

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-Q
September 29, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT
COMPANY

Investment Company Act file number 811-10345

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

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

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

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

Date of fiscal year end: 10/31

Date of reporting period: 7/31/15

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

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

Item 1. Schedule of Investments

Portfolio of Investments

Nuveen Dividend Advantage Municipal Fund 3

(NZF)

July 31, 2015 (Unaudited)

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 142.6% (100.0% of Total Investments)			
	MUNICIPAL BONDS – 142.0% (99.6% of Total Investments)			
	Alabama – 0.7% (0.5% of Total Investments)			
\$ 3,500	Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006C-2, 5.000%, 11/15/36 (UB)	11/16 at 100.00	AA+	\$ 3,667,685
	Alaska – 0.1% (0.1% of Total Investments)			
1,000	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46	12/15 at 100.00	B	767,830
	Arizona – 1.6% (1.1% of Total Investments)			
2,060	Arizona Health Facilities Authority, Revenue Bonds, Scottsdale Lincoln Hospitals Project, Series 2014A, 5.000%, 12/01/42	12/24 at 100.00	A2	2,233,225
	Arizona State Transportation Board, Highway Revenue Bonds, Tender Option Bond Trust 3151, 13.430%, 7/01/16 (IF)	No Opt. Call	AAA	4,538,396
	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Citigroup Energy Inc	No Opt. Call	A–	2,067,586
	Prepay Contract Obligations, Series 2007, 5.000%, 12/01/37			7,330
	Total Arizona			8,839,207
	California – 13.1% (9.2% of Total Investments)			
	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2009B, 5.500%, 10/01/39	10/19 at 100.00	AA	3,879,230
	California Health Facilities Financing Authority, Revenue Bonds, 2007A, 5.000%,	11/16 at 100.00	AA–	3,010,461

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	11/15/42 (UB) California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Tender Option	5/18 at 100.00	AA-	7,406,875
5,355	Bond Trust 2015-XF0078, 13.492%, 5/15/40 (IF) California, General Obligation Veterans Welfare Bonds, Series 2001BZ, 5.350%, 12/01/21 – NCFG	12/15 at 100.00	AA	20,062
20	Insured (Alternative Minimum Tax) Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Senior Lien Series 2015A, 0.000%, 1/15/34 – AGM Insured	No Opt. Call	AA	1,665,038
3,725	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Refunding Series 2013A: 5.750%, 1/15/46	1/24 at 100.00	BBB-	1,800,146
1,560	6.000%, 1/15/49	1/24 at 100.00	BBB-	1,828,336
1,560	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement	6/25 at 100.00	A+	3,782,707
3,430	Asset-Backed Revenue Bonds, Series 2015A, 5.000%, 6/01/45 Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: 5.000%, 6/01/33	6/17 at 100.00	B	628,965
750	5.125%, 6/01/47	6/17 at 100.00	B	9,277,599
11,865	Grossmont Healthcare District, California, General Obligation Bonds, Series 2011B, 6.125%, 7/15/40 (Pre-refunded 7/15/21)	7/21 at 100.00	Aaa	9,015,149
7,150	Los Angeles Regional Airports Improvement Corporation, California, Lease Revenue Refunding	1/22 at 100.00	A	2,944,288
2,750	Bonds, LAXFUEL Corporation at Los Angeles International Airport, Series 2012, 4.500%, 1/01/27 (Alternative Minimum Tax) Palomar Pomerado Health, California, General Obligation Bonds, Convertible Capital	8/30 at 100.00	A+	11,837,351
12,210	Appreciation, Election 2004 Series 2010A, 0.000%, 8/01/40 Placentia-Yorba Linda Unified School District, Orange County, California, Certificates of Participation, Refunding Series 2011, 0.000%, 10/01/28 – AGM Insured	10/25 at 100.00	AA	4,179,984
3,850	Riverside County Transportation Commission, California, Toll Revenue Senior Lien Bonds,	6/23 at 100.00	BBB-	232,001
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	Series 2013A, 5.750%, 6/01/44 San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series	12/21 at 100.00	BB	4,315,238
3,550	2011, 7.500%, 12/01/41 San Diego Community College District, California, General Obligation Bonds, Tender			
3,000	Option Bond Trust 1005, 13.476%, 8/01/41 (IF) (5) San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue	8/21 at 100.00	AA+	4,158,660
1,025	Bonds, Refunding Senior Lien Series 2014A: 5.000%, 1/15/44	1/25 at 100.00	BBB-	1,086,787
3,160	5.000%, 1/15/50	1/25 at 100.00	BBB-	3,316,294
71,465	Total California Colorado – 4.4% (3.1% of Total Investments)			74,385,171
2,485	Colorado Educational and Cultural Facilities Authority, Revenue Bonds, Montessori Peaks Academy, Series 2006A, 5.400%, 5/01/26	5/16 at 102.00	N/R	2,442,283
5,000	Compark Business Campus Metropolitan District, Colorado, General Obligation Limited Tax Bonds, Series 2007A, 5.600%, 12/01/34 – RAAI Insured Denver, Colorado, Airport System Revenue Bonds, Series 2006:	12/17 at 100.00	AA	5,123,800
5,365	5.000%, 11/15/23 – FGIC Insured	11/16 at 100.00	AA-	5,680,194
3,300	5.000%, 11/15/24 – FGIC Insured	11/16 at 100.00	AA-	3,487,968
4,335	5.000%, 11/15/25 – FGIC Insured Maher Ranch Metropolitan District 4, Colorado, General Obligation Limited Tax Bonds, Series 2007:	11/16 at 100.00	AA-	4,579,017
950	5.125%, 12/01/27 – RAAI Insured	12/17 at 100.00	AA	976,534
2,000	5.250%, 12/01/36 – RAAI Insured	12/17 at 100.00	AA	2,051,660
630	Regional Transportation District, Colorado, Certificates of Participation, Series 2010A, 5.375%, 6/01/31	6/20 at 100.00	Aa3	719,277
24,065	Total Colorado Connecticut – 0.3% (0.2% of Total Investments)			25,060,733
1,500	Connecticut Health and Educational Facilities Authority, Revenue Bonds, Hartford HealthCare, Series 2011A, 5.000%, 7/01/41	7/21 at 100.00	A	1,621,350

