | NORTH CAROLINA - 4.7% | |
| 10,920 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 7A, 1998 Trust Agreement, 6.250%, 1/01/29 (Alternative Minimum Tax) | 7/09 at 100 |
| 10,940 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 8-A, 1998 Trust Agreement, 5.950%, 1/01/27 (Alternative Minimum Tax) | 1/10 at 100 |
| 6,000 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 9A, 1998 Trust Agreement, 5.875%, 7/01/31 (Alternative Minimum Tax) | 1/10 at 100 |
| 1,710 | North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 10A, 1998 Trust Agreement, 5.400%, 7/01/32 (Alternative Minimum Tax) - AMBAC Insured | 7/10 at 100 |
| ----- | | |
| | NORTH DAKOTA - 0.8% | |
| 5,495 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Housing Finance Program, 1998 Series B, 5.500%, 7/01/29 (Alternative Minimum Tax) - MBIA Insured | 7/08 at 102 |
| ----- | | |
| | OHIO - 5.7% | |

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| | | |
|--------|--|--------------|
| 5,000 | Akron, Bath and Copley Joint Township Hospital District, Ohio, Hospital Facilities Revenue Bonds, Series 1998A, Summa Health System Project, 5.375%, 11/15/18 | 11/09 at 101 |
| 6,000 | County of Cuyahoga, Ohio, Hospital Revenue Bonds, University Hospitals Health System, Inc., Series 1999, 5.500%, 1/15/30 - AMBAC Insured | 7/09 at 101 |
| 7,840 | County of Montgomery, Ohio, Hospital Facilities Revenue Bonds, Series 1999, Kettering Medical Center Network Obligated Group: 6.750%, 4/01/18 | 4/10 at 101 |
| 5,000 | 6.750%, 4/01/22 | 4/10 at 101 |
| 3,105 | Ohio Housing Finance Agency, Residential Mortgage Revenue Bonds, 2000 Series D, Mortgage-Backed Securities Program, 5.450%, 9/01/31 (Alternative Minimum Tax) | 8/10 at 100 |
| 10,000 | Ohio Air Quality Development Authority, Pollution Control Revenue Refunding Bonds, Series 1999C, Ohio Edison Company Project, 5.800%, 6/01/16 (Mandatory put 12/01/04) | 12/04 at 100 |

OKLAHOMA - 1.6%

| | | |
|--------|--|--------------|
| 5,000 | Oklahoma Industries Authority, Health System Revenue and Refunding Bonds, Obligated Group consisting of INTEGRIS Baptist Medical Center, Inc., INTEGRIS South Oklahoma City Hospital Corporation and INTEGRIS Rural Health, Inc., Series 1999A, 5.750%, 8/15/29 - MBIA Insured | 8/09 at 101 |
| 10,000 | Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Bonds, Refunding Series 2001B, American Airlines, Inc., 5.650%, 12/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 12/08 at 100 |

PENNSYLVANIA - 2.7%

| | | |
|-------|---|-------------|
| 3,335 | Pennsylvania Housing Finance Agency, Rental Housing Refunding Bonds, Issue 1993, 5.800%, 7/01/18 | 7/03 at 102 |
| 2,500 | The School District of Philadelphia, Pennsylvania, General Obligation Bonds, Series 2002A, 5.500%, 2/01/31 - FSA Insured | 2/12 at 100 |
| 4,325 | Venango Housing Corporation, Pennsylvania, Multifamily Mortgage Revenue Refunding Bonds, FHA-Insured Mortgage - Evergreen Arbors Project, 1990 Series A, 8.000%, 2/01/24 | 8/03 at 100 |
| 6,750 | Washington County Authority, Pennsylvania, Capital Funding Revenue Bonds, Capital Projects and Equipment Acquisition Program, Series 1999, 6.150%, 12/01/29 - AMBAC Insured | No Opt. C |

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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|--------------|--|--------------|
| ----- | | |
| | RHODE ISLAND - 2.7% | |
| | Housing Authority of the City of Providence, Rhode Island, Multifamily Mortgage Revenue Bonds, FHA-Insured Mortgage Loan - Cathedral Square Apartments II Project, 1992 Series: | |
| \$ 395 | 7.375%, 4/01/10 (Alternative Minimum Tax) | 4/07 at 100 |
| 1,060 | 7.400%, 4/01/20 (Alternative Minimum Tax) | 4/07 at 100 |
| 3,050 | 7.500%, 10/01/32 (Alternative Minimum Tax) | 4/07 at 100 |
| 12,250 | Rhode Island Health and Educational Building Corporation, Hospital Financing Revenue Bonds, Lifespan Obligated Group Issue, Series 1996, 5.500%, 5/15/16 - MBIA Insured | 5/07 at 102 |
| ----- | | |
| | SOUTH CAROLINA - 3.0% | |
| 10,000 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 6.000%, 12/01/20 | 12/12 at 101 |
| 2,500 | Lexington County Health Services District, South Carolina, Hospital Revenue Bonds, Series 2003 Refunding and Improvement, 5.750%, 11/01/28 | 11/13 at 100 |
| 7,500 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at 101 |
| ----- | | |
| | TENNESSEE - 5.6% | |
| 6,000 | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Facilities Revenue Bonds, Baptist Health System of East Tennessee, Series 2002, 6.500%, 4/15/31 | 4/12 at 101 |
| 20,415 | Knox County Health, Educational and Housing Facility Board, Tennessee, Hospital Revenue Bonds, Covenant Health, Series 2002A Refunding, 0.000%, 1/01/18 - FSA Insured | 1/13 at 75 |
| 1,750 | Metropolitan Government of Nashville and Davidson Counties, Tennessee, Electric System Revenue Bonds, Series 2001A, 5.125%, 5/15/26 | 5/11 at 100 |
| 14,385 | Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson Counties, Tennessee, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/28 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |
| 2,745 | Tennessee Housing Development Agency, Mortgage Finance Program Bonds, 1994 Series A, 6.900%, 7/01/25 (Alternative Minimum Tax) | 7/04 at 102 |
| ----- | | |
| | TEXAS - 15.0% | |
| 14,900 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001C, | No Opt. C |

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| | | |
|--------|--|--------------|
| | 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11) | |
| 6,000 | Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Lighting & Power Company Project, Series 1998, 5.050%, 11/01/18 (Alternative Minimum Tax) - AMBAC Insured | No Opt. C |
| 8,400 | Gulf Coast Waste Disposal Authority, Texas, Waste Disposal Revenue Bonds, Valero Energy Corporation Project, Series 1999, 5.700%, 4/01/32 (Alternative Minimum Tax) | 4/09 at 101 |
| 10,000 | Harris County Health Facilities Development Corporation, Texas, Special Facilities Revenue Bonds, Texas Medical Center Project, Series 1996, 5.900%, 5/15/16 - MBIA Insured | 5/06 at 102 |
| 12,500 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | 7/10 at 100 |
| | City of Houston, Texas, Water Conveyance System Contract, Certificates of Participation, Series 1993 A-J: | |
| 5,490 | 6.800%, 12/15/10 - AMBAC Insured | No Opt. C |
| 2,000 | 6.800%, 12/15/11 - AMBAC Insured | No Opt. C |
| 16,305 | Matagorda County, Texas, Navigation District No. 1 Revenue Refunding Bonds, Reliant Energy Project, Series 1999B, 5.950%, 5/01/30 (Alternative Minimum Tax) | 5/09 at 101 |
| 3,425 | Sabine River Authority of Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001A, 5.500%, 5/01/22 (Mandatory put 11/01/11) | No Opt. C |
| 4,700 | Sam Rayburn Municipal Power Agency, Texas, Power Supply System Revenue Refunding Bonds, Series 2002A, 6.000%, 10/01/21 | 10/12 at 100 |
| 4,000 | State of Texas, General Obligation Bonds, Water Financial Assistance, Series 1999C, State Participation Program, 5.500%, 8/01/35 | 8/09 at 100 |
| 6,840 | Travis County, Texas, Health Facilities Development Corporation, Revenue Bonds, Ascension Health Credit Group, Series 1999A, 5.875%, 11/15/24 (Pre-refunded to 11/15/09) - AMBAC Insured | 11/09 at 101 |

27

Nuveen Municipal Advantage Fund, Inc. (NMA) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 2,500 | Trinity River Authority of Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001A, | No Opt. C |

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| | | |
|-------|---|-------------|
| | 5.000%, 5/01/27 (Alternative Minimum Tax) (Mandatory put 11/01/06) | |
| 245 | The Wood Glen Housing Finance Corporation, Texas, Mortgage Revenue Refunding Bonds, Series 1990A, FHA-Insured Mortgage Loan - Section 8 Assisted Copperwood I Project, 7.625%, 1/01/10 - MBIA Insured | 7/03 at 100 |
| | The Wood Glen Housing Finance Corporation, Texas, Mortgage Revenue Refunding Bonds, Series 1990C, FHA-Insured Mortgage Loan - Section 8 Assisted Copperwood II Project: | |
| 225 | 7.625%, 1/01/10 - MBIA Insured | 7/03 at 100 |
| 1,250 | 7.650%, 7/01/23 - MBIA Insured | 7/03 at 100 |

VIRGINIA - 1.0%

| | | |
|-------|---|-------------|
| 6,380 | Capital Region Airport Commission, Richmond, Virginia, International Airport Projects, Airport Revenue Bonds, Series 1995A, 5.625%, 7/01/20 - AMBAC Insured | 7/05 at 102 |
|-------|---|-------------|

WASHINGTON - 14.6%

| | | |
|--------|--|--------------|
| 8,810 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Bonds, Series 2001A, 5.600%, 1/01/36 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |
| 10,730 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Bonds, Series 2001C Refunding, 5.650%, 7/01/32 (Alternative Minimum Tax) - MBIA Insured | 7/11 at 101 |
| 5,665 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro-Consolidated System Revenue Bonds, Series 2002B, 5.250%, 7/01/37 (Alternative Minimum Tax) - AMBAC Insured | 7/12 at 100 |
| 10,730 | Sumner School District No. 320, Pierce County, Washington, Unlimited Tax General Obligation Bonds, Series 2000, 6.250%, 12/01/17 - FSA Insured | 12/10 at 100 |
| 10,550 | Port of Seattle, Washington, Limited Tax General Obligation Bonds, 2000 Series B, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/10 at 100 |
| 5,315 | Port of Seattle, Washington, Revenue Bonds, Series 2000B, 6.000%, 2/01/10 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 19,295 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999A, 6.000%, 9/01/29 - MBIA Insured | 3/10 at 101 |
| 5,000 | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999B, 6.000%, 9/01/20 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 5,000 | Washington Health Care Facilities Authority, Revenue Bonds, Series 1999, Providence Services, 5.375%, 12/01/19 - | 12/09 at 101 |

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MBIA Insured

| | | |
|------------------|---|-------------|
| 8,750 | Washington Public Power Supply System, Nuclear Project No. 3 Refunding Revenue Bonds, Series 1998A, 5.125%, 7/01/18 | 7/08 at 102 |
| ----- | | |
| WISCONSIN - 7.8% | | |
| 8,000 | Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27 | 6/12 at 100 |
| 5,000 | Madison, Wisconsin, Industrial Development Revenue Refunding Bonds, Madison Gas & Electric Company Projects, Series 2002A, 5.875%, 10/01/34 (Alternative Minimum Tax) | 4/12 at 100 |
| 3,000 | Southeast Wisconsin Professional Baseball Park District, Sales Tax Revenue Refunding Bonds, Series 1998A, 5.500%, 12/15/19 - MBIA Insured | No Opt. C |
| 4,000 | Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, 2000 Series, 5.750%, 3/01/22 (Alternative Minimum Tax) | 3/10 at 100 |
| | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1996, Aurora Medical Group, Inc. Project: | |
| 10,000 | 5.600%, 11/15/16 - FSA Insured | 5/06 at 102 |
| 20,000 | 5.750%, 11/15/25 - FSA Insured | 5/06 at 102 |
| ----- | | |
| \$ 966,565 | Total Long-Term Investments (cost \$940,742,457) - 148.6% | |
| ===== | | |

28

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|---------------------|
| ----- | | |
| SHORT-TERM INVESTMENTS - 0.9% | | |
| \$ 4,000 | Moffat County, Colorado, Pollution Control Revenue Bonds, Pacificorp Projects, Variable Rate Demand Bonds, 1.400%, 5/01/13 - AMBAC Insured+ | |
| 2,000 | Nebraska Educational Finance Authority, Variable Rate Demand Revenue Bonds, Creighton University Project, Refunding Series 2001, 1.350%, 8/01/31+ | |
| ----- | | |
| \$ 6,000 | Total Short-Term Investments (cost \$6,000,000) | |
| ===== | | |
| Total Investments (cost \$946,742,457) - 149.5% | | |
| ----- | | |
| Other Assets Less Liabilities - 3.4% | | |
| ----- | | |
| Preferred Shares, at Liquidation Value - (52.9)% | | |

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 Net Assets Applicable to Common Shares - 100%
 =====

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* 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.

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc., filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligation with respect to these bonds and thus has stopped accruing interest.

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO)
 Portfolio of
 INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | ARIZONA - 0.9% | |
| \$ 3,000 | Arizona Transportation Board, Highway Revenue Bonds, Series 2001, 5.250%, 7/01/20 | 7/11 at 100 |
| 1,725 | Industrial Development Authority of the County of Maricopa, Arizona, Education Revenue Bonds, Arizona Charter Schools Project I, Series 2000A, 6.750%, 7/01/29 | 7/10 at 102 |

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| | | |
|--------|---|--------------|
| 970 | Industrial Development Authority of the County of Pima, Arizona, Single Family Mortgage Revenue Bonds, Series 1997A, 7.100%, 11/01/29 (Alternative Minimum Tax) | 5/07 at 105 |
| ----- | | |
| | ARKANSAS - 1.3% | |
| 5,000 | Arkansas Development Finance Authority, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2000, 7.000%, 2/01/15 | 2/10 at 100 |
| 2,865 | Board of Trustees of the University of Arkansas at Fayetteville, Arkansas, Various Facilities Revenue Bonds, Series 2002, 5.500%, 12/01/20 - FGIC Insured | 12/12 at 100 |
| ----- | | |
| | CALIFORNIA - 7.1% | |
| 8,745 | Bell Community Redevelopment Agency, California, Bell Redevelopment Area Tax Allocation Refunding Bonds, Series 1994, 6.350%, 11/01/23 - FSA Insured | 11/03 at 102 |
| 2,810 | California Health Facilities Financing Authority, Kaiser Permanente, Revenue Bonds, 1993 Series C, 5.600%, 5/01/33 | 5/03 at 102 |
| 1,000 | State of California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.750%, 5/01/17 | 5/12 at 101 |
| 2,500 | Community Redevelopment Agency of the City of Los Angeles, California, Tax Allocation Refunding Bonds, Central Business District Redevelopment Project, Series G, 6.750%, 7/01/10 | 7/03 at 100 |
| | Department of Water and Power of the City of Los Angeles, California, Electric Plant Revenue Bonds, Second Issue of 1993: | |
| 490 | 4.750%, 10/15/20 | 10/03 at 102 |
| 5,510 | 4.750%, 10/15/20 | 10/03 at 102 |
| 995 | Department of Water and Power of the City of Los Angeles, California, Electric Plant Revenue Bonds, Issue of 1994, 5.375%, 2/15/34 | 2/04 at 102 |
| | County of Orange, California, 1996 Recovery Certificates of Participation, Series A: | |
| 13,100 | 5.875%, 7/01/19 - MBIA Insured | 7/06 at 102 |
| 690 | 6.000%, 7/01/26 - MBIA Insured | 7/06 at 102 |
| 5,870 | Sacramento Municipal Utility District, California, Electric Revenue Refunding Bonds, 1993 Series G, 4.750%, 9/01/21 - MBIA Insured | 9/03 at 100 |
| 5,000 | San Joaquin Hills Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1997A, 0.000%, 1/15/17 - MBIA Insured | 1/14 at 102 |
| ----- | | |
| | COLORADO - 3.9% | |
| 3,000 | City of Broomfield, Colorado, Master Facilities Lease | 12/09 at 100 |

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| | | | |
|--------|------------------------|--|---------------------|
| | | Purchase Agreement, Certificates of Participation, Series 1999, City and County of Broomfield Building Corporation, 5.750%, 12/01/24 - AMBAC Insured | |
| 6,000 | | Broomfield, Colorado, Sales and Use Tax Revenue Bonds, Series 2002A, Refunding and Improvement, 5.500%, 12/01/22 - AMBAC Insured | 12/12 at 100 |
| 11,465 | | City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2000A, 6.000%, 11/15/18 (Alternative Minimum Tax) - AMBAC Insured | 11/10 at 100 |
| 20,000 | | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000A, 0.000%, 9/01/28 - MBIA Insured | 9/10 at 31 |
| ----- | | | |
| | | FLORIDA - 0.1% | |
| 3,725 | | Miami-Dade County Industrial Development Authority, Florida, Special Facilities Revenue Bonds, United Air Lines, Inc. Project, Series 2000, 6.050%, 3/01/35 (Alternative Minimum Tax) (Mandatory put 3/01/10)# | No Opt. C |
| 30 | | | |
| | | | |
| | PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| ----- | | | |
| | | GEORGIA - 6.1% | |
| \$ | 15,000 | City of Atlanta, Georgia, Airport General Revenue and Refunding Bonds, Series 2000A, 5.600%, 1/01/30 - FGIC Insured | 1/10 at 101 |
| | 14,000 | Fulton County Facilities Corporation, Georgia, Certificates of Participation, Public Purpose Project, Series 1999, 5.500%, 11/01/18 - AMBAC Insured | 11/10 at 101 |
| | 8,000 | State of Georgia, General Obligation Bonds, 1995 Series C, 7.250%, 7/01/08 | No Opt. C |
| ----- | | | |
| | | ILLINOIS - 10.2% | |
| | 6,500 | City of Chicago, Illinois, Gas Supply Refunding Revenue Bonds, 1995 Series A, Peoples Gas Light and Coke Company Project, 6.100%, 6/01/25 | 6/05 at 102 |
| | 5,250 | City of Chicago, Illinois, Chicago Midway Airport, Revenue Bonds, Series 1998B, 5.000%, 1/01/28 - MBIA Insured | 1/09 at 101 |
| | 4,000 | City of Chicago, Illinois, Motor Fuel Tax Revenue Bonds, Series 2003A, 5.000%, 1/01/33 - AMBAC Insured | 7/13 at 100 |
| | 5,210 | Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Garden House of River Oaks West | 7/03 at 102 |