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	District of Columbia – 2.7% (1.9% of Total Investments)			
3,390	Metropolitan Washington Airports Authority, District of Columbia, Dulles Toll Road Revenue Bonds, Dulles Metrorail & Capital Improvement Project, Refunding Second Senior Lien Series 2014A, 5.000%, 10/01/53	4/22 at 100.00	BBB+	3,517,634
10,000	Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Senior Lien Refunding Series 2007A, 4.500%, 10/01/30 – AMBAC Insured	10/16 at 100.00	AA+	10,379,500
1,335	Washington Convention Center Authority, District of Columbia, Dedicated Tax Revenue Bonds, Tender Option Bond Trust 1606, 11.856%, 10/01/30 – AMBAC Insured (IF) (5)	10/16 at 100.00	AA+	1,486,963
14,725	Total District of Columbia Florida – 2.6% (1.9% of Total Investments)			15,384,097
5,005	Broward County, Florida, Airport System Revenue Refunding Bonds, Series 2009O, 5.375%, 10/01/29	10/19 at 100.00	A+	5,718,963
2,490	Miami-Dade County, Florida, Subordinate Special Obligation Bonds, Refunding Series 2012B, 5.000%, 10/01/37	10/22 at 100.00	A+	2,719,877
85	Palm Beach County Health Facilities Authority, Florida, Revenue Bonds, Sinai Residences of Boca Raton Project, Series 2014A, 7.250%, 6/01/34	6/22 at 102.00	N/R	96,736
5,455	South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 (UB) (5)	8/17 at 100.00	AA	5,706,639
70	Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible, Capital Appreciation, Series 2012A-2, 0.000%, 5/01/39	5/17 at 100.00	N/R	51,454
200	Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible, Capital Appreciation, Series 2012A-3, 0.000%, 5/01/40	5/19 at 100.00	N/R	119,870
85	Tolomato Community Development District, Florida, Special Assessment Bonds, Convertible,	5/22 at 100.00	N/R	37,753

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	Capital Appreciation, Series 2012A-4, 0.000%, 5/01/40			
110	Tolomato Community Development District, Florida, Special Assessment Bonds, Hope Note, Series	5/18 at 100.00	N/R	1
	2007-3, 6.650%, 5/01/40 (6)			
10	Tolomato Community Development District, Florida, Special Assessment Bonds, Non Performing	5/18 at 100.00	N/R	10,208
	ParcelSeries 2007-1. RMKT, 6.650%, 5/01/40 (6)			
200	Tolomato Community Development District, Florida, Special Assessment Bonds, Refunding Series	5/17 at 100.00	N/R	202,854
	2012A-1, 6.650%, 5/01/40			
295	Tolomato Community Development District, Florida, Special Assessment Bonds, Refunding Series	5/18 at 100.00	N/R	182,272
	2015-1, 0.000%, 5/01/40			
180	Tolomato Community Development District, Florida, Special Assessment Bonds, Refunding Series	5/18 at 100.00	N/R	94,104
	2015-2, 0.000%, 5/01/40			
195	Tolomato Community Development District, Florida, Special Assessment Bonds, Refunding Series	5/18 at 100.00	N/R	2
	2015-3, 6.610%, 5/01/40			
14,380	Total Florida			14,940,733
	Georgia – 3.5% (2.4% of Total Investments)			
15,295	Atlanta, Georgia, Airport General Revenue Bonds, Refunding Series 2010C, 5.250%, 1/01/30	1/21 at 100.00	Aa3	17,563,401
2,000	Fulton County Residential Care Facilities Elderly Authority, Georgia, First Mortgage Revenue	7/17 at 100.00	N/R	2,009,040
	Bonds, Lenbrook Project, Series 2006A, 5.125%, 7/01/42			
17,295	Total Georgia			19,572,441
	Guam – 0.2% (0.1% of Total Investments)			
810	Guam Waterworks Authority, Water and Wastewater System Revenue Bonds, Series 2013,	7/23 at 100.00	A–	916,961
	5.500%, 7/01/43			
	Illinois – 14.2% (10.0% of Total Investments)			
3,200	Chicago Transit Authority, Illinois, Sales Tax Receipts Revenue Bonds, Series 2011,	12/21 at 100.00	AA	3,370,400
	5.250%, 12/01/40			
3,780	Chicago, Illinois, General Airport Revenue Bonds, O’Hare International Airport, Third Lien	1/16 at 100.00	AA–	3,840,291
	Series 2005A, 5.000%, 1/01/33 – FGIC Insured			
4,855		1/22 at 100.00	AAA	4,972,491

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	Chicago, Illinois, Sales Tax Revenue Bonds, Series 2011A, 5.000%, 1/01/41			
2,220	Chicago, Illinois, Wastewater Transmission Revenue Bonds, Second Lien Series 2001A, 5.500%, 1/01/16 – NPPG Insured	No Opt. Call	AA–	2,260,004
11,175	Cook County, Illinois, General Obligation Bonds, Refunding Series 2010A, 5.250%, 11/15/33	11/20 at 100.00	AA	12,019,495
1,000	Illinois Finance Authority, Revenue Bonds, Advocate Health Care Network, Series 2012, 5.000%, 6/01/42	No Opt. Call	AA	1,080,950
5,810	Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37 (Pre-refunded 8/01/17)	8/17 at 100.00	N/R (4)	6,369,387
4,125	Illinois Finance Authority, Revenue Bonds, University of Chicago, Series 2012A, 5.000%, 10/01/51	10/21 at 100.00	AA+	4,396,384
1,600	Illinois State, General Obligation Bonds, February Series 2014: 5.250%, 2/01/32	2/24 at 100.00	A–	1,664,496
1,000	5.250%, 2/01/33	2/24 at 100.00	A–	1,037,470
1,130	5.250%, 2/01/34	2/24 at 100.00	A–	1,169,132
1,000	5.000%, 2/01/39	2/24 at 100.00	A–	1,006,190
6,000	Illinois State, General Obligation Bonds, Series 2004A, 5.000%, 3/01/28	9/15 at 100.00	A–	6,019,440
560	Illinois Toll Highway Authority, Toll Highway Revenue Bonds, Tender Option Bond Trust 2015-XF0051, 17.772%, 1/01/21 (IF)	No Opt. Call	AA–	784,045
7,000	Lombard Public Facilities Corporation, Illinois, First Tier Conference Center and Hotel Revenue Bonds, Series 2005A-1, 7.125%, 1/01/36 (7)	1/16 at 100.00	N/R	3,356,500
12,000	Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Refunding Bonds, Series 2010A, 5.500%, 6/15/50	6/20 at 100.00	BBB+	12,707,400
45,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Capital Appreciation Refunding Series 2010B-1, 0.000%, 6/15/43 – AGM Insured	No Opt. Call	AA	11,253,600
2,825	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 1998A, 5.500%, 6/15/29 – FGIC Insured	No Opt. Call	AA–	3,207,053
114,280	Total Illinois Indiana – 10.0% (7.0% of Total Investments)			80,514,728
4,230			Aa3	4,246,582