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| | | |
|--------|--|--------------|
| | Development, Series 1992A, 6.875%, 1/01/20 | |
| 950 | Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Village Center Development, Series 1992C, 6.600%, 3/01/07 | 9/03 at 102 |
| 38,645 | State of Illinois, General Obligation Bonds, Illinois FIRST, Series 2000, 5.500%, 4/01/25 - MBIA Insured | 4/10 at 100 |
| 1,975 | Lake County Community High School District No. 127, Grayslake, Illinois, General Obligation Bonds, Series 2002A, 9.000%, 2/01/13 - FGIC Insured | No Opt. C |
| 2,270 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Revenue Bonds, Series 2002A, 5.000%, 12/15/28 - MBIA Insured | 6/12 at 101 |
| ----- | | |
| | INDIANA - 1.9% | |
| 3,695 | Indiana Educational Facilities Authority, Educational Facilities Revenue Bonds, Series 2001, Butler University Project, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| 20,695 | Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, Series 1995A, United Air Lines, Inc. - Indianapolis Maintenance Center Project, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| 2,000 | City of Petersburg, Indiana, Pollution Control Revenue Bonds, Indianapolis Power and Light Company, Series 1991 Refunding, 5.750%, 8/01/21 | 8/11 at 102 |
| ----- | | |
| | IOWA - 0.6% | |
| 4,215 | Iowa Finance Authority, Solid Waste Disposal Revenue Bonds, Series 1997, IPSCO Project, 6.000%, 6/01/27 (Alternative Minimum Tax) (Mandatory put 6/01/07) | No Opt. C |
| ----- | | |
| | KENTUCKY - 1.7% | |
| | Jefferson County, Kentucky, School District Finance Corporation, School Building Revenue Bonds, Series 2000A: | |
| 3,045 | 5.250%, 7/01/17 - FSA Insured | 1/10 at 101 |
| 7,490 | 5.250%, 7/01/20 - FSA Insured | 1/10 at 101 |
| ----- | | |
| | LOUISIANA - 1.1% | |
| 7,415 | Louisiana Local Government Environmental Facilities and Community Development Authority, Revenue Bonds, Baton Rouge Community College Facilities Corporation Project, Series 2002, 5.000%, 12/01/32 - MBIA Insured | 12/12 at 100 |
| ----- | | |

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MARYLAND - 1.6%

| | | | |
|-------|---|--|--------------|
| | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002: | | |
| 3,710 | 5.000%, 11/01/18 | | 11/12 at 101 |
| 3,890 | 5.000%, 11/01/19 | | 11/12 at 101 |
| 2,500 | Department of Transportation, Maryland, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16 | | No Opt. C |

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | MASSACHUSETTS - 3.4% | |
| \$ 5,150 | Massachusetts Bay Transportation Authority, Assessment Bonds, 2000 Series A, 5.250%, 7/01/30 | 7/10 at 100 |
| 10,000 | Massachusetts Water Resources Authority, General Revenue Bonds, 2000 Series A, 5.750%, 8/01/39 - FGIC Insured | 8/10 at 101 |
| 6,195 | University of Massachusetts Building Authority, Facilities Revenue Bonds, Senior Series 2000A, Commonwealth Guaranteed, 5.125%, 11/01/25 - MBIA Insured | 11/10 at 100 |
| ----- | | |
| | MICHIGAN - 1.1% | |
| 6,635 | City of Detroit, Michigan, Water Supply System Revenue Senior Lien Bonds, 2001 Series A, 5.750%, 7/01/28 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 101 |
| ----- | | |
| | MINNESOTA - 8.3% | |
| 13,675 | State of Minnesota, General Obligation Bonds, Series 2000, 5.125%, 11/01/16 | 11/10 at 100 |
| 4,660 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, 1998 Series H-2, Remarketed, 6.050%, 7/01/31 (Alternative Minimum Tax) | 1/11 at 101 |
| 30,000 | Minnesota Agricultural and Economic Development Board, Healthcare System Revenue Bonds, Series 2000A, Fairview Health Services, 6.375%, 11/15/29 | 11/10 at 101 |
| 3,465 | The Housing and Redevelopment Authority of the City of St. Paul, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - | 11/15 at 103 |

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FSA Insured

| | | |
|--------------------|--|--------------|
| MISSISSIPPI - 1.3% | | |
| 5,900 | Mississippi Business Finance Corporation, Pollution Control Revenue Refunding Bonds, System Energy Resources, Inc. Project, Series 1998, 5.875%, 4/01/22 | 10/03 at 102 |
| 2,605 | Mississippi Home Corporation, Single Family Mortgage Revenue Bonds, Series 1997D, Class 5, 6.750%, 7/01/29 (Alternative Minimum Tax) | 7/07 at 105 |

| | | |
|---|---------------------------------|-------------|
| NEVADA - 3.9% | | |
| Director of the State of Nevada, Department of Business and Industry, Las Vegas Monorail Project Revenue Bonds, 1st Tier Series 2000: | | |
| 8,500 | 0.000%, 1/01/26 - AMBAC Insured | No Opt. C |
| 5,315 | 0.000%, 1/01/27 - AMBAC Insured | No Opt. C |
| 21,000 | 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |

| | | |
|-------------------|---|-------------|
| NEW JERSEY - 4.1% | | |
| 720 | Pollution Control Financing Authority of Camden County, New Jersey, Solid Waste Disposal and Resource Recovery System Revenue Bonds, Series 1991D, 7.250%, 12/01/10 | 6/03 at 101 |
| 21,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, 2000 Series B, 5.750%, 6/15/17 (Pre-refunded to 6/15/10) | 6/10 at 100 |
| 3,165 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/42 | 6/12 at 100 |

| | | |
|-------------------|---|-------------|
| NEW MEXICO - 1.9% | | |
| 5,925 | New Mexico Hospital Equipment Loan Council, Hospital Revenue Bonds, Presbyterian Healthcare Services, Series 2001A, 5.500%, 8/01/21 | 8/11 at 101 |
| 5,675 | Regents of the University of New Mexico, System Revenue Bonds, Series 1992A Refunding, 6.250%, 6/01/12 | No Opt. C |

| | | |
|------------------|--|-------------|
| NEW YORK - 25.1% | | |
| 11,000 | Nassau County Tobacco Settlement Corporation, New York, Tobacco Settlement Asset-Backed Bonds, Series A, 6.400%, 7/15/33 | 7/09 at 101 |
| 21,715 | The City of New York, New York, General Obligation Bonds, Fiscal 1996 Series I, 5.875%, 3/15/18 | 3/06 at 101 |

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| | | |
|--------|---|-------------|
| | The City of New York, New York, General Obligation Bonds, Fiscal 2002 Series G: | |
| 1,000 | 5.000%, 8/01/17 | 8/12 at 100 |
| 10,500 | 5.750%, 8/01/18 | 8/12 at 100 |
| 5,000 | The City of New York, New York, General Obligation Bonds, Fiscal 2003 Series A, 5.750%, 8/01/16 | 8/12 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ | The City of New York, New York, General Obligation Bonds, Fiscal 1997 Series H: | |
| 80 | 6.125%, 8/01/25 (Pre-refunded to 8/01/07) | 8/07 at 101 |
| 9,920 | 6.125%, 8/01/25 | 8/07 at 101 |
| 17,870 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal 2000 Series A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| 15,000 | Dormitory Authority of the State of New York, City University System Consolidated Second General Resolution Revenue Bonds, Series 1990D, 8.750%, 7/01/03 | No Opt. C |
| 20,000 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1997A, 5.750%, 2/15/27 | 2/07 at 102 |
| 4,500 | New York State Energy Research and Development Authority, Gas Facilities Revenue Bonds, Series C, The Brooklyn Union Gas Company Project, 5.600%, 6/01/25 (Alternative Minimum Tax) - MBIA Insured | 7/03 at 102 |
| 3,000 | New York State Medical Care Facilities Finance Agency, Brookdale Hospital Medical Center Secured Hospital Revenue Bonds, 1995 Series A, 6.850%, 2/15/17 (Pre-refunded to 2/15/05) | 2/05 at 102 |
| 4,785 | New York State Medical Care Facilities Finance Agency, Health Center Projects Revenue Bonds, Secured Mortgage Program, Series 1995A, 6.375%, 11/15/19 | 11/05 at 102 |
| 10,000 | The Port Authority of New York and New Jersey, Special Project Bonds, Series 6, JFK International Air Terminal LLC Project, 5.750%, 12/01/22 (Alternative Minimum Tax) - MBIA Insured | 12/07 at 102 |
| 7,000 | Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Bonds, Series 1999B, 5.500%, 1/01/30 (Pre-refunded to 1/01/22) | 1/22 at 100 |
| 20,500 | TSASC, Inc., New York, Tobacco Flexible Amortization | 7/09 at 101 |

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Bonds, Series 1999-1, 6.250%, 7/15/34

| | | |
|--------|--|--------------|
| ----- | | |
| | NORTH CAROLINA - 1.2% | |
| 7,500 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/19 - MBIA Insured | 1/13 at 100 |
| ----- | | |
| | NORTH DAKOTA - 4.3% | |
| 22,905 | City of Fargo, North Dakota, Health System Revenue Bonds, MertiCare Obligated Group, Series 2000A, 5.625%, 6/01/31 - FSA Insured | 6/10 at 101 |
| | North Dakota State Water Commission, Water Development Trust Fund, Water Development and Management Program Bonds, 2000 Series A: | |
| 2,230 | 5.700%, 8/01/18 - MBIA Insured | 8/10 at 100 |
| 2,450 | 5.750%, 8/01/19 - MBIA Insured | 8/10 at 100 |
| ----- | | |
| | OHIO - 2.6% | |
| 16,140 | County of Montgomery, Ohio, Hospital Facilities Revenue Bonds, Series 1999, Kettering Medical Center Network Obligated Group, 6.300%, 4/01/12 | No Opt. C |
| ----- | | |
| | OKLAHOMA - 0.0% | |
| 300 | Trustees of the Tulsa Municipal Airport Trust, Oklahoma, Revenue Bonds, Refunding Series 2000B, 6.000%, 6/01/35 (Alternative Minimum Tax) (Mandatory put 12/01/08) | 12/08 at 100 |
| ----- | | |
| | OREGON - 2.5% | |
| 5,000 | Oregon Health Sciences University, Revenue Bonds, Series 2002A, 5.250%, 7/01/22 - MBIA Insured | 1/13 at 100 |
| | City of Portland, Oregon, Water System Revenue Bonds, 2000 Series A: | |
| 6,780 | 5.375%, 8/01/18 | 8/10 at 100 |
| 3,655 | 5.500%, 8/01/20 | 8/10 at 100 |
| ----- | | |
| | PENNSYLVANIA - 6.5% | |
| 5,000 | Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Bonds, Series 1997A Refunding, 6.200%, 7/01/19 | 1/08 at 102 |
| 15,000 | Delaware River Port Authority, Pennsylvania, Revenue Refunding Bonds, Series B of 1998, 5.250%, 1/01/08 - | No Opt. C |

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AMBAC Insured

| | | |
|--------|--|--------------|
| 15,050 | Commonwealth of Pennsylvania, General Obligation Bonds, Second Series of 2001, 5.000%, 9/15/14 | 9/11 at 101 |
| 5,000 | Pennsylvania Higher Education Assistance Agency, Capital Acquisition Revenue Bonds, Series of 2000, 5.875%, 12/15/30 (Pre-refunded to 12/15/10) - MBIA Insured | 12/10 at 100 |

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Nuveen Municipal Market Opportunity Fund, Inc. (NMO) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | PUERTO RICO - 1.0% | |
| \$ 8,400 | The Children's Trust Fund, Puerto Rico, Tobacco Settlement Asset-Backed Bonds, Series 2002 Refunding, 5.375%, 5/15/33 | 5/12 at 100 |
| ----- | | |
| | SOUTH CAROLINA - 5.4% | |
| 24,730 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.500%, 12/01/22 | 12/12 at 101 |
| 1,865 | Three Rivers Solid Waste Authority, South Carolina, Solid Waste Disposal Facilities Revenue Bonds, Series 1997, 5.300%, 1/01/27 - MBIA Insured | 1/07 at 102 |
| 10,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at 101 |
| ----- | | |
| | TENNESSEE - 0.9% | |
| 5,000 | The Health, Educational and Housing Facilities Board of Knox County, Tennessee, Hospital Facilities Revenue Bonds, East Tennessee Children's Hospital, Series 2003A, 5.000%, 7/01/23 - RAAI Insured | 7/13 at 100 |
| 1,200 | The Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson Counties, Tennessee, Revenue Refunding Bonds, Series 1998, The Blakeford at Green Hills, 5.650%, 7/01/16 | 7/03 at 102 |
| ----- | | |
| | TEXAS - 25.9% | |
| 5,000 | Alliance Airport Authority, Inc., Texas, Special Facilities | 6/03 at 100 |

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| | | |
|--------|--|--------------|
| | Revenue Bonds, Series 1990, American Airlines, Inc. Project, 7.500%, 12/01/29 (Alternative Minimum Tax) | |
| | Arlington Independent School District, Tarrant County, Texas, Unlimited Tax Refunding and Improvement Bonds, Series 1995: | |
| 3,710 | 0.000%, 2/15/12 | 2/05 at 67 |
| 3,710 | 0.000%, 2/15/13 | 2/05 at 62 |
| 12,000 | City of Austin, Texas, Hotel Occupancy Tax Subordinate Lien Revenue Refunding Bonds, Series 1999, 5.800%, 11/15/29 - AMBAC Insured | 11/09 at 100 |
| 14,200 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 2001C, 5.750%, 5/01/36 (Alternative Minimum Tax) (Mandatory put 11/01/11) | No Opt. C |
| | Brownsville Independent School District, Cameron County, Texas, Unlimited Tax School Building Bonds, Series 1999: | |
| 5,015 | 5.625%, 8/15/25 | 8/09 at 100 |
| 8,825 | 5.625%, 8/15/29 | 8/09 at 100 |
| | Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000: | |
| 17,325 | 5.400%, 2/15/18 | 2/10 at 100 |
| 10,000 | 5.650%, 2/15/19 | 2/10 at 100 |
| 6,880 | 5.700%, 2/15/20 | 2/10 at 100 |
| 8,020 | 5.700%, 2/15/21 | 2/10 at 100 |
| 6,000 | Dallas-Fort Worth International Airport Facility Improvement Corporation, Texas, American Airlines, Inc. Revenue Bonds, Series 1999, 6.375%, 5/01/35 (Alternative Minimum Tax) | 11/09 at 101 |
| 14,375 | Dallas-Fort Worth International Airport Facilities Improvement Corporation, Texas, Revenue Refunding Bonds, Series 2000C, American Airlines, Inc., 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07) | 11/07 at 100 |
| 21,500 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | 7/10 at 100 |
| 22,500 | City of Houston Water and Sewer System, Texas, Junior Lien Revenue Refunding Bonds, Series 2000B, 5.250%, 12/01/30 - FGIC Insured | 12/10 at 100 |
| 1,250 | City of Houston Water and Sewer System, Texas, Junior Lien Revenue Refunding Bonds, Series 2001A, 5.000%, 12/01/20 - FSA Insured | 12/11 at 100 |
| 15,000 | San Antonio Independent School District, Bexar County, Texas, Unlimited Tax School Building Bonds, Series 1999, 5.800%, 8/15/29 (Pre-refunded to 8/15/09) | 8/09 at 100 |
| 4,359 | Texas General Services Commission, Participation Interests, Series 1992, 7.500%, 9/01/22 | 9/03 at 100 |
| 3,970 | City of Wichita Falls, Wichita County, Texas, Water and Sewer System Priority Lien Revenue Bonds, Series 2001, 5.000%, 8/01/21 - AMBAC Insured | 8/11 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--------------------|---|
| ----- | | |
| | WASHINGTON - 15.9% | |
| \$ | 5,500 | Public Utility District No. 1 of Clark County, Washington, Generating System Revenue Refunding Bonds, Series 2000, 5.125%, 1/01/20 - FSA Insured |
| | 2,755 | Cowlitz County, Washington, Special Sewer Revenue Refunding Bonds, Series 2002, CSOB Wastewater Treatment Facilities, 5.500%, 11/01/16 - FGIC Insured |
| | 10,000 | Energy Northwest, Washington, Nuclear Project No. 3 Electric Revenue Bonds, Series 2001A Refunding, 5.500%, 7/01/17 - FSA Insured |
| | 2,500 | King County, Washington, Sewer Revenue Bonds, Series 2001, 5.000%, 1/01/23 - FGIC Insured |
| | 33,490 | Port of Seattle, Washington, Revenue Bonds, Series 2000A, 5.625%, 2/01/30 - MBIA Insured |
| | 6,950 | Port of Seattle, Washington, Revenue Bonds, Series 2000B, 5.625%, 2/01/24 (Alternative Minimum Tax) - MBIA Insured |
| | 6,165 | Seattle, Washington, General Obligation Bonds, Series 2002 Refunding and Improvement: 4.400%, 12/01/19 |
| | 6,445 | 4.500%, 12/01/20 |
| | 6,630 | City of Tacoma, Washington, Electric System Revenue Bonds, Series 2001A Refunding, 5.750%, 1/01/17 - FSA Insured |
| | 9,000 | State of Washington, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002C, 5.000%, 1/01/21 - FSA Insured |
| | 7,890 | Washington State Higher Education Facilities Authority, Revenue Bonds, Pacific Lutheran University Project, Series 1999, 5.950%, 11/01/29 - RAAI Insured |
| | 3,520 | Washington State Healthcare Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.000%, 10/01/21 - AMBAC Insured |
| ----- | | |
| | WISCONSIN - 0.2% | |
| | 1,250 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1998, United Lutheran Program for the Aging, Inc., 5.700%, 3/01/28 |
| ----- | | |
| | WYOMING - 0.4% | |

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| | | | |
|--|-----------|--|-------------|
| | 2,800 | Town of Jackson, Wyoming, National Rural Utilities Cooperative Finance Corporation, Guaranteed Gas Supply Revenue Bonds, Lower Valley Power & Light, Inc. Project, Series 1997B, 5.875%, 5/01/26 (Alternative Minimum Tax) | 5/07 at 101 |
| <hr style="border-top: 1px dashed black;"/> | | | |
| \$ | 1,033,109 | Total Long-Term Investments (cost \$989,034,901) - 152.4% | |
| <hr style="border-top: 3px double black;"/> | | | |
| SHORT-TERM INVESTMENTS - 1.0% | | | |
| | 2,745 | Indiana Health Facility Financing Authority, Variable Rate Demand Revenue Bonds, Fayette Memorial Hospital Association, Series 2002A, 1.400%, 10/01/32+ | |
| | 2,400 | Minnesota Higher Education Facilities Authority, Variable Rate Demand Revenue Bonds, Olaf College, Series 2002-5M1, 1.350%, 10/01/32+ | |
| | 1,975 | Health and Educational Facilities Authority of the State of Missouri, Educational Facilities Revenue Bonds, Saint Louis University, Series 2002, Variable Rate Demand Obligations, 1.400%, 7/01/32+ | |
| <hr style="border-top: 1px dashed black;"/> | | | |
| \$ | 7,120 | Total Short-Term Investments (cost \$7,120,000) | |
| <hr style="border-top: 3px double black;"/> | | | |
| Total Investments (cost \$996,154,901) - 153.4% | | | |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Other Assets Less Liabilities - 2.2% | | | |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Preferred Shares, at Liquidation Value - (55.6)% | | | |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Net Assets Applicable to Common Shares - 100% | | | |
| <hr style="border-top: 3px double black;"/> | | | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- * 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.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- N/R Investment is not rated.
- # On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc., filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligation with respect to these bonds and thus has stopped accruing interest.
- + Security has a maturity of more than one year, but has