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	Indiana Finance Authority, Educational Facilities Revenue Bonds, Tudor Park Foundation, Series 2005B, 5.000%, 6/01/24	12/15 at 100.00		
9,300	Indiana Finance Authority, Hospital Revenue Bonds, Major Hospital Project, Series 2014A, 5.000%, 10/01/44	10/23 at 100.00	BBB+	9,714,501
5,370	Indiana Finance Authority, Private Activity Bonds, Ohio River Bridges East End Crossing Project, Series 2013A, 5.250%, 1/01/51 (Alternative Minimum Tax)	7/23 at 100.00	BBB	5,683,178
2,680	Indiana Finance Authority, Tax-Exempt Private Activity Revenue Bonds, I-69 Section 5 Project, Series 2014: 5.250%, 9/01/40 (Alternative Minimum Tax)	9/24 at 100.00	BBB	2,869,690
6,185	5.000%, 9/01/46 (Alternative Minimum Tax)	9/24 at 100.00	BBB	6,507,486
6,700	Indiana Finance Authority, Wastewater Utility Revenue Bonds, CWA Authority Project, Series 2011B, 5.000%, 10/01/41	10/21 at 100.00	AA-	7,326,651
13,000	Indiana Finance Authority, Water Utility Revenue Bonds, Citizens Energy Group Project, First Lien Series 2014A, 5.000%, 10/01/44	10/24 at 100.00	A+	14,313,650
830	Valparaiso, Indiana, Exempt Facilities Revenue Bonds, Pratt Paper LLC Project, Series 2013, 7.000%, 1/01/44 (Alternative Minimum Tax)	1/24 at 100.00	N/R	1,008,409
2,500	Vigo County Hospital Authority, Indiana, Revenue Bonds, Union Hospital, Series 2007: 5.750%, 9/01/42	9/17 at 100.00	N/R	2,595,650
2,500	5.800%, 9/01/47	9/17 at 100.00	N/R	2,598,125
53,295	Total Indiana			56,863,922
	Iowa – 0.2% (0.2% of Total Investments)			
	Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C:			
525	5.500%, 6/01/42	12/15 at 100.00	B+	459,596
1,000	5.625%, 6/01/46	12/15 at 100.00	B+	878,040
1,525	Total Iowa			1,337,636
	Kansas – 0.4% (0.3% of Total Investments)			
	Manhattan Health Care Facility Revenue Bonds, Kansas, Meadowlarks Hills Retirement, Series 2007B:			
1,000	5.125%, 5/15/37	5/16 at 101.00	N/R	1,005,220
1,000	5.125%, 5/15/42	5/16 at 101.00	N/R	1,004,370
2,000	Total Kansas			2,009,590
	Kentucky – 2.5% (1.7% of Total Investments)			
1,000		6/18 at 100.00	AA	1,062,100

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	Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Louisville Arena Authority, Inc., Series 2008-A1, 6.000%, 12/01/42 – AGC Insured			
1,335	0.000%, 7/01/43	7/31 at 100.00	Baa3	931,269
2,295	0.000%, 7/01/46	7/31 at 100.00	Baa3	1,600,556
	Kentucky Public Transportation Infrastructure Authority, First Tier Toll Revenue Bonds, Downtown Crossing Project, Convertible Capital Appreciation Series 2013C:			
3,080	5.750%, 7/01/49	7/23 at 100.00	Baa3	3,447,536
615	6.000%, 7/01/53	7/23 at 100.00	Baa3	699,452
	Lexington-Fayette Urban County Government Public Facilities Corporation, Kentucky State Lease			
5,400		6/21 at 100.00	Aa3	6,110,370
	Revenue Bonds, Eastern State Hospital Project, Series 2011A, 5.250%, 6/01/29			
215	Warren County, Kentucky, Hospital Revenue Bonds, Bowling Green-Warren County Community	10/22 at 100.00	A+	220,586
13,940	Hospital Corporation, Series 2012A, 4.000%, 10/01/29			14,071,869
	Total Kentucky Louisiana – 5.2% (3.6% of Total Investments)			
2,000	Jefferson Parish Hospital Service District 2, Louisiana, Hospital Revenue Bonds, East Jefferson General Hospital, Refunding Series 2011, 6.375%, 7/01/41	7/21 at 100.00	BB	2,277,900
3,000	Louisiana Local Government Environmental Facilities & Community Development Authority, Revenue Bonds, Westlake Chemical Corporation Project, Series 2007, 6.750%, 11/01/32	11/17 at 100.00	BBB+	3,305,580
3,700	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47	5/17 at 100.00	Baa1	3,915,784
4,425	Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2011, 6.750%, 5/15/41	5/21 at 100.00	Baa1	5,186,321
5,855	Louisiana Stadium and Exposition District, Revenue Refunding Bonds, Senior Lien Series 2013A, 5.000%, 7/01/36	7/23 at 100.00	A	6,436,284
5,100	New Orleans Aviation Board, Louisiana, Revenue Bonds, North Terminal Project, Series 2015B, 5.000%, 1/01/45 (Alternative Minimum Tax)	1/25 at 100.00	A–	5,459,499

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	New Orleans, Louisiana, Sewerage Service Revenue Bonds, Refunding Series 2014, 5.000%, 6/01/44	6/24 at 100.00	A	2,790,554
2,560				
26,640	Total Louisiana			29,371,922
	Maryland – 0.5% (0.3% of Total Investments)			
	Howard County, Maryland, Retirement Community Revenue Bonds, Vantage House, Series 2007B, 5.250%, 4/01/37	4/17 at 100.00	N/R	967,880
1,000				
	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference	12/16 at 100.00	N/R	1,120,000
2,000				
	Center, Series 2006A, 5.000%, 12/01/31 (6)			
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge	7/17 at 100.00	A–	563,869
555				
	Retirement Community, Series 2007, 4.750%, 7/01/34			
3,555	Total Maryland			2,651,749
	Massachusetts – 4.1% (2.9% of Total Investments)			
	Massachusetts Development Finance Agency, Revenue Bonds, Boston Medical Center Issue, Green	No Opt. Call	BBB	502,978
475				
	Bonds, Series 2015D, 5.000%, 7/01/44			
	Massachusetts Development Finance Agency, Revenue Bonds, Emerson College, Series 2015, 4.500%, 1/01/45	1/25 at 100.00	BBB+	1,505,343
1,525				
	Massachusetts Development Finance Agency, Revenue Bonds, Orchard Cove, Series 2007, 5.250%, 10/01/26	10/15 at 101.00	N/R	1,389,671
1,375				
	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Milton Hospital	10/15 at 100.00	BB+ (4)	1,000,860
1,000				
	Project, Series 2005D, 5.250%, 7/01/30 (Pre-refunded 10/02/15)			
	Massachusetts Health and Educational Facilities Authority, Revenue Refunding Bonds, Suffolk	7/19 at 100.00	BBB	1,793,152
1,600				
	University Issue, Series 2009A, 5.750%, 7/01/39			
	Massachusetts Port Authority, Special Facilities Revenue Bonds, ConRac Project, Series 2011A, 5.125%, 7/01/41	7/21 at 100.00	A	435,792
400				
	Massachusetts Port Authority, Special Facilities Revenue Bonds, Delta Air Lines Inc., Series 2001A, 5.500%, 1/01/18 – AMBAC Insured (Alternative Minimum Tax)	1/16 at 100.00	N/R	5,018,100
5,000				
	Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007A,	2/17 at 100.00	AA+	3,523,559
3,465				