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variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Dividend Advantage Municipal Fund (NAD)
Portfolio of
INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| | ALABAMA - 0.2% | |
| \$ 1,500 | Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 5.750%, 12/01/20 | 6/10 at 102 |
| | ARIZONA - 2.5% | |
| 15,000 | Maricopa County, Arizona, Pollution Control Corporation, Pollution Control Revenue Remarketing Bonds, Series 1994A, El Paso Electric Company, 6.375%, 7/01/14 (Mandatory put 8/01/05) | No Opt. C |
| | CALIFORNIA - 1.7% | |
| 9,375 | Sacramento County Sanitation Districts Financing Authority, California, Revenue Bonds, Series 2000A, Sacramento Regional County Sanitation District, 5.875%, 12/01/27 | 12/05 at 101 |
| | COLORADO - 2.6% | |
| 10,000 | City and County of Denver, Colorado, Airport Revenue Bonds, Series 1996D, 5.500%, 11/15/25 - MBIA Insured | 11/06 at 101 |
| 1,475 | City and County of Denver, Colorado, Multifamily Housing Revenue Bonds (FHA-Insured Mortgage Loan - The Boston Lofts Project), Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax) | 10/07 at 102 |
| 3,205 | City and County of Denver, Colorado, Airport Special Facilities Revenue Bonds (Rental Car Projects), Series 1999A, 6.000%, 1/01/12 (Alternative Minimum Tax) - MBIA Insured | 1/09 at 101 |

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CONNECTICUT - 0.5%

| | | |
|-------|---|-------------|
| | Connecticut Development Authority, Health Facility Refunding Revenue Bonds, Alzheimer's Resource Center of Connecticut, Inc. Project, Series 1994A: | |
| 560 | 6.875%, 8/15/04 | No Opt. C |
| 2,700 | 7.125%, 8/15/14 | 8/04 at 102 |

FLORIDA - 2.7%

| | | |
|--------|---|--------------|
| 1,630 | Florida Housing Finance Agency, Housing Revenue Bonds, 1997 Series F, Mar Lago Village Apartments Project, 5.800%, 12/01/17 (Alternative Minimum Tax) - AMBAC Insured | 12/07 at 102 |
| 13,625 | Industrial Development Authority, Martin County, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration, L.P. Project, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/04 at 102 |

GEORGIA - 1.4%

| | | |
|-------|--|-------------|
| 4,000 | Water and Sewerage Authority, Forsyth County, Georgia, Revenue Bonds, Series 2000, 6.000%, 4/01/25 (Pre-refunded to 4/01/10) | 4/10 at 102 |
| 3,500 | The Hospital Authority of Hall County and the City of Gainesville, Revenue Anticipation Certificates, Northeast Georgia Health System, Inc. Project, Series 1999, 5.500%, 5/15/29 - MBIA Insured | 5/09 at 101 |

IDAHO - 0.9%

| | | |
|-------|---|-------------|
| 1,140 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 1999 Series E, 5.750%, 1/01/21 (Alternative Minimum Tax) | 7/09 at 101 |
| 2,010 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 2000 Series D, 6.350%, 7/01/22 (Alternative Minimum Tax) | 1/10 at 100 |
| 2,000 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 2000 Series E, 5.950%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 100 |

ILLINOIS - 33.6%

| | | |
|--------|--|--------------|
| 3,635 | Village of Channahon, Illinois, Revenue Refunding Bonds, Series 1999, Morris Hospital, 5.750%, 12/01/12 | 12/09 at 102 |
| 22,750 | City of Chicago, Illinois, General Obligation Bonds, Emergency Telephone System Refunding, Series 1999, 5.500%, 1/01/23 - FGIC Insured | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ILLINOIS (continued) | | |
| \$ 7,250 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 5.500%, 12/01/26 - FGIC Insured | No Opt. C |
| | City of Chicago, Illinois, Multifamily Housing Revenue Bonds, Archer Court Apartments, FHA/GNMA, Series 1999A: | |
| 955 | 5.500%, 12/20/19 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,210 | 5.600%, 12/20/29 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,925 | 5.650%, 12/20/40 (Alternative Minimum Tax) | 10/10 at 101 |
| 4,940 | City of Chicago, Illinois, Wastewater Transmission Revenue Bonds, Series 1995, 5.125%, 1/01/25 - FGIC Insured | 1/06 at 102 |
| 5,000 | City of Chicago, Illinois, Water Revenue Bonds, Series 1997, 5.250%, 11/01/27 - FGIC Insured | 11/07 at 102 |
| 24,835 | Illinois Development Finance Authority, Refunding Revenue Bonds, Series 1999 (The Presbyterian Home Lake Forest Project), 5.625%, 9/01/31 - FSA Insured | 9/07 at 102 |
| 3,935 | Illinois Development Finance Authority, Local Government Program Revenue Bonds, Series 1999A, Round Lake Community Unit School District Number 116 Project, 0.000%, 1/01/15 - MBIA Insured | No Opt. C |
| 2,750 | Illinois Educational Facilities Authority, Revenue Bonds, MJH Education Assistance Illinois, LLC, Series 1998D, 5.450%, 9/01/14 - AMBAC Insured | 9/09 at 100 |
| | Illinois Health Facilities Authority, Revenue Bonds, Series 1997A (Loyola University Health System): | |
| 1,600 | 5.000%, 7/01/24 (Pre-refunded to 7/01/07) - MBIA Insured | 7/07 at 101 |
| 5,400 | 5.000%, 7/01/24 - MBIA Insured | 7/07 at 101 |
| 5,490 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Series 1996B, Sarah Bush Lincoln Health Center, 5.500%, 2/15/16 | 2/07 at 102 |
| 17,280 | Illinois Health Facilities Authority, Converted Adjustable Rate Revenue Bonds, Series 1991A, Highland Park Hospital, 6.000%, 10/01/15 (Pre-refunded to 10/01/07) - FGIC Insured | 10/07 at 102 |
| 9,960 | Illinois Health Facilities Authority, Revenue Bonds, University of Chicago Project, Series 1985A Remarketed, 5.500%, 8/01/20 | 8/11 at 103 |
| 7,245 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Series 1991, Proctor Community Hospital Project, 7.375%, 1/01/23 | 7/03 at 100 |
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick | |

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| | | | |
|--------|---|--|--------------|
| | Place Expansion Project Refunding Bonds, Series 1996A: | | |
| 9,750 | 0.000%, 12/15/22 - MBIA Insured | | No Opt. C |
| 13,000 | 0.000%, 12/15/23 - MBIA Insured | | No Opt. C |
| 20,500 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A, 5.500%, 12/15/24 - FGIC Insured | | 12/09 at 101 |
| | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1999: | | |
| 22,650 | 5.750%, 6/01/19 - FSA Insured | | No Opt. C |
| 3,500 | 5.750%, 6/01/23 - FSA Insured | | No Opt. C |
| 5,000 | Robbins, Illinois, Resource Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax) | | No Opt. C |
| 4,500 | Will County School District No. 122, New Lenox, Illinois, General Obligation Bonds, Series 2000B, 0.000%, 11/01/18 - FSA Insured | | No Opt. C |

INDIANA - 3.8%

| | | | |
|-------|--|--|--------------|
| 8,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/26 - MBIA Insured | | 8/10 at 101 |
| 8,755 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Charity Obligated Group, Series 1999D, 5.500%, 11/15/24 (Pre-refunded to 11/15/09) - MBIA Insured | | 11/09 at 101 |
| 4,190 | City of Indianapolis, Indiana, Economic Development Revenue Bonds, Park Tudor Foundation, Inc. Project, Series 1999, 5.700%, 6/01/24 | | 6/09 at 101 |

IOWA - 2.0%

| | | | |
|--------|--|--|--------------|
| 11,175 | Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Waldorf College Project, Series 1999, 7.375%, 10/01/19 | | 10/10 at 102 |
|--------|--|--|--------------|

Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| | | |
|---------------------------|----------------|------------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|

KANSAS - 0.6%

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\$ 3,825 City of Wichita, Kansas, Water and Sewer Utility Revenue Bonds, Series 1999, 4.000%, 10/01/18 - FGIC Insured 10/06 at 101

 KENTUCKY - 5.5%

3,030 School District Finance Corporation, Hardin County, Kentucky, School Building Revenue Bonds, Series 2000, 5.750%, 2/01/20 2/10 at 101

Kentucky Economic Development Finance Authority, Hospital System Refunding and Improvement Revenue Bonds, Series 1997, Appalachian Regional Healthcare, Inc. Project:
 1,850 5.850%, 10/01/17 4/08 at 102
 5,000 5.875%, 10/01/22 4/08 at 102

Public Properties Corporation, City of Newport, Kentucky, First Mortgage Revenue Bonds, Series 2000A, Public Parking and Plaza Project:
 16,730 8.375%, 1/01/18 7/10 at 104
 3,000 8.500%, 1/01/27 7/10 at 104
 4,985 8.375%, 1/01/27 7/10 at 104

 LOUISIANA - 1.7%

2,245 City of Lafayette, State of Louisiana, Public Improvement Sales Tax Bonds, Series 2000B, 5.625%, 5/01/25 - FGIC Insured 5/10 at 101

9,545 Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B, 5.500%, 5/15/30 5/11 at 101

 MARYLAND - 0.9%

5,000 Community Development Administration, Maryland Department of Housing and Community Development, Residential Revenue Bonds, 2000 Series G, 5.950%, 9/01/29 (Alternative Minimum Tax) 9/09 at 100

 MASSACHUSETTS - 1.8%

1,500 Industrial Development Financing Authority, Boston, Massachusetts, Subordinate Revenue Bonds, Crosstown Center Project, Series 2002, 8.000%, 9/01/35 (Alternative Minimum Tax) 9/12 at 102

785 Massachusetts Port Authority, Special Facilities Revenue Bonds, US Air Project, Series 1996-A, 5.875%, 9/01/23 (Alternative Minimum Tax) - MBIA Insured 9/06 at 102

7,000 Massachusetts Port Authority, Special Facilities Revenue Bonds, BOSFUEL Project, Series 1997, 5.500%, 7/01/18 (Alternative Minimum Tax) - MBIA Insured 7/07 at 102

1,170 Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 32, 6.600%, 12/01/26 (Alternative Minimum Tax) 12/04 at 102

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| MICHIGAN - 1.6% | | |
| | City of Detroit, Michigan, Water Supply System Revenue Senior Lien Bonds, 2001 Series A: | |
| 2,565 | 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 100 |
| 2,435 | 5.250%, 7/01/33 - FGIC Insured | 7/11 at 100 |
| 4,000 | Charter County of Wayne, Michigan, Detroit Metropolitan Wayne County Airport, Airport Revenue Bonds, Series 1998A, 5.375%, 12/01/16 (Alternative Minimum Tax) - MBIA Insured | 12/08 at 101 |
| ----- | | |
| MINNESOTA - 0.8% | | |
| 2,250 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Special Facilities Revenue Bonds, Northwest Airlines, Inc. Project, Series 2001A, 7.000%, 4/01/25 (Alternative Minimum Tax) | 4/11 at 101 |
| 2,875 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, 1998 Series H-1 Fixed-Rate Remarketing, 5.650%, 7/01/31 (Alternative Minimum Tax) | 1/10 at 101 |
| ----- | | |
| MISSOURI - 1.4% | | |
| | Health and Educational Facilities Authority, State of Missouri, Revenue Bonds, SSM Health Care, Series 2001A: | |
| 4,370 | 5.250%, 6/01/21 - AMBAC Insured | 6/11 at 101 |
| 3,670 | 5.250%, 6/01/28 - AMBAC Insured | 6/11 at 101 |
| ----- | | |
| MONTANA - 1.1% | | |
| \$ 4,945 | Montana Board of Housing, Single Family Program Bonds, 2000 Series A-2, 6.450%, 6/01/29 (Alternative Minimum Tax) | 12/09 at 100 |
| 1,000 | Montana Higher Education Student Assistance Corporation, Student Loan Revenue Bonds, Subordinate Series 1999B, 6.400%, 12/01/32 (Alternative Minimum Tax) | 12/09 at 100 |
| ----- | | |
| NEBRASKA - 0.4% | | |
| 2,000 | Nebraska Higher Education Loan Program, Inc., Senior Subordinate Bonds, Series A-5A, 6.200%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |

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| | | |
|--------|--|--------------|
| ----- | | |
| | NEW HAMPSHIRE - 1.2% | |
| 6,695 | New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Revenue Bonds, 1995 Series D, 6.550%, 7/01/26 (Alternative Minimum Tax) | 7/05 at 102 |
| ----- | | |
| | NEW JERSEY - 8.2% | |
| 4,000 | Higher Education Student Assistance Authority, State of New Jersey, Student Loan Revenue Bonds, 2000 Series A, 6.000%, 6/01/13 (Alternative Minimum Tax) - MBIA Insured | 6/10 at 101 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Jersey City Medical Center Issue, FHA-Insured Mortgage, Series 2001, 4.800%, 8/01/21 - AMBAC Insured | 8/11 at 100 |
| 15,600 | New Jersey Economic Development Authority, Solid Waste Facilities Revenue Bonds, Bridgewater Resources, Inc. Project, Series 1999B, 8.250%, 6/01/19 (Alternative Minimum Tax)# | No Opt. C |
| 4,130 | New Jersey Transit Corporation, Federal Transit Administration Grants, Certificates of Participation, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured | No Opt. C |
| 4,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, 1999 Series A, 5.750%, 6/15/18 | No Opt. C |
| 10,000 | The Port Authority of New York and New Jersey, Special Project Bonds, Series 6, JFK International Air Terminal LLC Project, 5.900%, 12/01/17 (Alternative Minimum Tax) - MBIA Insured | 12/07 at 102 |
| 10,000 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002: 5.750%, 6/01/32 | 6/12 at 100 |
| 3,165 | 6.125%, 6/01/42 | 6/12 at 100 |
| ----- | | |
| | NEW YORK - 19.9% | |
| 1,940 | Industrial Development Agency, County of Cattaraugus, New York, Tax- Exempt Industrial Development Revenue Bonds, Series 1999A (Laidlaw Energy & Environmental, Inc. Project), 8.500%, 7/01/21 (Alternative Minimum Tax) | No Opt. C |
| | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A: | |
| 5,000 | 5.250%, 12/01/26 - FSA Insured | 6/08 at 101 |
| 5,000 | 5.500%, 12/01/29 | 6/03 at 101 |
| | County of Nassau, New York, General Obligation Serial General Improvement Bonds, Series B: | |
| 4,005 | 5.250%, 6/01/19 - AMBAC Insured | 6/09 at 102 |
| 7,005 | 5.250%, 6/01/20 - AMBAC Insured | 6/09 at 102 |

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| | | |
|--------|---|-------------|
| 7,005 | 5.250%, 6/01/21 - AMBAC Insured | 6/09 at 102 |
| 2,000 | The City of New York, New York, General Obligation Bonds, Fiscal 1998 Series E, 5.250%, 8/01/14 - AMBAC Insured | 2/08 at 101 |
| 14,000 | The City of New York, New York, General Obligation Bonds, Fiscal 1998 Series F, 5.375%, 8/01/19 - MBIA Insured | 2/08 at 101 |
| | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal 1998 Series A: | |
| 2,525 | 5.000%, 8/15/27 (Pre-refunded to 8/15/07) | 8/07 at 101 |
| 50 | 5.000%, 8/15/27 | 8/07 at 101 |
| 12,350 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal 2000 Series C, 5.500%, 11/01/29 (Pre-refunded to 5/01/10) | 5/10 at 101 |
| 10,000 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal 2000 Series A, 5.750%, 8/15/24 (Pre-refunded to 8/15/09) | 8/09 at 101 |
| 4,470 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996B, 5.125%, 8/15/21 - MBIA Insured | 2/06 at 102 |

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 4,400 | Dormitory Authority of the State of New York, Mental Health Services Facilities Improvement Revenue Bonds, Series 1996E, 5.250%, 2/15/18 - AMBAC Insured | 2/07 at 102 |
| 2,170 | Dormitory Authority of the State of New York, Frances Schervier Home and Hospital Insured Revenue Bonds (Franciscan Health Partnership Obligated Group), Series 1997, 5.500%, 7/01/17 - RAAI Insured | 7/07 at 102 |
| 7,500 | Dormitory Authority of the State of New York, Secured Hospital Revenue Refunding Bonds, Wyckoff Heights Medical Center, Series 1998H, 5.300%, 8/15/21 - MBIA Insured | 2/08 at 101 |
| 10,000 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1999 Series 1, 5.500%, 7/01/29 (Pre-refunded to 7/01/09) - FSA Insured | 7/09 at 101 |
| 2,000 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Revenue Bonds, 1997 Series 1, 5.375%, 7/01/24 (Pre-refunded to | 1/08 at 102 |

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1/01/08) - FSA Insured

7,500 New York State Urban Development Corporation, Correctional Facilities Revenue Bonds, Series 6, 5.375%, 1/01/25 (Pre-refunded to 1/01/06) - AMBAC Insured 1/06 at 102

NORTH CAROLINA - 0.6%

3,000 County of Wake, North Carolina, General Obligation School Bonds, Series 2001B, 5.250%, 2/01/17 2/11 at 102

OHIO - 4.4%

2,300 Amherst Exempted Village School District, Ohio, General Obligation Unlimited Tax School Improvement Bonds, Series 2001, 5.125%, 12/01/21 - FGIC Insured 12/11 at 100

3,635 County of Franklin, Ohio, Multifamily Housing Mortgage Revenue Bonds, Series 1994A, FHA-Insured Mortgage Loan - Hamilton Creek Apartments Project, 5.550%, 7/01/24 (Alternative Minimum Tax) 1/05 at 103

5,750 Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax) 9/08 at 102

13,700 Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) 9/09 at 102

1,115 Warren County, Ohio, General Obligation Special Assessment Bonds, Waterstone Boulevard, Series 1997, 5.500%, 12/01/17 12/07 at 101

OREGON - 0.4%

2,255 Portland, Oregon, Downtown Waterfront Urban Renewal and Redevelopment Bonds, 2000 Series A, 5.500%, 6/15/20 - AMBAC Insured 6/10 at 101

PENNSYLVANIA - 5.0%

3,480 Hospital Development Authority, Allegheny County, Pennsylvania, Health System Revenue Bonds, Series 2000B, West Penn Allegheny Health System, 9.250%, 11/15/22 11/10 at 102

2,365 Carbon County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, 2000 Series (Panther Creek Partners Project), 6.650%, 5/01/10 (Alternative Minimum Tax) No Opt. C

18,900 City of Philadelphia, Pennsylvania, Airport Revenue Bonds, Series 1998A, Philadelphia Airport System Refunding, 5.500%, 6/15/18 (Alternative Minimum Tax) - FGIC Insured 6/08 at 102

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| | | |
|-------|---|-------------|
| 3,205 | The School District of Philadelphia, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 - FGIC Insured | 8/12 at 100 |
|-------|---|-------------|

RHODE ISLAND - 2.7%

| | | |
|--------|---|-------------|
| 2,015 | City of Central Falls, Rhode Island, General Obligation School Bonds, 6.250%, 5/15/20 - RAAI Insured | 5/09 at 102 |
| 3,500 | Providence Redevelopment Agency, Rhode Island, Public Safety and Municipal Building Projects, Revenue Bonds, 1999 Series A, 5.750%, 4/01/29 - AMBAC Insured | 4/10 at 101 |
| 12,000 | Tobacco Settlement Financing Corporation, Rhode Island, Asset-Backed Bonds, Series 2002A, 6.125%, 6/01/32 | 6/12 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