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	4.500%, 8/01/46 – AGM Insured (UB) (5) Metropolitan Boston Transit Parking Corporation, Massachusetts, Systemwide Senior Lien Parking	7/21 at 100.00	A+	7,975,013
7,175	Revenue Bonds, Series 2011, 5.000%, 7/01/41			
22,015	Total Massachusetts Michigan – 6.9% (4.8% of Total Investments)			23,144,468
	Detroit City School District, Wayne County, Michigan, Unlimited Tax School Building and Site	No Opt. Call	Aa1	17,955,900
15,000	Improvement Bonds, Series 2001A, 6.000%, 5/01/29 – AGM Insured (UB) Detroit Water and Sewerage Department, Michigan, Sewage Disposal System Revenue Bonds,	7/22 at 100.00	BBB+	736,913
690	Refunding Senior Lien Series 2012A, 5.250%, 7/01/39 Garden City Hospital Finance Authority, Michigan, Revenue Bonds, Garden City Hospital	8/17 at 100.00	N/R (4)	2,175,620
2,000	Obligated Group, Series 2007A, 5.000%, 8/15/38 (Pre-refunded 8/15/17) Grand Traverse County Hospital Financial Authority, Michigan, Revenue Bonds, Munson Healthcare, Series 2014A, 5.000%, 7/01/47	No Opt. Call	AA–	2,143,260
2,000	Lansing Board of Water and Light, Michigan, Utility System Revenue Bonds, Series 2011A, 5.500%, 7/01/41	7/21 at 100.00	AA–	4,204,889
3,580	Michigan Finance Authority, Revenue Bonds, Trinity Health Credit Group, Refunding Series 2011, 5.000%, 12/01/39	12/21 at 100.00	AA	5,503,000
5,000	Michigan State Building Authority, Revenue Bonds, Facilities Program, Refunding Series 2011-I-A, 5.375%, 10/15/41	10/21 at 100.00	Aa2	2,581,920
2,250	Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31	12/16 at 100.00	AA	3,012,433
2,865	Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 (Pre-refunded 12/01/16)	12/16 at 100.00	Aa2 (4)	694,169
655	Total Michigan Minnesota – 1.2% (0.8% of Total Investments)			39,008,104
34,040	Dakota County Community Development Agency, Minnesota, GNMA Collateralized Multifamily	10/15 at 101.00	Aa1	2,104,496
2,060				

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	Housing Revenue Bonds, Rose Apartments Project, Series 2001, 6.350%, 10/20/37 (Alternative Minimum Tax)			
3,000	Minnesota State, General Obligation Bonds, Various Purpose, Refunding Series 2010D, 5.000%, 8/01/18	No Opt. Call	AA+	3,362,760
1,375	Saint Paul Port Authority, Minnesota, Lease Revenue Bonds, Regions Hospital Parking Ramp	8/16 at 100.00	N/R	1,379,716
6,435	Project, Series 2007-1, 5.000%, 8/01/36			6,846,972
	Total Minnesota			
	Mississippi – 0.4% (0.3% of Total Investments)			
2,050	Mississippi Business Finance Corporation, GNMA Collateralized Retirement Facility Mortgage	11/15 at 100.00	AA+	2,057,954
	Revenue Refunding Bonds, Aldersgate Retirement Community Inc. Project, Series 1999A, 5.450%, 5/20/34			
	Missouri – 3.1% (2.2% of Total Investments)			
1,495	Cape Girardeau County Industrial Development Authority, Missouri, Health Facilities Revenue Bonds, Southeast Missouri Hospital Association, Series 2007, 5.000%, 6/01/36	6/17 at 100.00	B	1,351,331
	Clinton County Industrial Development Authority, Missouri, Revenue Bonds, Cameron Regional	12/17 at 100.00	N/R	1,008,910
1,000	Medical Center, Series 2007, 5.000%, 12/01/32			
	Missouri Health and Educational Facilities Authority, Revenue Bonds, Washington University, Series 2011B, 5.000%, 11/15/37	11/21 at 100.00	AAA	2,828,875
2,500	Missouri Joint Municipal Electric Utility Commission, Power Project Revenue Bonds, Iatan 2	1/16 at 100.00	AA+ (4)	12,348,674
12,105	Project Series 2006A, 5.000%, 1/01/34 (Pre-refunded 1/01/16) – AMBAC Insured			
17,100	Total Missouri			17,537,790
	Nebraska – 1.0% (0.7% of Total Investments)			
1,175	Douglas County Hospital Authority 3, Nebraska, Health Facilities Revenue Bonds, Nebraska	11/25 at 100.00	A–	1,268,319
	Methodist Health System, Refunding Series 2015, 5.000%, 11/01/48			
	Omaha Public Power District, Nebraska, Electric System Revenue Bonds, Refunding Subordinated	2/24 at 100.00	AA–	2,812,890
2,765	Lien Series 2014CC, 4.000%, 2/01/38			
1,005	Omaha Public Power District, Nebraska, Separate Electric System Revenue Bonds,	2/17 at 100.00	AA+	1,702,148