TENNESSEE - 3.0%

| | | |
|----------|--|-------------|
| \$ 5,260 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/24 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at 101 |
| 2,425 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001B, 5.125%, 3/01/26 - FSA Insured | 3/11 at 100 |
| 6,415 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-1, 6.375% 7/01/25 (Alternative Minimum Tax) | 7/10 at 101 |
| 2,475 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2000-2B, 6.250%, 1/01/20 (Alternative Minimum Tax) | 7/10 at 100 |

TEXAS - 13.4%

| | | |
|--------|---|--------------|
| 1,000 | Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds, Series 1990, American Airlines, Inc. Project, 7.500%, 12/01/29 (Alternative Minimum Tax) | 6/03 at 100 |
| 10,000 | Austin, Texas, Airport System Prior Lien Revenue Bonds, Series 1995A, 6.125%, 11/15/25 (Alternative Minimum Tax) - MBIA Insured | 11/05 at 102 |
| 2,560 | Brazos River Authority, Texas, Pollution Control Revenue Bonds, TXU Electric Company Project, Series 1999C Refunding, 7.700%, 4/01/32 (Alternative Minimum Tax) | 4/13 at 101 |
| 4,675 | Carrollton-Farmers Branch Independent School District, | 2/09 at 100 |

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| | | |
|--------|---|--------------|
| | Dallas County, Texas, School Building Unlimited Tax Bonds, Series 1999, 6.000%, 2/15/20 (Pre-refunded to 2/15/09) | |
| | Coppell Independent School District, Dallas County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 1999: | |
| 5,130 | 0.000%, 8/15/20 | 8/09 at 52 |
| 7,000 | 0.000%, 8/15/21 | 8/09 at 49 |
| 7,345 | 0.000%, 8/15/23 | 8/09 at 44 |
| 7,000 | 0.000%, 8/15/24 | 8/09 at 41 |
| 7,350 | 0.000%, 8/15/25 | 8/09 at 39 |
| 7,000 | 0.000%, 8/15/26 | 8/09 at 36 |
| 2,000 | Dallas-Ft. Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, Series 2000B, American Airlines, 6.050%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/05) | 11/05 at 100 |
| 6,000 | Dallas-Fort Worth, Texas, International Airport Facilities Improvement Corporation, Revenue Refunding Bonds, Series 2000C, American Airlines, 6.150%, 5/01/29 (Alternative Minimum Tax) (Mandatory put 11/01/07) | 11/07 at 100 |
| | Health Facilities Development Corporation, Harris County, Texas, Revenue Bonds, Christus Health, Series 1999A: | |
| 12,000 | 5.375%, 7/01/24 - MBIA Insured | 7/09 at 101 |
| 11,000 | 5.375%, 7/01/29 - MBIA Insured | 7/09 at 101 |
| 2,500 | Jefferson County, Texas, Certificates of Obligation, Series 2000, 6.000%, 8/01/25 (Pre-refunded to 8/01/10) - FSA Insured | 8/10 at 100 |
| 4,245 | Laredo Independent School District, Webb County, Texas, Unlimited Tax School Building Bonds, Series 1999, 5.250%, 8/01/24 | 8/09 at 100 |
| 2,000 | City of Laredo, Texas, Sports Venue Sales Tax Revenue Bonds, Series 2001, 5.300%, 3/15/26 - FGIC Insured | 3/09 at 100 |
| 1,500 | City of Port Arthur, Jefferson County, Texas, General Obligation Bonds, Series 1997, 5.000%, 2/15/21 - MBIA Insured | 2/07 at 100 |
| 10,000 | Health Facilities Development Corporation, Tarrant County, Texas, Texas Health Resources System Revenue Bonds, Series 1997A, 5.250%, 2/15/17 - MBIA Insured | 2/08 at 102 |
| ----- | | |
| | UTAH - 1.6% | |
| 310 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1994 Issue F, Federally Insured or Guaranteed Mortgage Loans, 7.000%, 7/01/27 (Alternative Minimum Tax) | 7/04 at 102 |
| | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1999 Series C-2 Class I Bonds: | |
| 2,655 | 5.700%, 7/01/19 (Alternative Minimum Tax) | 1/10 at 101 |
| 1,215 | 5.750%, 7/01/21 (Alternative Minimum Tax) | 1/10 at 101 |

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Nuveen Dividend Advantage Municipal Fund (NAD) (continued)
 Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | UTAH (continued) | |
| \$ 2,195 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1999 Series D, Federally Insured or Guaranteed Loans, 5.850%, 7/01/21 (Alternative Minimum Tax) | 7/09 at 101 |
| 605 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1999 Series F, 6.300%, 7/01/21 (Alternative Minimum Tax) | 7/09 at 101 |
| 1,800 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 2000 Series F-2, Class III, 6.000%, 1/01/15 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| | VIRGINIA - 1.4% | |
| 4,815 | Metropolitan Washington Airports Authority, Virginia, Airport System Revenue Bonds, Series 1994A, 5.500%, 10/01/24 (Alternative Minimum Tax) - MBIA Insured | 10/04 at 100 |
| 3,395 | Virginia Small Business Financing Authority, Industrial Development Revenue Bonds, S.I.L. Clean Water, L.L.C. Project, Series 1999, 7.250%, 11/01/24 (Alternative Minimum Tax) | 11/09 at 102 |
| ----- | | |
| | WASHINGTON - 10.7% | |
| 4,000 | Energy Northwest, Washington, Nuclear Project No. 3 Electric Revenue Bonds, Series 2003A Refunding, 5.500%, 7/01/17 | 7/13 at 100 |
| | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999B: | |
| 1,755 | 6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 2,590 | 6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| | Port of Seattle, Washington, Special Facility Revenue Bonds, Terminal 18 Project, Series 1999C: | |
| 875 | 6.000%, 9/01/15 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 1,260 | 6.000%, 9/01/16 (Alternative Minimum Tax) - MBIA Insured | 3/10 at 101 |
| 9,760 | City of Tacoma, Washington, Electric System Revenue Bonds, Series 2001A Refunding, 5.625%, 1/01/21 - FSA Insured | 1/11 at 101 |
| 7,725 | Tobacco Settlement Authority, Washington State, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at 100 |

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| | | |
|------------|--|--------------|
| 11,605 | State of Washington, Certificates of Participation, Washington State Convention and Trade Center, Series 1999, 5.250%, 7/01/16 - MBIA Insured | 7/09 at 100 |
| 3,350 | State of Washington, General Obligation Compound Interest Bonds, Series 1999S-2, 0.000%, 1/01/18 - FSA Insured | No Opt. C |
| | State of Washington, General Obligation Compound Interest Bonds, Series 1999S-3: | |
| 17,650 | 0.000%, 1/01/20 | No Opt. C |
| 18,470 | 0.000%, 1/01/21 | No Opt. C |
| 4,800 | Washington Public Power Supply System, Nuclear Project No. 3 Refunding Revenue Bonds, Series 1997-A, 5.250%, 7/01/16 - FSA Insured | 7/07 at 102 |
| ----- | | |
| | WISCONSIN - 6.0% | |
| 3,810 | City of La Crosse, Wisconsin, Industrial Development Refunding Revenue Bonds, Series 1997C, Dairyland Power Cooperative Project, 5.550%, 2/01/15 - AMBAC Insured | 12/08 at 102 |
| 4,180 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1999, Kenosha Hospital and Medical Center, Inc. Project, 5.625%, 5/15/29 | 5/09 at 101 |
| | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1999, FH Healthcare Development, Inc. Project: | |
| 8,375 | 6.250%, 11/15/20 | 11/09 at 101 |
| 5,000 | 6.250%, 11/15/28 | 11/09 at 101 |
| 12,700 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 1999, Mercy Health System Corporation, 5.500%, 8/15/25 - AMBAC Insured | 8/09 at 101 |
| ----- | | |
| \$ 912,180 | Total Long-Term Investments (cost \$819,996,195) - 146.2% | |
| ===== | | |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| | SHORT-TERM INVESTMENTS - 0.5% | |
| \$ 3,300 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Wellesley College Variable Rate Demand Obligations, Series 1999G, 1.250%, 7/01/39+ | |
| ----- | | |
| \$ 3,300 | Total Short-Term Investments (cost \$3,300,000) | |
| ===== | | |
| | Total Investments (cost \$823,296,195) - 146.7% | |
| ----- | | |

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Other Assets Less Liabilities - 2.4%

 Preferred Shares, at Liquidation Value - (49.1)%

Net Assets Applicable to Common Shares - 100%
 =====

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- * 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.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- N/R Investment is not rated.
- # Non-income producing security, in the case of a bond, generally denotes that issuer has defaulted on the payment of principal or interest or has filed for bankruptcy.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen Dividend Advantage Municipal Fund 2 (NXZ)
 Portfolio of
 INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| | ALABAMA - 4.3% | |
| \$ 18,500 | Huntsville Health Care Authority, Alabama, Revenue Bonds, Series 2001A, 5.750%, 6/01/31 | 6/11 at 101 |

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ALASKA - 2.8%

12,220 City of Valdez, Alaska, Marine Terminal Revenue Bonds, 8/03 at 102
 BP Pipelines, Inc., Series 1993, 5.850%, 8/01/25

ARIZONA - 0.6%

2,500 City of Phoenix, Arizona, Civic Improvement Corporation Airport 7/12 at 100
 Revenue Bonds, Series 2002B Senior Lien, 5.250%, 7/01/32
 (Alternative Minimum Tax) - FGIC Insured

ARKANSAS - 0.6%

2,500 Arkansas Development Finance Authority, Single Family 1/12 at 100
 Mortgage Revenue Bonds, GNMA Mortgage-Backed Securities
 Program, 2002 Series C, 5.400%, 1/01/34 (Alternative
 Minimum Tax)

CALIFORNIA - 8.6%

6,000 California Educational Facilities Authority, Revenue Bonds, 6/11 at 101
 Stanford University, Series Q, 5.250%, 12/01/32

13,825 Department of Veterans Affairs of the State of California, 6/06 at 101
 Home Purchase Revenue Bonds, 2001 Series A,
 5.550%, 12/01/25 - AMBAC Insured

5,000 Golden State Tobacco Securitization Corporation, California, 6/13 at 100
 Tobacco Settlement Asset-Backed Bonds, Series 2003-A1,
 6.750%, 6/01/39

8,000 Department of Water and Power of the City of Los Angeles, 7/11 at 100
 California, Waterworks Revenue Bonds, Series 2001A
 Refunding, 5.125%, 7/01/41

6,000 Regional Airports Improvement Corporation, California, 12/12 at 102
 American Airlines, Inc. Terminal 4 Project, Los Angeles
 International Airport Facilities, Sublease Revenue Bonds,
 Series 2002C, 7.500%, 12/01/24 (Alternative Minimum Tax)

240 Yuba County Water Agency, California, Yuba River Development 9/03 at 100
 Revenue Bonds, Series A, 4.000%, 3/01/16

COLORADO - 4.7%

3,000 Colorado Educational and Cultural Facilities Authority, Charter 8/11 at 100
 School Revenue Bonds, Peak to Peak Charter School Project,
 Created by Boulder Valley School District No. RE-2, Boulder
 County, Colorado, 7.500%, 8/15/21

10,000 E-470 Public Highway Authority, Colorado, Senior Revenue 9/10 at 31
 Bonds, Series 2000A, 0.000%, 9/01/28 - MBIA Insured

1,885 Eagle County, Colorado, Air Terminal Corporation, Airport 5/11 at 101

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Terminal Revenue Bonds, Series 2001, 7.125%, 5/01/31
(Alternative Minimum Tax)

| | | |
|--------|---|-------------|
| 5,000 | Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001A, 5.250%, 6/15/41 - FSA Insured | 6/11 at 102 |
| | Northwest Parkway Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2001B: | |
| 22,000 | 0.000%, 6/15/28 - FSA Insured | 6/11 at 35 |
| 17,650 | 0.000%, 6/15/29 - AMBAC Insured | 6/11 at 33 |

FLORIDA - 5.2%

| | | |
|--------|--|--------------|
| 15,000 | City of Jacksonville, Florida, Transportation Revenue Bonds, Series 2001, 5.250%, 10/01/29 - MBIA Insured | 10/11 at 100 |
| 3,000 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2002, 5.375%, 10/01/32 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
| 4,000 | Miami-Dade County Health Facilities Authority, Florida, Hospital Revenue Bonds, Series 2001A, Miami Children's Hospital Refunding, 5.125%, 8/15/26 - AMBAC Insured | 8/11 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

HAWAII - 2.3%

| | | |
|----------|---|-------------|
| | Honolulu City and County, Hawaii, Board of Water Supply, Water System Revenue Bonds, Series 2001: | |
| \$ 3,000 | 5.250%, 7/01/26 - FSA Insured | 7/11 at 100 |
| 6,725 | 5.250%, 7/01/31 - FSA Insured | 7/11 at 100 |

ILLINOIS - 11.8%

| | | |
|--------|--|--------------|
| 15,270 | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Series 2001A, 5.250%, 1/01/33 - MBIA Insured | 1/11 at 101 |
| 3,710 | City of Chicago, Illinois, Multifamily Housing Revenue Bonds, Stone Terrace Apartments Project, FHA-Insured/GNMA, Series 2001A, 5.750%, 12/20/42 (Alternative Minimum Tax) | 12/11 at 100 |
| 1,755 | City of Chicago, Illinois, Chicago O'Hare International Airport, Special Facility Revenue Bonds, United Air Lines, Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)# | No Opt. C |
| 4,560 | City of Chicago, Illinois, Collateralized Single Family Mortgage Revenue Bonds, Series 2001A, 6.250%, 10/01/32 (Alternative | 4/11 at 105 |

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| | | |
|--------|---|--------------|
| | Minimum Tax) | |
| 3,180 | Illinois Development Finance Authority, Revenue Bonds, Chicago Charter School Foundation Project, Series 2002A, 6.250%, 12/01/32 | 12/21 at 100 |
| 5,000 | Illinois Development Finance Authority, Revenue Bonds, Illinois Wesleyan University, Series 2001, 5.500%, 9/01/32 - AMBAC Insured | 9/11 at 100 |
| 3,100 | Illinois Development Finance Authority, Revenue Bonds, Midwestern University, Series 2001B, 6.000%, 5/15/31 | 5/11 at 101 |
| 5,000 | Illinois Health Facilities Authority, Revenue Bonds, Series 2001B, Edward Hospital Obligation Group, 5.250%, 2/15/34 - FSA Insured | 2/11 at 101 |
| 3,000 | Illinois Educational Facilities Authority, Student Housing Revenue Bonds, Educational Advancement Foundation Fund, University Center Project, Series 2002, 6.250%, 5/01/34 | 5/12 at 101 |
| 4,980 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1996A, 5.250%, 6/15/27 - AMBAC Insured | 6/06 at 102 |
| 5,000 | Robbins, Illinois, Resource Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax) | No Opt. C |
| ----- | | |
| | INDIANA - 2.2% | |
| 2,000 | Indianapolis Airport Authority, Indiana, Special Facilities Revenue Bonds, Series 1994 (Federal Express Corporation Project), 7.100%, 1/15/17 (Alternative Minimum Tax) | 7/04 at 102 |
| 5,000 | Indianapolis Airport Authority, Indiana, Special Facilities Revenue Bonds, Series 1995A, United Air Lines, Inc. - Indianapolis Maintenance Center Project, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| 6,000 | Saint Joseph County Hospital Authority, Indiana, Health System Revenue Bonds, Madison Center, Inc. Project, Series 1999, 5.800%, 2/15/24 | 2/09 at 102 |
| ----- | | |
| | IOWA - 0.2% | |
| 1,000 | Iowa Higher Education Loan Authority, Private College Facility Revenue Bonds, Wartburg College Project, Series 2002, 5.500%, 10/01/28 - ACA Insured | 10/12 at 100 |
| ----- | | |
| | KANSAS - 3.9% | |
| 17,000 | City of Wichita, Kansas, Hospital Facilities Improvement and Refunding Revenue Bonds, Series III 2001, Via Christi Health System, Inc., 5.625%, 11/15/31 | 11/11 at 101 |

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| LOUISIANA - 3.0% | | |
|------------------|---|-------------|
| 17,060 | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 | 5/11 at 101 |

| MASSACHUSETTS - 4.2% | | |
|----------------------|---|-------------|
| 3,300 | Massachusetts Port Authority, Special Facilities Revenue Bonds (BOSFUEL Project), Series 1997, 5.750%, 7/01/39 (Alternative Minimum Tax) - MBIA Insured | 7/07 at 102 |
| 15,000 | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, 1997 Series A (Senior), 5.000%, 1/01/37 - MBIA Insured | 1/07 at 102 |

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| <hr/> | | |
| MICHIGAN - 14.7% | | |
| | City of Detroit, Michigan, Water Supply System Revenue Senior Lien Bonds, 2001 Series A: | |
| \$ 20,000 | 5.500%, 7/01/33 - FGIC Insured | 7/11 at 101 |
| 15,390 | 5.250%, 7/01/33 (Pre-refunded to 7/01/11) - FGIC Insured | 7/11 at 100 |
| 14,610 | 5.250%, 7/01/33 - FGIC Insured | 7/11 at 100 |
| 4,000 | Michigan Municipal Bond Authority, Public School Academy Revenue Bonds, Detroit Academy of Arts and Sciences, Series 2001, 8.000%, 10/01/31 | 10/09 at 102 |
| | Michigan State Hospital Finance Authority, Revenue and Refunding Bonds (The Detroit Medical Center Obligated Group), Series 1993A: | |
| 2,000 | 6.250%, 8/15/13 | 8/03 at 102 |
| 4,000 | 6.500%, 8/15/18 | 8/03 at 102 |
| 2,000 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds (The Detroit Medical Center Obligated Group), Series 1998A, 5.125%, 8/15/18 | 8/08 at 101 |
| <hr/> | | |
| MINNESOTA - 3.3% | | |
| 14,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, 5.250%, 1/01/32 - FGIC Insured | 1/11 at 100 |

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| | | |
|--------|---|--------------|
| ----- | | |
| | MISSOURI - 4.9% | |
| 21,000 | Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care, Series 2001A, 5.250%, 6/01/28 - AMBAC Insured | 6/11 at 101 |
| ----- | | |
| | MONTANA - 1.3% | |
| 5,610 | Montana Board of Housing, Single Family Program Bonds, 2001 Series A-2, 5.700%, 6/01/32 (Alternative Minimum Tax) | 12/10 at 100 |
| ----- | | |
| | NEVADA - 3.8% | |
| 12,275 | Director of the State of Nevada, Department of Business and Industry, Las Vegas Monorail Project Revenue Bonds, 1st Tier Series 2000, 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |
| 4,000 | Henderson, Nevada, Healthcare Facility Revenue Bonds, Catholic Healthcare West, Series 1998A, 5.250%, 7/01/18 | 7/08 at 101 |
| ----- | | |
| | NEW HAMPSHIRE - 5.7% | |
| 12,200 | Business Finance Authority of the State of New Hampshire, Pollution Control Refunding Revenue Bonds, The United Illuminating Company Project, 1993 Series A, 5.875%, 10/01/33 | 10/03 at 102 |
| 8,000 | New Hampshire Business Finance Authority, Pollution Control Revenue Bonds, Connecticut Light and Power Company, Series 1992A Refunding, Remarketed, 5.850%, 12/01/22 | 10/08 at 102 |
| 4,575 | New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Bonds, Series 2001A, 5.700%, 1/01/31 (Alternative Minimum Tax) | 5/11 at 100 |
| ----- | | |
| | NEW JERSEY - 1.2% | |
| 3,995 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines, Inc. Project, Series 2000, 7.000%, 11/15/30 (Alternative Minimum Tax) | 11/10 at 101 |
| | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003: | |
| 425 | 6.750%, 6/01/39 | 6/13 at 100 |
| 2,700 | 6.250%, 6/01/43 | 6/13 at 100 |
| ----- | | |
| | NEW MEXICO - 5.2% | |

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

NEW YORK - 6.3%

| | | |
|--------|--|-------------|
| 6,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, 2000 Series L, 5.375%, 5/01/33 | 5/11 at 100 |
| 14,500 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 2001 Series C, 5.125%, 6/15/33 | 6/11 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|----------------|---------------------|
|------------------------|----------------|---------------------|

NEW YORK (continued)

| | | |
|----------|---|-------------|
| \$ 5,000 | New York City Industrial Development Agency, New York, Special Facility Revenue Bonds, American Airlines, Inc. - John F. Kennedy International Airport Project, Series 2002B, 8.500%, 8/01/28 (Alternative Minimum Tax) | 8/12 at 101 |
| 4,900 | Dormitory Authority of the State of New York, Mount Sinai NYU Health Obligated Group Revenue Bonds, Series 2000A, 6.625%, 7/01/19 | 7/10 at 101 |

NORTH CAROLINA - 1.9%

| | | |
|-------|---|-------------|
| 2,950 | North Carolina Capital Facilities Financing Agency, Educational Facilities Revenue Bonds, Johnson and Wales University Project, Series 2003A, 5.000%, 4/01/33 (DD, settling 5/01/03) - XLCA Insured | 4/13 at 100 |
| 830 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Refunding Series 1993, 6.250%, 1/01/12 | 7/03 at 102 |
| 4,500 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1999B Refunding, 5.600%, 1/01/15 | 1/09 at 102 |

NORTH DAKOTA - 1.0%

| | | |
|-------|---|-------------|
| 4,455 | North Dakota Housing Finance Agency, Housing Finance Program, Home Mortgage Finance Program Bonds, 2001 Series A Refunding, 5.550%, 1/01/32 (Alternative Minimum Tax) | 7/10 at 100 |
|-------|---|-------------|

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| | | |
|-------------|--|-------------|
| OHIO - 0.4% | | |
| 1,845 | Board of Education, City School District of Columbus, Franklin County, Ohio, General Obligation Bonds, Series 2003, 5.000%, 12/01/28 (WI, settling 5/01/03) - FGIC Insured | 6/13 at 100 |

| | | |
|-----------------|---|-------------|
| OKLAHOMA - 0.5% | | |
| 2,655 | Oklahoma Development Finance Authority, Hillcrest Healthcare System Revenue and Refunding Bonds, Series 1999A, 5.125%, 8/15/10 (DD, settling 5/01/03) | 8/09 at 101 |

| | | |
|---------------|--|-------------|
| OREGON - 3.9% | | |
| 8,000 | Hospital Facility Authority of Clackamas County, Oregon, Revenue Bonds, Legacy Health System Refunding Series 2001, 5.250%, 5/01/21 | 5/11 at 101 |
| 9,000 | State of Oregon Department of Administrative Services, Certificates of Participation, 2001 Series D, 5.000%, 5/01/26 - AMBAC Insured | 5/11 at 101 |

| | | |
|---------------------|--|--------------|
| PENNSYLVANIA - 8.2% | | |
| 5,000 | Hospital Development Authority, Allegheny County, Pennsylvania, Health System Revenue Bonds, Series 2000B, West Penn Allegheny Health System, 9.250%, 11/15/30 | 11/10 at 102 |
| 8,000 | Pennsylvania Higher Educational Facilities Authority, UPMC Health System Revenue Bonds, Series 2001A, 6.000%, 1/15/31 | 1/11 at 101 |
| | City of Philadelphia, Pennsylvania, Gas Works Revenue Bonds, Fourteenth Series: | |
| 10,000 | 6.375%, 7/01/14 (Pre-refunded to 7/01/03) | 7/03 at 102 |
| 12,000 | 6.375%, 7/01/26 (Pre-refunded to 7/01/03) | 7/03 at 102 |

| | | |
|---------------------|---|-------------|
| SOUTH DAKOTA - 1.1% | | |
| 4,820 | South Dakota Housing Development Authority, Homeownership Mortgage Bonds, 1997 Series E4, Remarketed, 5.450%, 5/01/18 (Alternative Minimum Tax) | 5/09 at 102 |

| | | |
|---------------|--|--------------|
| TEXAS - 22.0% | | |
| 7,500 | City of Austin, Texas, Electric Utility System Revenue Bonds, Series 2001 Refunding, 5.000%, 11/15/30 - FSA Insured | 11/10 at 100 |
| | Dallas-Fort Worth International Airport Public Facility Improvement Corporation, Texas, Airport Hotel Revenue Bonds, | |

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| | | |
|--------|---|-------------|
| | Series 2001: | |
| 15,000 | 5.250%, 1/15/26 - FSA Insured | 1/09 at 100 |
| 1,750 | 5.200%, 1/15/31 - FSA Insured | 1/09 at 100 |
| 10,000 | Gulf Coast Industrial Development Authority, Texas, Solid Waste Disposal Revenue Bonds, Citgo Petroleum Project, Series 1998, 8.000%, 4/01/28 (Alternative Minimum Tax) | 4/12 at 100 |
| 40,000 | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/40 - MBIA Insured | 11/30 at 54 |

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Nuveen Dividend Advantage Municipal Fund 2 (NXZ) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 30,980 | Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured | 11/11 at 100 |
| 10,715 | Hays Consolidated Independent School District, Hays County, Texas, General Obligation School Building Bonds, Series 2001: 0.000%, 8/15/25 | 8/11 at 43 |
| 12,940 | 0.000%, 8/15/26 | 8/11 at 40 |
| 5,000 | City of Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Series 2001B, Convention Project: 0.000%, 9/01/30 - AMBAC Insured | No Opt. C |
| 5,000 | 0.000%, 9/01/31 - AMBAC Insured | No Opt. C |
| 5,000 | Metro Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Wilson N. Jones Memorial Hospital Project, Series 2001, 7.250%, 1/01/31 | 1/11 at 100 |
| 10,500 | State of Texas, General Obligation Bonds, Water Financial Assistance Program, Series 2001, 5.250%, 8/01/35 | 8/11 at 100 |
| 2,000 | Health Facilities Development Corporation, Tom Green County, Texas, Hospital Revenue Bonds, Shannon Health System Project, Series 2001, 6.750%, 5/15/21 | 5/11 at 101 |
| ----- | | |
| | UTAH - 0.9% | |
| 4,000 | Intermountain Power Agency, Utah, Power Supply Revenue , Refunding Bonds, 1993 Series A, 5.500% 7/01/20 | 7/03 at 102 |
| ----- | | |

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WASHINGTON - 3.4%

| | | |
|-------|---|--------------|
| 7,250 | The City of Seattle, Washington, Municipal Light and Power Improvements and Refunding Revenue Bonds, Series 2001, 5.125%, 3/01/26 - FSA Insured | 3/11 at 100 |
| 7,500 | Washington State Health Care Facilities Authority, Revenue Bonds, Series 2001A, Providence Health System, 5.250%, 10/01/21 - MBIA Insured | 10/11 at 100 |

 WISCONSIN - 1.9%

| | | |
|-------|--|-------------|
| 7,070 | Wisconsin Housing and Economic Development Authority, Home Ownership Program Bonds, 2001 Series, 5.750%, 3/01/32 (Alternative Minimum Tax) | 6/11 at 100 |
| 1,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2002A, 7.375%, 5/01/26 | 5/12 at 100 |

 \$ 748,200 Total Long-Term Investments (cost \$626,368,132) - 146.0%
 =====

SHORT-TERM INVESTMENTS - 0.8%

| | |
|-------|---|
| 3,500 | Indiana Educational Facilities Authority, Educational Facilities Revenue Bonds, DePauw Project, Series 2002, Variable Rate Demand Obligations, 1.350%, 7/01/32+ |
|-------|---|

 \$ 3,500 Total Short-Term Investments (cost \$3,500,000)
 =====

Total Investments (cost \$629,868,132) - 146.8%

 Other Assets Less Liabilities - 3.0%

 Preferred Shares, at Liquidation Value - (49.8)%

 Net Assets Applicable to Common Shares - 100%
 =====

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* 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.

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

(DD) Security purchased on a delayed delivery basis.

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(WI) Security purchased on a when-issued basis.

On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc., filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current of their interest payment obligations with respect to these bonds and thus has stopped accruing interest.

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Dividend Advantage Municipal Fund 3 (NZF)
Portfolio of
INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | ALABAMA - 1.0% | |
| \$ 5,655 | Alabama State Port Authority, Docks Facilities Revenue Bonds, Series 2001, 5.250%, 10/01/26 (Alternative Minimum Tax) - MBIA Insured | 10/11 at 100 |
| ----- | | |
| | ALASKA - 0.7% | |
| 4,000 | Alaska Student Loan Corporation, Student Loan Revenue Bonds, 1998 Series A, 5.250%, 7/01/14 (Alternative Minimum Tax) - AMBAC Insured | 7/08 at 100 |
| ----- | | |
| | ARKANSAS - 0.9% | |
| | Sparks Regional Medical Center, Sebastian County, Arkansas, Public Health Facilities Board, Hospital Revenue Improvement Bonds, Series 2001A: | |
| 1,805 | 5.500%, 11/01/13 | 11/11 at 101 |
| 1,900 | 5.500%, 11/01/14 | 11/11 at 101 |
| 1,500 | 5.250%, 11/01/21 | 11/11 at 101 |
| ----- | | |
| | CALIFORNIA - 9.4% | |

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| | | |
|--------|---|-------------|
| 5,000 | California Infrastructure and Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance I-LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 18,850 | State of California, Veterans General Obligation Bonds, 2001 Series BZ, 5.350%, 12/01/21 (Alternative Minimum Tax) - MBIA Insured | 6/07 at 101 |
| | Regional Airports Improvement Corporation, Los Angeles, California, Lease Revenue Refunding Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2001: | |
| 13,955 | 5.750%, 1/01/16 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 5,000 | 5.375%, 1/01/21 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 1,500 | 5.250%, 1/01/23 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |
| 10,000 | 5.500%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/12 at 100 |

COLORADO - 8.3%

| | | |
|--------|---|--------------|
| 2,250 | Canterberry Crossing Metropolitan District II, Parker, Colorado, General Obligation Limited Tax Bonds, Series 2002, 7.375%, 12/01/32 | 12/12 at 100 |
| 1,775 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Series 2001, Frontier Academy Project in Weld County, School District No. 6, 7.375%, 6/01/31 | 6/11 at 100 |
| 3,250 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Montessori Peaks Building Foundation, Series 2002A, 8.000%, 5/01/32 | 5/12 at 102 |
| 1,700 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Belle Creek Education Center, Series 2002A, 7.625%, 3/15/32 | 3/12 at 100 |
| 5,060 | Colorado Housing and Finance Authority, Multifamily Project Bonds, Class I, 2001 Series A-1, 5.500%, 4/01/31 (Alternative Minimum Tax) | 10/11 at 100 |
| 10,000 | City of Colorado Springs, Colorado, Utilities System Improvement and Refunding Revenue Bonds, Series 1997A, 5.375%, 11/15/26 | 11/07 at 100 |
| 2,000 | City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2001A, 5.500%, 11/15/16 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1996A: | |
| 19,150 | 5.750%, 11/15/16 - MBIA Insured | 11/06 at 101 |
| 1,105 | 5.500%, 11/15/25 - MBIA Insured | 11/06 at 101 |

CONNECTICUT - 2.1%

| | | |
|-------|--|--------------|
| 7,790 | Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, 2000 Series B, Subseries B-2, 5.850%, 5/15/31 (Alternative Minimum Tax) | 11/09 at 100 |
|-------|--|--------------|

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4,025 Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, 2001 Series A, Subseries A-2, 5.350%, 11/15/22 (Alternative Minimum Tax) 5/10 at 100

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| | DELAWARE - 0.7% | |
| \$ 4,000 | Delaware State Housing Authority, Multifamily Mortgage Revenue Bonds, Series 2001A, 5.400%, 7/01/24 | 7/12 at 100 |
| | DISTRICT OF COLUMBIA - 1.1% | |
| 6,000 | District of Columbia, Revenue Bonds (The Catholic University of America Issue), Series 1999, 5.625%, 10/01/29 - AMBAC Insured | 10/09 at 101 |
| | FLORIDA - 1.7% | |
| 2,000 | Dade County, Florida, Water and Sewer System Revenue Bonds, Series 1997, 5.375%, 10/01/16 - FGIC Insured | 10/07 at 102 |
| 1,105 | Housing Finance Authority, Orange County, Florida, Multifamily Housing Revenue Bonds, Oak Glen Apartments, Series 2001G: 5.400%, 12/01/32 (Alternative Minimum Tax) - FSA Insured | 12/11 at 100 |
| 2,195 | 5.450%, 12/01/41 (Alternative Minimum Tax) - FSA Insured | 12/11 at 100 |
| 4,175 | Pace Property Finance Authority, Inc., Florida, Utility System Improvement and Refunding Revenue Bonds, Series 1997, 5.250%, 9/01/17 - AMBAC Insured | 9/07 at 102 |
| | GEORGIA - 2.3% | |
| 5,000 | City of Atlanta, Georgia, Airport General Revenue Bonds, Series 2000B, 5.625%, 1/01/30 (Alternative Minimum Tax) - FGIC Insured | 1/10 at 101 |
| 2,700 | Atlanta, Georgia, Tax Allocation Bonds, Atlantic Station Project, Series 2001, 7.900%, 12/01/24 | 12/11 at 101 |
| 3,600 | Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health System, Inc. Project, Series 2001, 5.500%, 5/15/31 | 5/11 at 100 |
| 2,000 | Henry County Water and Sewerage Authority, Georgia, | 2/10 at 101 |

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Water and Sewerage Revenue Bonds, Series 2000,
5.625%, 2/01/30 - FGIC Insured

| | | |
|---------------|---|-------------|
| HAWAII - 0.9% | | |
| 5,125 | State of Hawaii, Highway Revenue Bonds, Series 2001, 5.375%, 7/01/21 - FSA Insured | 7/11 at 100 |

| | | |
|------------------|--|--------------|
| ILLINOIS - 16.7% | | |
| 3,000 | City of Chicago, Illinois, General Obligation Bonds, Neighborhoods Alive 21 Program, Series 2001A, 5.500%, 1/01/31 - FGIC Insured | 1/11 at 100 |
| 8,375 | City of Chicago, Illinois, Midway Airport Revenue Bonds, Series 2001A, 5.500%, 1/01/19 (Alternative Minimum Tax) - FSA Insured | 1/11 at 101 |
| 4,950 | City of Chicago, Illinois, Chicago O'Hare International Airport, Second Lien Passenger Facility Charge Revenue Bonds, Series 2001A, 5.375%, 1/01/32 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at 101 |
| 1,750 | City of Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured | 7/08 at 102 |
| 10,800 | City of Chicago, Illinois, Sales Tax Revenue Bonds, Series 1999, 5.375%, 1/01/30 (Pre-refunded to 1/01/09) - FGIC Insured | 1/09 at 101 |
| | City of Chicago, Illinois, Second Lien Wastewater Transmission Revenue Bonds, Series 2001A: | |
| 2,220 | 5.500%, 1/01/16 - MBIA Insured | No Opt. C |
| 8,610 | 5.500%, 1/01/26 - AMBAC Insured | 1/11 at 100 |
| 10,000 | City of Chicago, Illinois, Senior Lien Water Revenue Bonds, Series 2001, 5.000%, 11/01/26 - AMBAC Insured | 11/11 at 100 |
| 1,000 | Illinois Health Facilities Authority, Revenue Bonds, Series 2000, Condell Medical Center, 6.500%, 5/15/30 | 5/10 at 101 |
| 15,000 | Illinois Health Facilities Authority, Revenue Bonds, Loyola University Health System, Series 2001A, 6.125%, 7/01/31 | 7/11 at 100 |
| 9,000 | Illinois Health Facilities Authority, Revenue Bonds, Covenant Retirement Communities, Inc., Series 2001, 5.875%, 12/01/31 | 12/11 at 101 |
| 2,000 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 1998A, 5.500%, 6/15/29 - FGIC Insured | No Opt. C |

| | | |
|--------------|----------------|------------|
| PRINCIPAL | | OPTIONAL C |
| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |

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ILLINOIS (continued)

| | | | |
|----|--------|---|--------------|
| \$ | 16,900 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A, 5.250%, 12/15/28 - FGIC Insured | 12/09 at 101 |
| | 4,000 | Robbins, Illinois, Resource Recovery Revenue Bonds, Restructuring Project, Series 1999C, Guaranteed by Foster Wheeler, 7.250%, 10/15/24 (Alternative Minimum Tax) | No Opt. C |

INDIANA - 4.9%

| | | | |
|--|-------|--|--------------|
| | | Clark-Pleasant Community School Building Corporation, Indiana, First Mortgage Bonds, Series 2001: | |
| | 1,255 | 5.000%, 7/15/21 - AMBAC Insured | 1/12 at 100 |
| | 1,000 | 5.000%, 1/15/26 - AMBAC Insured | 1/12 at 100 |
| | | Evansville Vanderburgh Public Library Leasing Corporation, Indiana, First Mortgage Bonds, Series 2001: | |
| | 2,000 | 5.750%, 7/15/18 - MBIA Insured | 7/12 at 100 |
| | 2,750 | 5.125%, 1/15/24 - MBIA Insured | 1/12 at 100 |
| | 3,490 | City of Gary, Indiana, Mortgage Revenue Bonds, Windsor Square Project, GNMA/FHA, Series 2001A, 5.375%, 10/20/41 (Alternative Minimum Tax) | 11/11 at 102 |
| | 1,250 | Hamilton Southeastern Cumberland Campus School Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.125%, 1/15/23 - AMBAC Insured | 1/12 at 100 |
| | 9,500 | Indiana Educational Facilities Authority, Educational Facilities Revenue Bonds, Series 2001, Butler University Project, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| | 3,000 | Indianapolis Airport Authority, Indiana, Specialty Facility Revenue Bonds, Series 1995A, United Air Lines, Inc. - Indianapolis Maintenance Center Project, 6.500%, 11/15/31 (Alternative Minimum Tax)# | 11/05 at 102 |
| | 3,500 | University of Southern Indiana, Student Fee Bonds, Series 2001H, 5.000%, 10/01/21 - AMBAC Insured | 10/11 at 100 |
| | | Wayne County Jail Holding Corporation, Indiana, First Mortgage Bonds, Series 2001: | |
| | 1,150 | 5.625%, 7/15/18 - AMBAC Insured | 1/13 at 101 |
| | 1,090 | 5.500%, 7/15/22 - AMBAC Insured | 1/13 at 101 |

IOWA - 4.4%

| | | | |
|--|--------|---|-------------|
| | 2,000 | Iowa Finance Authority, Healthcare Facilities Revenue Bonds, Great River Medical Center, Series 2001, 5.250%, 5/15/31 - FSA Insured | 5/11 at 100 |
| | 28,000 | Tobacco Settlement Authority, Iowa, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B: 5.300%, 6/01/25 | 6/11 at 101 |

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3,950 5.600%, 6/01/35

6/11 at 101

 KENTUCKY - 3.2%

18,500 Louisville and Jefferson County Metropolitan Sewer District,
 Kentucky, Sewer and Drainage System Revenue Bonds,
 2001 Series A, 5.125%, 5/15/27 - MBIA Insured 11/11 at 101

 LOUISIANA - 3.6%

19,890 Tobacco Settlement Financing Corporation, Louisiana,
 Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 5/11 at 101

6,000 Parish of West Feliciana, State of Louisiana, Remarketed
 Pollution Control Revenue Bonds, Gulf States Utilities
 Company Project, Series 1985-A, 7.500%, 5/01/15 5/03 at 102

 MAINE - 1.4%

Maine State Housing Authority, Mortgage Purchase Bonds,
 2001 Series B:
 4,610 5.400%, 11/15/21 (Alternative Minimum Tax) 11/10 at 100
 3,750 5.500%, 11/15/32 (Alternative Minimum Tax) 11/10 at 100

 MARYLAND - 2.3%

Community Development Administration, Department of Housing and
 Community Development, State of Maryland, Multifamily Housing
 Revenue Bonds, Insured Mortgage Loan, 2001 Series B:
 1,175 5.250%, 5/15/21 (Alternative Minimum Tax) 5/11 at 100
 1,585 5.250%, 7/01/21 (Alternative Minimum Tax) 7/11 at 100
 10,600 Maryland Energy Financing Administration, Limited Obligation
 Cogeneration Revenue Bonds, AES Warrior Run Project,
 Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax) 9/05 at 102

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
 Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

PRINCIPAL AMOUNT (000) DESCRIPTION(1) OPTIONAL C PROVISIO

 MASSACHUSETTS - 1.0%

\$ 5,000 Massachusetts Port Authority, Special Facilities Revenue
 Bonds, Delta Air Lines, Inc. Project, Series 2001A, 1/11 at 101

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5.500%, 1/01/18 (Alternative Minimum Tax) -
AMBAC Insured

930 Massachusetts Housing Finance Agency, Single Family Housing Revenue Bonds, Series 71, 5.650%, 6/01/31 (Alternative Minimum Tax) - FSA Insured 6/09 at 100

MICHIGAN - 8.2%

15,000 School District of the City of Detroit, Wayne County, Michigan, School Building and Site Improvement Bonds, Unlimited Tax General Obligation, Series 2001A, 6.000%, 5/01/29 - FSA Insured No Opt. C

11,000 Kent Hospital Finance Authority, Michigan, Revenue Bonds, Spectrum Health, Series 2001A, 5.500%, 1/15/31 7/11 at 101

Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Sparrow Obligated Group, Series 2001:
1,400 5.500%, 11/15/21 11/11 at 101
2,500 5.625%, 11/15/31 11/11 at 101

12,640 City of Royal Oak, Michigan, Hospital Finance Authority, Hospital Revenue Bonds, William Beaumont Hospital, Series 2001M, 5.250%, 11/15/31 - MBIA Insured 11/11 at 100

2,395 Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, Sanitary Sewer System No. 3 Bonds, Charter Township of Ypsilanti, 5.100%, 5/01/31 - FGIC Insured 5/11 at 100

MINNESOTA - 0.4%

2,400 Community Development Agency of Dakota County, Minnesota, Multifamily Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax) 10/11 at 105

MISSISSIPPI - 0.4%

2,155 Mississippi Business Finance Corporation, Retirement Facility Revenue Refunding Bonds, Series 1999A, GNMA Collateralized Aldersgate Retirement Community, Inc. Project, 5.450%, 5/20/34 5/09 at 103

MISSOURI - 2.6%

2,000 Fenton, Missouri, Tax Increment Bonds, Gravois Bluffs Project, Series 2002 Refunding and Improvement, 6.125%, 10/01/21 10/12 at 100

Missouri Development Finance Board, Cultural Facilities Revenue Bonds, The Nelson Gallery Foundation, Series 2001A:
3,335 5.250%, 12/01/19 - MBIA Insured 12/11 at 100
3,510 5.250%, 12/01/20 - MBIA Insured 12/11 at 100

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| | | |
|-------|---------------------------------|--------------|
| 3,695 | 5.250%, 12/01/21 - MBIA Insured | 12/11 at 100 |
| 2,040 | 5.250%, 12/01/22 - MBIA Insured | 12/11 at 100 |

MONTANA - 0.8%

| | | |
|-------|--|-------------|
| 5,000 | Montana State Board of Investments, Exempt Facility Revenue Bonds, Series 2000, Stillwater Mining Company Project, 8.000%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 101 |
|-------|--|-------------|

NEBRASKA - 1.5%

| | | |
|-------|--|-------------|
| | Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, 2001 Series D: | |
| 3,680 | 5.250%, 9/01/21 (Alternative Minimum Tax) | 9/11 at 100 |
| 4,980 | 5.375%, 9/01/32 (Alternative Minimum Tax) | 9/11 at 100 |

NEVADA - 7.3%

| | | |
|--------|--|-------------|
| 35,000 | Clark County, Nevada, General Obligation Limited Tax Bond Bank Bonds, Series 2000, 5.500%, 7/01/30 - MBIA Insured | 7/10 at 100 |
| 1,620 | Nevada Housing Division, Single Family Mortgage Bonds, 1998 Senior Series A-1, 5.300%, 4/01/18 (Alternative Minimum Tax) | 4/08 at 101 |
| 4,290 | University of Nevada, University Revenue Bonds, Community College System Project, Series 2001A, 5.250%, 7/01/26 - FGIC Insured | 1/12 at 100 |

NEW HAMPSHIRE - 0.4%

| | | |
|-------|---|--------------|
| 2,000 | New Hampshire Health and Education Authority, Hospital Revenue Bonds, Concord Hospital Issue, Series 2001, 5.500%, 10/01/21 - FSA Insured | 10/11 at 101 |
|-------|---|--------------|

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | NEW JERSEY - 2.5% | |
| \$ 10,000 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Project, Series 2002A, 5.250%, 11/01/32 (Alternative Minimum Tax) - AMBAC Insured | 11/12 at 101 |

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| | | |
|-----------------|---|--------------|
| 4,125 | New Jersey Transit Corporation, Federal Transit Administration Grants, Certificates of Participation, Series 2002A, 5.500%, 9/15/13 - AMBAC Insured | No Opt. C |
| ----- | | |
| NEW YORK - 5.0% | | |
| 1,780 | Village of East Rochester Housing Authority, New York, Revenue Bonds, GNMA Security - Gates Senior Housing, Inc. Project, Series 2001, 5.300%, 4/20/31 | 10/11 at 101 |
| 5,350 | Metropolitan Transportation Authority, New York, Dedicated Tax Fund Bonds, Series 2001A, 5.000%, 11/15/31 - FGIC Insured | 11/11 at 100 |
| 4,155 | Monroe County Airport Authority, New York, Greater Rochester International Airport Revenue Refunding Bonds, Series 1999, 5.750%, 1/01/13 (Alternative Minimum Tax) - MBIA Insured | No Opt. C |
| 2,500 | The City of New York, New York, General Obligation Bonds, Fiscal 2002 Series G, 5.625%, 8/01/20 - MBIA Insured | 8/12 at 100 |
| | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 2001 Series A: | |
| 8,210 | 5.500%, 6/15/33 - MBIA Insured | 6/10 at 101 |
| 5,710 | 5.500%, 6/15/33 - FGIC Insured | 6/10 at 101 |
| ----- | | |
| OHIO - 3.4% | | |
| 8,185 | Ohio Housing Finance Agency, Residential Mortgage Revenue Bonds, 1998 Series A1, 5.300%, 9/01/19 (Alternative Minimum Tax) - FSA Insured | 3/08 at 101 |
| 8,000 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at 102 |
| | Portage County, Ohio, General Obligation Bonds, Series 2001: | |
| 1,870 | 5.000%, 12/01/21 - FGIC Insured | 12/11 at 100 |
| 1,775 | 5.000%, 12/01/23 - FGIC Insured | 12/11 at 100 |
| ----- | | |
| OKLAHOMA - 0.1% | | |
| 1,000 | Oklahoma Development Finance Authority, Hillcrest Healthcare System Revenue and Refunding Bonds, Series 1999A, 5.125%, 8/15/10 | 8/09 at 101 |
| ----- | | |
| OREGON - 2.5% | | |
| 4,700 | Oregon Health, Housing, Educational and Cultural Facilities Authority, Revenue Bonds, Peacehealth Issue, Series 2001, 5.250%, 11/15/21 - AMBAC Insured | 11/11 at 101 |
| 10,000 | State of Oregon, Housing and Community Services Department, Multifamily Housing Revenue Bonds, Series 2000A, | 7/10 at 100 |

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6.050%, 7/01/42 (Alternative Minimum Tax)

| PENNSYLVANIA - 1.9% | | |
|---------------------|---|--------------|
| | Hospital Development Authority, Allegheny County, Pennsylvania, Health System Revenue Bonds, Series 2000B, West Penn Allegheny Health System: | |
| 2,000 | 9.250%, 11/15/22 | 11/10 at 102 |
| 2,000 | 9.250%, 11/15/30 | 11/10 at 102 |
| 3,500 | Pennsylvania Economic Development Finance Authority, Resource Recovery Revenue Bonds, Senior Series 1994A (Northampton Generating Project), 6.600%, 1/01/19 (Alternative Minimum Tax) | 1/04 at 102 |
| 3,205 | The School District of Philadelphia, Pennsylvania, General Obligation Bonds, Series 2002B, 5.625%, 8/01/16 - FGIC Insured | 8/12 at 100 |

| SOUTH CAROLINA - 1.6% | | |
|-----------------------|--|--------------|
| 2,185 | Greenville County, South Carolina, Special Source Revenue Bonds, Series 2001 Road Improvement Project, 5.500%, 4/01/21 - AMBAC Insured | 4/11 at 101 |
| 6,850 | South Carolina Transportation Infrastructure Bank, Revenue Bonds, Series 2001A, 5.500%, 10/01/22 - AMBAC Insured | 10/11 at 100 |

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Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|--|---------------------|
| | TENNESSEE - 1.9% | |
| \$ 5,210 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 5.500%, 3/01/14 (Alternative Minimum Tax) - FSA Insured | 3/11 at 100 |
| 3,220 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 1998-2, 5.350% 7/01/23 (Alternative Minimum Tax) | 1/09 at 101 |
| 2,480 | Tennessee Housing Development Agency, Homeownership Program Bonds, Issue 2001-3A, 5.200%, 7/01/22 (Alternative Minimum Tax) | 7/11 at 100 |

| TEXAS - 18.0% | | |
|---------------|--|--|
|---------------|--|--|

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| | | |
|--------|--|--------------|
| 1,000 | Brushy Creek Municipal Utility District, Williamson County, Texas, Combination Unlimited Tax and Revenue and Refunding Bonds, Series 2001, 5.125%, 6/01/26 - FSA Insured | 6/09 at 100 |
| 3,850 | Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.500%, 11/01/35 (Alternative Minimum Tax) - FGIC Insured | 11/11 at 100 |
| | City of Frisco, Texas, Counties of Collins and Denton, General Obligation Bonds, Series 2001: | |
| 1,910 | 5.000%, 2/15/20 - FGIC Insured | 2/11 at 100 |
| 2,005 | 5.000%, 2/15/21 - FGIC Insured | 2/11 at 100 |
| 4,040 | Harris County, Texas, Tax and Revenue Certificates of Obligation, Series 2001, 5.000%, 8/15/27 | 8/11 at 100 |
| 7,000 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 1998B, 5.250%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured | 7/08 at 101 |
| | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2001A Refunding: | |
| 2,525 | 5.500%, 7/01/13 (Alternative Minimum Tax) - FGIC Insured | 1/12 at 100 |
| 2,905 | 5.500%, 7/01/14 (Alternative Minimum Tax) - FGIC Insured | 1/12 at 100 |
| 6,000 | City of Houston, Texas, Water and Sewer System Junior Lien Revenue Bonds, Series 2001B Refunding, 5.500%, 12/01/29 - MBIA Insured | No Opt. C |
| | Health Facilities Development Corporation, Jefferson County, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001: | |
| 8,500 | 5.400%, 8/15/31 - AMBAC Insured | 8/11 at 100 |
| 8,500 | 5.500%, 8/15/41 - AMBAC Insured | 8/11 at 100 |
| 10,700 | Laredo Independent School District, Webb County, Texas, General Obligation Bonds, Series 2001 Refunding, 5.000%, 8/01/25 | 8/11 at 100 |
| 2,500 | Matagorda County Navigation District Number One, Texas, Collateralized Revenue Refunding Bonds (Houston Lighting & Power Company Project), Series 1997, 5.125%, 11/01/28 (Alternative Minimum Tax) - AMBAC Insured | No Opt. C |
| 1,540 | Medina Valley Independent School District, Medina County, Texas, General Obligation Bonds, Series 2001, 5.250%, 2/15/26 | 2/11 at 100 |
| 5,430 | Mineral Wells Independent School District, Pale Pinto and Parker Counties, Texas, Unlimited School Tax Building and Refunding Bonds, Series 1998, 4.750%, 2/15/22 | 2/08 at 100 |
| 3,000 | North Central Texas Health Facilities Development Corporation, Revenue Bonds, Series 1997B, Texas Health Resources System, 5.375%, 2/15/26 - MBIA Insured | 2/08 at 102 |
| 3,045 | Port of Houston Authority, Harris County, Texas, Unlimited Tax General Obligation Port Improvement Bonds, Series 2001B, 5.500%, 10/01/17 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |

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| | | |
|--------|--|-------------|
| 13,260 | Texas Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, Series 2001A, 5.350%, 7/01/33 (Alternative Minimum Tax) | 7/11 at 100 |
| 15,600 | Texas Water Development Board, State Revolving Fund, Senior Lien Revenue Bonds, Series 1996B, 5.125%, 7/15/18 | 1/07 at 100 |

UTAH - 1.2%

| | | |
|--|---|-------------|
| Utah Housing Corporation, Single Family Mortgage Bonds, 2001 Series E: | | |
| 2,460 | 5.200%, 1/01/18 (Alternative Minimum Tax) | 7/11 at 100 |
| 875 | 5.500%, 1/01/23 (Alternative Minimum Tax) | 7/11 at 100 |
| Utah Housing Corporation, Single Family Mortgage Bonds, 2001 Series F1: | | |
| 2,965 | 4.950%, 7/01/18 (Alternative Minimum Tax) | 7/11 at 100 |
| 730 | 5.300%, 7/01/23 (Alternative Minimum Tax) | 7/11 at 100 |

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| | | |
|---------------------------|----------------|------------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|

VIRGINIA - 1.3%

| | | |
|----------|---|-------------|
| \$ 7,500 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, 2001 Series J, Subseries J-1, 5.200%, 7/01/19 - MBIA Insured | 7/11 at 100 |
|----------|---|-------------|

WASHINGTON - 16.3%

| | | |
|---|--|--------------|
| Housing Authority of the City of Bellingham, Washington, Revenue Bonds, Varsity Village Project, Series 2001A: | | |
| 1,000 | 5.500%, 12/01/27 - MBIA Insured | 12/11 at 100 |
| 2,000 | 5.600%, 12/01/36 - MBIA Insured | 12/11 at 100 |
| 2,090 | Public Utility District No. 1 of Benton County, Washington, Electric Revenue Refunding Bonds, Series 2001A, 5.625%, 11/01/15 - FSA Insured | 11/11 at 100 |
| 1,500 | Public Utility District No. 1 of Grays Harbor County, Washington, Electric Revenue Bonds, Series 2001, 5.125%, 1/01/22 - AMBAC Insured | 1/11 at 100 |
| 2,475 | Public Utility District No. 1 of Klickitat County, Washington, Electric Revenue Bonds, Series 2001B, 5.000%, 12/01/26 - AMBAC Insured | 12/11 at 100 |
| 12,955 | Port of Seattle, Washington, Passenger Facility Charge Revenue Bonds, Series 1998B, 5.300%, 12/01/16 (Alternative Minimum Tax) - AMBAC Insured | 12/08 at 101 |

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| | | |
|------------|--|--------------|
| | Port of Seattle, Washington, Revenue Bonds, Series 2001B: | |
| 2,535 | 5.625%, 4/01/18 (Alternative Minimum Tax) - FGIC Insured | 10/11 at 100 |
| 16,000 | 5.100%, 4/01/24 (Alternative Minimum Tax) - FGIC Insured | 10/08 at 100 |
| 5,680 | The City of Seattle, Washington, Municipal Light and Power Improvements and Refunding Revenue Bonds, Series 2001, 5.500%, 3/01/18 - FSA Insured | 3/11 at 100 |
| 4,530 | The City of Tacoma, Washington, Solid Waste Utility Revenue Bonds, Series 2001 Refunding, 5.250%, 12/01/21 - AMBAC Insured | 12/11 at 100 |
| 2,250 | State of Washington, Certificates of Participation, Washington State Convention and Trade Center, Series 1999, 5.250%, 7/01/14 - MBIA Insured | 7/09 at 100 |
| | Washington State Health Care Facilities Authority, Revenue Bonds, Series 2001, Group Health Cooperative of Puget Sound: | |
| 3,005 | 5.375%, 12/01/17 - AMBAC Insured | 12/11 at 101 |
| 2,915 | 5.375%, 12/01/18 - AMBAC Insured | 12/11 at 101 |
| 3,720 | Washington State Health Care Facilities Authority, Revenue Bonds, Children's Hospital and Regional Medical Center, Series 2001, 5.375%, 10/01/18 - AMBAC Insured | 10/11 at 100 |
| | Washington State Health Care Facilities Authority, Revenue Bonds, Series 2001, Good Samaritan Hospital: | |
| 5,480 | 5.500%, 10/01/21 - RAAI Insured | 10/11 at 101 |
| 25,435 | 5.625%, 10/01/31 - RAAI Insured | 10/11 at 101 |
| ----- | | |
| | WISCONSIN - 5.3% | |
| | City of Appleton, Wisconsin, Waterworks Revenue Refunding Bonds, Series 2001: | |
| 3,705 | 5.375%, 1/01/20 - FGIC Insured | 1/12 at 100 |
| 1,850 | 5.000%, 1/01/21 - FGIC Insured | 1/12 at 100 |
| 1,735 | Evansville Community School District, Dane, Green and Rock Counties, Wisconsin, General Obligation Refunding Bonds, Series 2001, 5.500%, 4/01/20 - FGIC Insured | 4/11 at 100 |
| 12,250 | City of La Crosse, Wisconsin, Pollution Control Refunding Revenue Bonds, Series 1997B, Dairyland Power Cooperative Project, 5.550%, 2/01/15 - AMBAC Insured | 12/08 at 102 |
| 420 | Wisconsin Housing and Economic Development Authority, Home Ownership Revenue Bonds, 1999 Series, 5.750%, 4/01/30 (Alternative Minimum Tax) | 10/09 at 100 |
| 3,180 | State of Wisconsin, Clean Water Revenue Bonds, 1999 Series 1, 5.500%, 6/01/17 | 6/09 at 100 |
| 4,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Series 2001, Froedert & Community Health Obligated Group, 5.375%, 10/01/30 | 10/11 at 101 |
| 2,500 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2001B, 6.000%, 2/15/25 | 2/12 at 100 |
| ----- | | |
| \$ 868,450 | Total Long-Term Investments (cost \$872,273,993) - 149.2% | |

Nuveen Dividend Advantage Municipal Fund 3 (NZF) (continued)
 Portfolio of INVESTMENTS April 30, 2003 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| | SHORT-TERM INVESTMENTS - 0.5% | |
| \$ 3,000 | University of Toledo, Ohio, General Receipts Variable Rate Demand Bonds, Series 2002, 1.400%, 6/01/32 - FGIC Insured+ | |
| \$ 3,000 | Total Short-Term Investments (cost \$3,000,000) | |
| | Total Investments (cost \$875,273,993) - 149.7% | |
| | Other Assets Less Liabilities - 2.1% | |
| | Preferred Shares, at Liquidation Value - (51.8)% | |
| | Net Assets Applicable to Common Shares - 100% | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- * 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.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- N/R Investment is not rated.
- # On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc., filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current of their interest payment obligations with respect to these bonds and thus has stopped accruing interest.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES April 30, 2003 (Unaudited)

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Investments, at market value (cost \$1,295,855,632, \$946,742,457, \$996,154,901, \$823,296,195, \$629,868,132 and \$875,273,993) | \$1,395,172,698 | \$1,011,278,549 | \$1,048,867,510 | \$882,178,405 |
| Receivables: | | | | |
| Interest | 22,689,838 | 19,627,698 | 18,496,738 | 15,587,269 |
| Investments sold | 2,402,205 | 8,348,665 | 380,000 | 95,000 |
| Other assets | 45,579 | 29,400 | 29,836 | 27,203 |
| Total assets | 1,420,310,320 | 1,039,284,312 | 1,067,774,084 | 897,887,877 |
| LIABILITIES | | | | |
| Cash overdraft | 113,363 | 3,614,100 | 3,259,718 | 1,488,215 |
| Payable for investments purchased | 527,332 | 508,472 | -- | -- |
| Accrued expenses: | | | | |
| Management fees | 712,107 | 524,792 | 537,542 | 236,732 |
| Organization and offering costs | -- | -- | -- | -- |
| Other | 346,628 | 249,145 | 259,567 | 165,302 |
| Preferred share dividends payable | 58,688 | 38,994 | 24,004 | 18,612 |
| Total liabilities | 1,758,118 | 4,935,503 | 4,080,831 | 1,908,861 |
| Preferred shares, at liquidation value | \$ 479,000,000 | \$ 358,000,000 | \$ 380,000,000 | \$295,000,000 |
| Net assets applicable to Common shares | \$ 939,552,202 | \$ 676,348,809 | \$ 683,693,253 | \$600,979,016 |
| Common shares outstanding | 59,914,073 | 42,980,333 | 45,540,872 | 39,227,847 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.68 | \$ 15.74 | \$ 15.01 | \$ 15.32 |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | | | |
| Common shares, \$.01 par value per share | \$ 599,141 | \$ 429,803 | \$ 455,409 | \$ 392,278 |
| Paid-in surplus | 836,304,463 | 600,296,194 | 635,361,720 | 557,356,422 |
| Undistributed net investment income | 10,656,439 | 9,195,906 | 6,378,602 | 6,542,543 |
| Accumulated net realized gain (loss) from investment transactions | (7,324,907) | 1,890,814 | (11,215,087) | (22,194,437) |
| Net unrealized appreciation | | | | |

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| | | | | |
|--------------------------|----------------|----------------|----------------|---------------|
| of investments | 99,317,066 | 64,536,092 | 52,712,609 | 58,882,210 |
| ----- | | | | |
| Net assets applicable to | | | | |
| Common shares | \$ 939,552,202 | \$ 676,348,809 | \$ 683,693,253 | \$600,979,016 |
| ===== | | | | |
| Authorized shares: | | | | |
| Common | 200,000,000 | 200,000,000 | 200,000,000 | Unlimited |
| Preferred | 1,000,000 | 1,000,000 | 1,000,000 | Unlimited |
| ===== | | | | |

See accompanying notes to financial statements.

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Statement of
OPERATIONS Six Months Ended April 30, 2003 (Unaudited)

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|
| ----- | | | | |
| INVESTMENT INCOME | \$37,558,897 | \$28,731,794 | \$27,916,060 | \$24,191,353 |
| ----- | | | | |
| EXPENSES | | | | |
| Management fees | 4,293,379 | 3,163,837 | 3,246,432 | 2,741,558 |
| Preferred shares - auction fees | 613,627 | 443,821 | 471,096 | 380,577 |
| Preferred shares - dividend disbursing agent fees | 24,795 | 24,795 | 19,836 | 14,876 |
| Shareholders' servicing agent fees and expenses | 129,456 | 76,225 | 87,885 | 13,961 |
| Custodian's fees and expenses | 150,173 | 120,723 | 115,607 | 97,618 |
| Directors'/Trustees' fees and expenses | 8,623 | 6,747 | 7,309 | 5,086 |
| Professional fees | 23,526 | 16,208 | 39,674 | 534,876 |
| Shareholders' reports - printing and mailing expenses | 60,499 | 33,794 | 49,815 | 39,893 |
| Stock exchange listing fees | 11,634 | 8,451 | 8,933 | 7,998 |
| Investor relations expense | 92,337 | 67,154 | 71,341 | 56,640 |
| Other expenses | 34,149 | 30,493 | 33,144 | 21,576 |
| ----- | | | | |
| Total expenses before custodian fee credit and expense reimbursement | 5,442,198 | 3,992,248 | 4,151,072 | 3,914,659 |
| Custodian fee credit | (11,699) | (10,330) | (14,527) | (9,438) |
| Expense reimbursement | -- | -- | -- | (1,316,238) |
| ----- | | | | |
| Net expenses | 5,430,499 | 3,981,918 | 4,136,545 | 2,588,983 |
| ----- | | | | |
| Net investment income | 32,128,398 | 24,749,876 | 23,779,515 | 21,602,370 |
| ----- | | | | |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS | | | | |
| Net realized gain (loss) from investments | (7,324,602) | 1,942,395 | (9,597,597) | (4,628,305) |
| Change in net unrealized appreciation (depreciation) of investments | 25,578,807 | 14,193,538 | 27,942,086 | 18,700,525 |
| ----- | | | | |
| Net gain from investments | 18,254,205 | 16,135,933 | 18,344,489 | 14,072,220 |

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| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | | | |
|---|--------------|--------------|--------------|--------------|
| From net investment income | (2,388,045) | (1,730,616) | (1,940,109) | (1,479,750) |
| From accumulated net realized gains from investments | (139,879) | (242,543) | -- | -- |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (2,527,924) | (1,973,159) | (1,940,109) | (1,479,750) |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from operations | \$47,854,679 | \$38,912,650 | \$40,183,895 | \$34,194,840 |
| ===== | | | | |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (Unaudited)

| | PERFORMANCE PLUS (NPP) | | MUNICIPAL ADVANTAGE (NMA) | |
|--|-----------------------------|------------------------|-----------------------------|------------------------|
| | SIX MONTHS ENDED 4/30/03 | YEAR ENDED 10/31/02 | SIX MONTHS ENDED 4/30/03 | YEAR ENDED 10/31/02 |
| ----- | | | | |
| OPERATIONS | | | | |
| Net investment income | \$ 32,128,398 | \$ 65,273,913 | \$ 24,749,876 | \$ 49,642,500 |
| Net realized gain (loss) from investments | (7,324,602) | 1,658,527 | 1,942,395 | 3,175,700 |
| Change in net unrealized appreciation (depreciation) of investments | 25,578,807 | (15,059,549) | 14,193,538 | (13,241,200) |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (2,388,045) | (5,916,338) | (1,730,616) | (4,136,400) |
| From accumulated net realized gains from investments | (139,879) | (720,966) | (242,543) | (1,143,000) |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from operations | 47,854,679 | 45,235,587 | 38,912,650 | 34,297,500 |
| ----- | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (28,162,757) | (53,683,146) | (21,849,700) | (40,570,100) |
| From accumulated net realized gains from investments | (1,515,794) | (2,612,288) | (2,984,339) | (4,129,800) |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (29,678,551) | (56,295,434) | (24,834,039) | (44,700,000) |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued | | | | |

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| | | | | |
|---|---------------|---------------|---------------|-------------|
| to shareholders due to reinvestment of distributions | -- | -- | -- | -- |
| Preferred shares offering costs | 400 | (501,535) | -- | -- |
| Other | -- | -- | -- | -- |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 400 | (501,535) | -- | -- |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | 18,176,528 | (11,561,382) | 14,078,611 | (10,402,4 |
| Net assets applicable to Common shares at the beginning of period | 921,375,674 | 932,937,056 | 662,270,198 | 672,672,6 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of period | \$939,552,202 | \$921,375,674 | \$676,348,809 | \$662,270,1 |
| ===== | | | | |
| Undistributed net investment income at the end of period | \$ 10,656,439 | \$ 9,074,385 | \$ 9,195,906 | \$ 8,026,3 |
| ===== | | | | |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (Unaudited) (continued)

| | DIVIDEND ADVANTAGE (NAD) | | DIVIDEND ADVANTAGE 2 (NXZ) | |
|--|-----------------------------|------------------------|-----------------------------|------------------------|
| | SIX MONTHS ENDED 4/30/03 | YEAR ENDED 10/31/02 | SIX MONTHS ENDED 4/30/03 | YEAR ENDED 10/31/02 |
| ----- | | | | |
| OPERATIONS | | | | |
| Net investment income | \$ 21,602,370 | \$ 44,433,341 | \$ 17,097,716 | \$ 33,702,6 |
| Net realized gain (loss) from investments | (4,628,305) | 140,122 | (140,742) | 301,7 |
| Change in net unrealized appreciation (depreciation) of investments | 18,700,525 | (107,226) | 8,533,008 | (9,579,3 |
| Distributions to Preferred shareholders: | | | | |
| From net investment income | (1,479,750) | (3,979,694) | (1,136,350) | (3,000,5 |
| From accumulated net realized gains from investments | -- | -- | (28,710) | (64,9 |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from operations | 34,194,840 | 40,486,543 | 24,324,922 | 21,359,4 |
| ----- | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (19,260,872) | (36,722,714) | (14,421,387) | (26,749,0 |
| From accumulated net realized gains from investments | -- | -- | (272,342) | (298,6 |
| ----- | | | | |

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| | | | | |
|---|---------------|---------------|---------------|-------------|
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (19,260,872) | (36,722,714) | (14,693,729) | (27,047,7 |
| <hr/> | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | -- | 1,192,197 | -- | |
| Preferred shares offering costs | -- | -- | -- | 286,6 |
| Other | -- | -- | 2,137 | |
| <hr/> | | | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | -- | 1,192,197 | 2,137 | 286,6 |
| <hr/> | | | | |
| Net increase (decrease) in net assets applicable to Common shares | 14,933,968 | 4,956,026 | 9,633,330 | (5,401,6 |
| Net assets applicable to Common shares at the beginning of period | 586,045,048 | 581,089,022 | 435,906,761 | 441,308,4 |
| <hr/> | | | | |
| Net assets applicable to Common shares at the end of period | \$600,979,016 | \$586,045,048 | \$445,540,091 | \$435,906,7 |
| <hr/> | | | | |
| Undistributed net investment income at the end of period | \$ 6,542,543 | \$ 5,680,795 | \$ 5,140,003 | \$ 3,600,0 |
| <hr/> | | | | |

See accompanying notes to financial statements.

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Notes to FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The National Funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Performance Plus Municipal Fund, Inc. (NPP), Nuveen Municipal Advantage Fund, Inc. (NMA), Nuveen Municipal Market Opportunity Fund, Inc. (NMO), Nuveen Dividend Advantage Municipal Fund (NAD), Nuveen Dividend Advantage Municipal Fund 2 (NXZ) and Nuveen Dividend Advantage Municipal Fund 3 (NZF). Performance Plus (NPP), Municipal Advantage (NMA), Market Opportunity (NMO) and Dividend Advantage (NAD) are traded on the New York Stock Exchange while Dividend Advantage 2 (NXZ) and Dividend Advantage 3 (NZF) are traded on the American Stock Exchange. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies.

Each Fund seeks to provide current income exempt from regular federal income tax by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities.

The following is a summary of significant accounting policies followed by the

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Funds in the preparation of their financial statements in accordance with accounting principles generally accepted in the United States.

Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors/Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Directors/Trustees of the Funds, or its designee, may establish a fair value for the security. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At April 30, 2003, Dividend Advantage 2 (NXZ) had outstanding when-issued and delayed delivery purchase commitments of \$7,074,657. There were no such outstanding purchase commitments in any of the other Funds.

Investment Income

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

Federal Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal income tax, to retain such tax-exempt status when distributed to shareholders of the Funds.

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Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared and paid monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to Common shareholders of tax-exempt net investment income, net realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in

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accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States.

Preferred Shares

The Funds have issued and outstanding \$25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in more than one Series. The dividend rate on each Series may change every seven days, as set pursuant to a dutch auction process by the auction agent, and is payable at or near the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NZF) |
|-------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| ----- | | | | | | |
| Number of shares: | | | | | | |
| Series M | 4,000 | 3,000 | 4,000 | 4,000 | 3,000 | |
| Series T | 4,000 | 3,000 | 4,000 | 4,000 | 3,000 | |
| Series W | 4,000 | 3,000 | 3,200 | -- | -- | |
| Series TH | 3,160 | 2,320 | -- | 3,800 | -- | |
| Series F | 4,000 | 3,000 | 4,000 | -- | 2,880 | |
| ----- | | | | | | |
| Total | 19,160 | 14,320 | 15,200 | 11,800 | 8,880 | |
| ===== | | | | | | |

Effective April 5, 2002, Performance Plus (NPP) issued 1,400 Series TH \$25,000 stated value Preferred shares.

Effective November 16, 2001, Dividend Advantage 3 (NZF) issued 4,160 Series W, 4,160 Series TH and 4,160 Series F \$25,000 stated value Preferred shares.

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Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the six months ended April 30, 2003.

Custodian Fee Credit

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

Offering Costs

Costs incurred by Performance Plus (NPP) and Dividend Advantage 3 (NZF) in connection with their offerings of Preferred shares (\$501,135 and \$3,495,003, respectively) were recorded as a reduction to paid-in surplus.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and

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decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

| | PERFORMANCE PLUS (NPP) | | MUNICIPAL ADVANTAGE (NMA) | | MARKE OPPORTUNIT |
|--|------------------------|-------------------|------------------------------|-------------------|---------------------|
| | SIX MONTHS | YEAR | SIX MONTHS | YEAR | SIX MONTHS |
| | ENDED 4/30/03 | ENDED 10/31/02 | ENDED 4/30/03 | ENDED 10/31/02 | ENDED 4/30/03 |
| Common shares issued to shareholders due to reinvestment of distributions | -- | -- | -- | -- | -- |
| Preferred shares sold | -- | 1,400 | -- | -- | -- |

| | DIVIDEND ADVANTAGE (NAD) | | DIVIDEND ADVANTAGE 2 (NXZ) | | DIVIDEND ADVANT |
|---|--------------------------|-------------------|----------------------------|-------------------|------------------|
| | SIX MONTHS | YEAR | SIX MONTHS | YEAR | SIX MONTHS |
| | ENDED 4/30/03 | ENDED 10/31/02 | ENDED 4/30/03 | ENDED 10/31/02 | ENDED 4/30/03 |
| Common shares issued to shareholders due to reinvestment of distributions | -- | 80,089 | -- | -- | -- |
| Preferred shares sold | -- | -- | -- | -- | -- |

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Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the six months ended April 30, 2003, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADV |
|-----------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|------|
| Purchases | \$84,450,649 | \$28,553,582 | \$68,067,949 | \$24,877,514 | \$19,168,531 | \$21 |

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| | | | | | | |
|----------------------|------------|------------|------------|------------|------------|----|
| Sales and maturities | 71,462,945 | 42,313,319 | 71,188,012 | 31,565,093 | 24,150,203 | 16 |
|----------------------|------------|------------|------------|------------|------------|----|

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions.

At April 30, 2003, the cost of investments were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NXZ) |
|---------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Cost of Investments | \$1,294,970,480 | \$946,213,741 | \$995,571,169 | \$822,779,237 | \$629,692,386 | \$386,992,386 |

Gross unrealized appreciation and gross unrealized depreciation on investments at April 30, 2003, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NXZ) |
|---|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Gross unrealized: | | | | | | |
| Appreciation | \$116,460,923 | \$86,275,985 | \$90,306,867 | \$75,124,399 | \$38,195,557 | \$38,195,557 |
| Depreciation | (16,258,705) | (21,211,177) | (37,010,526) | (15,725,231) | (13,872,567) | (13,872,567) |
| Net unrealized appreciation on investments | \$100,202,218 | \$65,064,808 | \$53,296,341 | \$59,399,168 | \$24,322,990 | \$24,322,990 |

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The tax components of undistributed net investment income and net realized gains at October 31, 2002, the Funds' last fiscal year end, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NXZ) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Undistributed net tax-exempt income | \$12,918,958 | \$10,930,739 | \$8,966,521 | \$8,335,162 | \$5,813,198 | \$5,813,198 |
| Undistributed net ordinary income * | 3,425 | 179,625 | 35,363 | 44,650 | 185,573 | 185,573 |
| Undistributed net long-term | | | | | | |

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| | | | | | |
|---------------|-----------|-----------|----|----|---------|
| capital gains | 1,655,369 | 3,225,301 | -- | -- | 115,054 |
|---------------|-----------|-----------|----|----|---------|

The tax character of distributions paid during the fiscal year ended October 31, 2002, the Funds' last fiscal year end, was designated for purposes of the dividends paid deduction as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NXZ) |
|--|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Distributions from net tax-exempt income | \$59,286,613 | \$44,278,184 | \$46,362,835 | \$40,491,284 | \$29,610,711 | \$37,111,111 |
| Distributions from net ordinary income * | 256,881 | 1,271,708 | -- | -- | 363,652 | -- |
| Distributions from net long-term capital gains | 3,076,373 | 4,070,716 | 1,281,935 | -- | -- | -- |

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

At October 31, 2002, the Fund's last fiscal year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| Expiration year: | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | ADVANTAGE 3 (NXZ) |
|------------------|--------------------------------|--------------------------------|----------------------|
| 2007 | \$ -- | \$ 2,980,482 | \$ -- |
| 2008 | -- | 14,462,547 | -- |
| 2009 | -- | -- | -- |
| 2010 | 1,622,794 | -- | 1,622,794 |
| Total | \$1,622,794 | \$17,443,029 | \$17,443,029 |

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under Performance Plus' (NPP), Municipal Advantage's (NMA) and Market Opportunity's (NMO) investment management agreements with Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| | |
|---|----------------|
| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MANAGEMENT FEE |
|---|----------------|

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| | |
|---------------------------------|--------|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For the next \$3 billion | .5875 |
| For net assets over \$5 billion | .5750 |

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Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

Under Dividend Advantage's (NAD), Dividend Advantage 2's (NXZ) and Dividend Advantage 3's (NZF) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MANAGEMENT FEE |
|--|----------------|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For net assets over \$2 billion | .5750 |

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

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

* From the commencement of operations.

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

For the first ten years of Dividend Advantage 2's (NXZ) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts, and for the time periods set forth below:

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| YEAR ENDING MARCH 31, | | YEAR ENDING MARCH 31, | |
|--------------------------|------|--------------------------|------|
| 2001* | .30% | 2007 | .25% |
| 2002 | .30 | 2008 | .20 |
| 2003 | .30 | 2009 | .15 |
| 2004 | .30 | 2010 | .10 |
| 2005 | .30 | 2011 | .05 |
| 2006 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse Dividend Advantage 2 (NXZ) for any portion of its fees and expenses beyond March 31, 2011.

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For the first ten years of Dividend Advantage 3's (NZF) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts, and for the time periods set forth below:

| YEAR ENDING SEPTEMBER 30, | | YEAR ENDING SEPTEMBER 30, | |
|------------------------------|------|------------------------------|------|
| 2001* | .30% | 2007 | .25% |
| 2002 | .30 | 2008 | .20 |
| 2003 | .30 | 2009 | .15 |
| 2004 | .30 | 2010 | .10 |
| 2005 | .30 | 2011 | .05 |
| 2006 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse Dividend Advantage 3 (NZF) for any portion of its fees and expenses beyond September 30, 2011.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors/Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser.

6. INVESTMENT COMPOSITION

At April 30, 2003, the revenue sources by municipal purpose, expressed as a percent of total investments, were as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NZF) |
|-----------------------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Consumer Staples | 5% | 4% | 5% | 4% | 3% | |
| Education and Civic Organizations | 4 | -- | 5 | 5 | 4 | |

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| | | | | | |
|------------------------|------|------|------|------|------|
| Energy | -- | 1 | -- | -- | 3 |
| Healthcare | 9 | 16 | 11 | 16 | 22 |
| Housing/Multifamily | 6 | 3 | 1 | 1 | 1 |
| Housing/Single Family | 8 | 13 | 1 | 5 | 8 |
| Long-Term Care | 1 | 2 | -- | 3 | 1 |
| Tax Obligation/General | 15 | 9 | 22 | 15 | 5 |
| Tax Obligation/Limited | 13 | 9 | 16 | 12 | 15 |
| Transportation | 8 | 10 | 17 | 13 | 13 |
| U.S. Guaranteed | 14 | 13 | 9 | 11 | 7 |
| Utilities | 11 | 14 | 7 | 11 | 7 |
| Water and Sewer | 6 | 5 | 5 | 3 | 11 |
| Other | -- | 1 | 1 | 1 | -- |
| | 100% | 100% | 100% | 100% | 100% |

Certain investments owned by the Funds are either covered by insurance issued by several private insurers or are backed by an escrow or trust containing U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest in the event of default (61% for Performance Plus (NPP), 54% for Municipal Advantage (NMA), 54% for Market Opportunity (NMO), 62% for Dividend Advantage (NAD), 52% for Dividend Advantage 2 (NXZ) and 67% for Dividend Advantage 3 (NZF)).

For additional information regarding each investment security, refer to the Portfolio of Investments of each Fund.

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Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on June 2, 2003, to shareholders of record on May 15, 2003, as follows:

| | PERFORMANCE PLUS (NPP) | MUNICIPAL ADVANTAGE (NMA) | MARKET OPPORTUNITY (NMO) | DIVIDEND ADVANTAGE (NAD) | DIVIDEND ADVANTAGE 2 (NXZ) | ADVANTAGE 3 (NZF) |
|--------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------|
| Dividend per share | \$.0795 | \$.0860 | \$.0790 | \$.0820 | \$.0845 | \$.0845 |

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Financial
HIGHLIGHTS (Unaudited)

Financial
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

| | Investment Operations | | | | | T |
|---------------------------|--|-----------------------------|---|---|---|----|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Investment Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | |
| ===== | | | | | | |
| PERFORMANCE PLUS (NPP) | | | | | | |
| ----- | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2003 (d) | \$15.38 | \$.54 | \$.30 | \$ (.04) | \$-- | \$ |
| 2002 | 15.57 | 1.09 | (.22) | (.10) | (.01) | |
| 2001 | 14.36 | 1.10 | 1.17 | (.23) | -- | |
| 2000 | 13.69 | 1.12 | .69 | (.29) | -- | |
| 1999 | 15.43 | 1.12 | (1.73) | (.21) | -- | |
| 1998 | 15.22 | 1.19 | .20 | (.23) | -- | |
| MUNICIPAL ADVANTAGE (NMA) | | | | | | |
| ----- | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2003 (d) | 15.41 | .58 | .38 | (.04) | (.01) | |
| 2002 | 15.65 | 1.15 | (.22) | (.10) | (.03) | |
| 2001 | 14.61 | 1.16 | 1.10 | (.24) | (.03) | |
| 2000 | 13.98 | 1.24 | .63 | (.33) | -- | |
| 1999 | 15.85 | 1.24 | (1.85) | (.24) | -- | |
| 1998 | 15.68 | 1.24 | .17 | (.24) | -- | |
| MARKET OPPORTUNITY (NMO) | | | | | | |
| ----- | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2003 (d) | 14.60 | .52 | .40 | (.04) | -- | |
| 2002 | 15.24 | 1.11 | (.70) | (.11) | (.01) | |
| 2001 | 14.45 | 1.16 | .80 | (.26) | (.01) | |
| 2000 | 14.11 | 1.24 | .38 | (.34) | -- | |
| 1999 | 15.96 | 1.26 | (1.83) | (.24) | -- | |
| 1998 | 15.85 | 1.25 | .15 | (.24) | (.01) | |
| DIVIDEND ADVANTAGE (NAD) | | | | | | |
| ----- | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2003 (d) | 14.94 | .55 | .36 | (.04) | -- | |
| 2002 | 14.84 | 1.13 | .01 | (.10) | -- | |
| 2001 | 13.59 | 1.16 | 1.21 | (.24) | -- | |

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| | | | | | |
|----------|-------|------|--------|-------|----|
| 2000 | 12.78 | 1.15 | .84 | (.31) | -- |
| 1999 (a) | 14.33 | .39 | (1.47) | (.07) | -- |

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

| | | | | | |
|----------|-------|------|-------|-------|----|
| 2003 (d) | 14.89 | .58 | .29 | (.04) | -- |
| 2002 | 15.07 | 1.15 | (.32) | (.10) | -- |
| 2001 (b) | 14.33 | .52 | .88 | (.09) | -- |

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

| | | | | | |
|----------|-------|------|-----|-------|----|
| 2003 (d) | 14.56 | .54 | .34 | (.04) | -- |
| 2002 | 14.47 | 1.03 | .16 | (.10) | -- |
| 2001 (c) | 14.33 | .03 | .14 | -- | -- |

Total Returns

| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value** | Based on Common Share Net Asset Value** |
|--|--|---|---------------------------|----------------------------------|--|
|--|--|---|---------------------------|----------------------------------|--|

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

| | | | | | |
|----------|-------|---------|-----------|---------|--------|
| 2003 (d) | \$-- | \$15.68 | \$14.8200 | 7.40% | 5.26% |
| 2002 | (.01) | 15.38 | 14.2800 | 4.51 | 5.03 |
| 2001 | -- | 15.57 | 14.5800 | 26.96 | 14.51 |
| 2000 | (.01) | 14.36 | 12.1875 | .90 | 11.47 |
| 1999 | -- | 13.69 | 12.9375 | (10.76) | (5.63) |
| 1998 | -- | 15.43 | 15.4375 | 9.48 | 7.87 |

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

| | | | | | |
|----------|-------|-------|---------|--------|--------|
| 2003 (d) | -- | 15.74 | 15.3200 | 8.63 | 5.99 |
| 2002 | -- | 15.41 | 14.6600 | 5.89 | 5.39 |
| 2001 | -- | 15.65 | 14.8500 | 23.35 | 13.97 |
| 2000 | -- | 14.61 | 12.8750 | 1.46 | 11.48 |
| 1999 | (.02) | 13.98 | 13.6250 | (8.16) | (5.83) |
| 1998 | -- | 15.85 | 15.8125 | 5.58 | 7.65 |

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

| | | | | | |
|----------|-------|-------|---------|--------|--------|
| 2003 (d) | -- | 15.01 | 14.4200 | 8.04 | 6.12 |
| 2002 | -- | 14.60 | 13.8000 | .49 | 2.03 |
| 2001 | -- | 15.24 | 14.6500 | 20.03 | 11.93 |
| 2000 | -- | 14.45 | 13.0000 | 2.97 | 9.41 |
| 1999 | (.02) | 14.11 | 13.5625 | (9.18) | (5.49) |
| 1998 | -- | 15.96 | 15.9375 | 5.40 | 7.45 |

DIVIDEND ADVANTAGE (NAD)

Year Ended 10/31:

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| | | | | | |
|----------|-------|-------|---------|--------|--------|
| 2003 (d) | -- | 15.32 | 15.0800 | 7.50 | 5.93 |
| 2002 | -- | 14.94 | 14.5000 | 2.01 | 7.26 |
| 2001 | -- | 14.84 | 15.1400 | 27.35 | 16.03 |
| 2000 | (.01) | 13.59 | 12.6250 | (.79) | 13.61 |
| 1999 (a) | (.10) | 12.78 | 13.6250 | (7.29) | (8.83) |

DIVIDEND ADVANTAGE 2 (NXZ)

Year Ended 10/31:

| | | | | | |
|----------|-------|-------|---------|-------|------|
| 2003 (d) | -- | 15.22 | 14.7400 | 9.73 | 5.67 |
| 2002 | .01 | 14.89 | 13.9100 | (.81) | 5.16 |
| 2001 (b) | (.12) | 15.07 | 14.9600 | 2.75 | 8.39 |

DIVIDEND ADVANTAGE 3 (NZF)

Year Ended 10/31:

| | | | | | |
|----------|-------|-------|---------|--------|------|
| 2003 (d) | .01 | 14.95 | 14.0800 | 7.58 | 5.91 |
| 2002 | (.09) | 14.56 | 13.5300 | (4.26) | 7.20 |
| 2001 (c) | (.03) | 14.47 | 15.0700 | .47 | .98 |

Ratios/Supplemental Data

| | Before Credit/Reimbursement | After Credit/ | |
|--|---|---|---|
| Ending Net Assets Applicable to Common Shares (000) | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ |

PERFORMANCE PLUS (NPP)

Year Ended 10/31:

| | | | | |
|----------|-----------|--------|--------|--------|
| 2003 (d) | \$939,552 | 1.19%* | 7.00%* | 1.18%* |
| 2002 | 921,376 | 1.18 | 7.11 | 1.17 |
| 2001 | 932,937 | 1.15 | 7.29 | 1.14 |
| 2000 | 860,556 | 1.17 | 8.09 | 1.16 |
| 1999 | 820,432 | 1.15 | 7.48 | 1.12 |
| 1998 | 922,187 | 1.11 | 7.74 | 1.11 |

MUNICIPAL ADVANTAGE (NMA)

Year Ended 10/31:

| | | | | |
|----------|---------|-------|-------|-------|
| 2003 (d) | 676,349 | 1.21* | 7.49* | 1.20* |
| 2002 | 662,270 | 1.22 | 7.55 | 1.22 |
| 2001 | 672,673 | 1.23 | 7.60 | 1.22 |
| 2000 | 628,099 | 1.23 | 8.77 | 1.23 |
| 1999 | 600,923 | 1.16 | 8.12 | 1.16 |
| 1998 | 675,410 | 1.12 | 7.84 | 1.12 |

MARKET OPPORTUNITY (NMO)

Year Ended 10/31:

| | | | | |
|----------|---------|-------|-------|-------|
| 2003 (d) | 683,693 | 1.25* | 7.13* | 1.24* |
| 2002 | 664,914 | 1.24 | 7.50 | 1.24 |
| 2001 | 694,025 | 1.23 | 7.73 | 1.23 |

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| | | | | |
|------|---------|------|------|------|
| 2000 | 658,070 | 1.25 | 8.76 | 1.23 |
| 1999 | 642,643 | 1.15 | 8.18 | 1.14 |
| 1998 | 721,207 | 1.09 | 7.88 | 1.09 |

DIVIDEND ADVANTAGE (NAD)

| | | | | |
|-------------------|---------|-------|-------|------|
| ----- | | | | |
| Year Ended 10/31: | | | | |
| 2003 (d) | 600,979 | 1.34* | 6.93* | .88* |
| 2002 | 586,045 | 1.25 | 7.24 | .80 |
| 2001 | 581,089 | 1.26 | 7.56 | .78 |
| 2000 | 531,571 | 1.22 | 8.34 | .73 |
| 1999 (a) | 499,783 | 1.06* | 6.10* | .58* |

DIVIDEND ADVANTAGE 2 (NXZ)

| | | | | |
|-------------------|---------|-------|-------|------|
| ----- | | | | |
| Year Ended 10/31: | | | | |
| 2003 (d) | 445,540 | 1.16* | 7.38* | .71* |
| 2002 | 435,907 | 1.17 | 7.32 | .70 |
| 2001 (b) | 441,308 | 1.13* | 5.56* | .63* |

DIVIDEND ADVANTAGE 3 (NZF)

| | | | | |
|-------------------|---------|-------|-------|------|
| ----- | | | | |
| Year Ended 10/31: | | | | |
| 2003 (d) | 602,748 | 1.18* | 6.90* | .72* |
| 2002 | 586,799 | 1.17 | 6.78 | .70 |
| 2001 (c) | 583,100 | .72* | 2.05* | .42* |
| ===== | | | | |

Preferred Shares at End of Period

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

PERFORMANCE PLUS (NPP)

| | | | |
|-------------------|-----------|----------|----------|
| ----- | | | |
| Year Ended 10/31: | | | |
| 2003 (d) | \$479,000 | \$25,000 | \$74,037 |
| 2002 | 479,000 | 25,000 | 73,089 |
| 2001 | 444,000 | 25,000 | 77,530 |
| 2000 | 444,000 | 25,000 | 73,455 |
| 1999 | 400,000 | 25,000 | 76,277 |
| 1998 | 400,000 | 25,000 | 82,637 |

MUNICIPAL ADVANTAGE (NMA)

| | | | |
|-------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 10/31: | | | |
| 2003 (d) | 358,000 | 25,000 | 72,231 |
| 2002 | 358,000 | 25,000 | 71,248 |
| 2001 | 358,000 | 25,000 | 71,974 |
| 2000 | 358,000 | 25,000 | 68,862 |
| 1999 | 358,000 | 25,000 | 66,964 |
| 1998 | 300,000 | 25,000 | 81,284 |

MARKET OPPORTUNITY (NMO)

| | | | |
|-------------------|---------|--------|--------|
| ----- | | | |
| Year Ended 10/31: | | | |
| 2003 (d) | 380,000 | 25,000 | 69,980 |
| 2002 | 380,000 | 25,000 | 68,744 |

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| | | | |
|------|---------|--------|--------|
| 2001 | 380,000 | 25,000 | 70,660 |
| 2000 | 380,000 | 25,000 | 68,294 |
| 1999 | 380,000 | 25,000 | 67,279 |
| 1998 | 300,000 | 25,000 | 85,101 |

DIVIDEND ADVANTAGE (NAD)

| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2003(d) | 295,000 | 25,000 | 75,930 |
| 2002 | 295,000 | 25,000 | 74,665 |
| 2001 | 295,000 | 25,000 | 74,245 |
| 2000 | 295,000 | 25,000 | 70,048 |
| 1999(a) | 295,000 | 25,000 | 67,354 |

DIVIDEND ADVANTAGE 2 (NXZ)

| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2003(d) | 222,000 | 25,000 | 75,173 |
| 2002 | 222,000 | 25,000 | 74,089 |
| 2001(b) | 222,000 | 25,000 | 74,697 |

DIVIDEND ADVANTAGE 3 (NZF)

| | | | |
|-------------------|---------|--------|--------|
| Year Ended 10/31: | | | |
| 2003(d) | 312,000 | 25,000 | 73,297 |
| 2002 | 312,000 | 25,000 | 72,019 |
| 2001(c) | -- | -- | -- |

=====

- * Annualized.
- ** Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in Common share net asset value per share. Total returns are not annualized.
- *** After custodian fee credit and expense reimbursement, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares, where applicable.
- (a) For the period May 26, 1999 (commencement of operations) through October 31, 1999.
- (b) For the period March 28, 2001 (commencement of operations) through October 31, 2001.
- (c) For the period September 25, 2001 (commencement of operations) through October 31, 2001.
- (d) For the six months ended April 30, 2003.

See accompanying notes to financial statements.

70-71 SPREAD

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NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Exchange-Traded Fund allows you to conveniently reinvest dividends and/or capital gains distributions in additional fund shares.

By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of tax-free compounding. Just like dividends or distributions in cash, there may be times when income or capital gains taxes may be payable on dividends or distributions that are reinvested.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

EASY AND CONVENIENT

To make recordkeeping easy and convenient, each month you'll receive a statement showing your total dividends and distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBILITY

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

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Fund INFORMATION

BOARD OF DIRECTORS/TRUSTEES

Robert P. Bremner
Lawrence H. Brown
Anne E. Impellizzeri
Peter R. Sawers
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale

FUND MANAGER

Nuveen Advisory Corp.
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071

(800) 257-8787

LEGAL COUNSEL

Morgan, Lewis &
Bockius LLP
Washington, D.C.

INDEPENDENT AUDITORS

Ernst & Young LLP
Chicago, IL

POLICY CHANGE

On November 14, 2002, the Board adopted a policy that allows these Funds, in addition to investments in municipal bonds, to invest up to 5% of its net assets (including assets attributable to preferred shares, if any) in tax-exempt or taxable fixed-income securities or equity securities for the purpose of acquiring control of an issuer whose municipal bonds (a) the Fund already owns and (b) have deteriorated or are expected shortly to deteriorate significantly in credit quality, provided Nuveen Advisory determines that such investment should enable the Fund to better maximize the value of its existing investment in such issuer. This policy is a non-fundamental policy of each Fund which means that it can be changed at any time by the Board of Trustees without vote of the shareholders.

GLOSSARY OF TERMS USED IN THIS REPORT

Average Annual Total Return: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It

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expresses the return (including change in NAV and reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered.

Average Effective Maturity: The average of all the maturities of the bonds in a fund's portfolio, computed by weighting each maturity date (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions.

Leverage-Adjusted Duration: Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund.

Market Yield (also known as Dividend Yield or Current Yield): An investment's current annualized dividend divided by its current market price.

Net Asset Value (NAV): A fund's NAV is calculated by subtracting the liabilities of the fund from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

Taxable-Equivalent Yield: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the six-month period ended April 30, 2003. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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ESA-B-0403D

ITEM 2. CODE OF ETHICS.

Not applicable at this time.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable at this time.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

ITEMS 5-6. [RESERVED]

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not applicable to this registrant.

ITEM 8. [RESERVED]

ITEM 9. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's Disclosure Controls and Procedures are effective, based on their evaluation of such Disclosure Controls and Procedures as of a date within 90 days of the filing of this report on Form N-CSR.

(b) There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of our evaluation.

ITEM 10. EXHIBITS.

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

(a) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable.

(b) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act (17 CFR 270.30a-2) in the exact form set forth below: Attached hereto.

SIGNATURES

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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/ Jessica R. Droeger

Jessica R. Droeger
Vice President and Secretary

Date July 8, 2003

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

By (Signature and Title)* /s/ Gifford R. Zimmerman

Gifford R. Zimmerman
Chief Administrative Officer
(Principal Executive Officer)

Date July 8, 2003

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

Stephen D. Foy
Vice President and Controller
(Principal Financial Officer)

Date July 8, 2003

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