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	Nebraska City			
	2, Tender Option Bond Trust 11673, 20.534%, 8/01/40 – AMBAC Insured (IF)			
4,945	Total Nebraska			5,783,357
	Nevada – 5.4% (3.8% of Total Investments)			
	Clark County, Nevada, Airport Revenue Bonds, Subordinate Lien Series 2010B, 5.750%, 7/01/42			
10,000		1/20 at 100.00	A+	11,632,700
	Clark County, Nevada, Passenger Facility Charge Revenue Bonds, Las Vegas-McCarran International Airport, Series 2010A, 5.250%, 7/01/42			
6,935		1/20 at 100.00	A+	7,770,806
	Las Vegas Valley Water District, Nevada, General Obligation Bonds, Water & Refunding Series 2011C, 5.000%, 6/01/38			
10,000		6/21 at 100.00	AA+	11,115,800
26,935	Total Nevada			30,519,306
	New Jersey – 4.2% (2.9% of Total Investments)			
	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Capital Appreciation Series 2010A, 0.000%, 12/15/33			
12,395		No Opt. Call	A–	4,603,131
	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/33 – AGM Insured			
20,000		No Opt. Call	AA	8,329,400
	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2012AA, 5.000%, 6/15/38			
5,000		No Opt. Call	A–	5,131,250
	Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 4.750%, 6/01/34			
7,670		6/17 at 100.00	B–	5,730,180
45,065	Total New Jersey			23,793,961
	New York – 7.9% (5.5% of Total Investments)			
	Albany Industrial Development Agency, New York, Revenue Bonds, Brighter Choice Charter Schools, Series 2007A, 5.000%, 4/01/32			
900		4/17 at 100.00	B	773,595
	Brooklyn Arena Local Development Corporation, New York, Payment in Lieu of Taxes Revenue Bonds, Barclays Center Project, Series 2009: 6.000%, 7/15/30			
1,275		1/20 at 100.00	BBB–	1,462,616
3,400		No Opt. Call	BBB–	835,822
	Dormitory Authority of the State of New York, Revenue Bonds, New School University, Series 2015A, 5.000%, 7/01/50			
3,170		7/25 at 100.00	A–	3,465,317
	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, General			
4,675		3/21 at 100.00	AAA	5,295,326

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2,100	Purpose Series 2011C, 5.000%, 3/15/41 Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Senior Fiscal 2012 Series	2/21 at 100.00	A	2,393,517
3,000	2011A, 5.750%, 2/15/47 Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2006C, 5.000%, 9/01/35 – NPMG Insured	9/16 at 100.00	AA-	3,118,740
1,200	Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2011A, 5.000%, 5/01/36 – AGM Insured	5/21 at 100.00	AA	1,325,832
6,000	Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2012A, 5.000%, 9/01/42	9/22 at 100.00	A-	6,470,340
750	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2011A, 5.000%, 11/15/41	11/21 at 100.00	AA-	834,308
8,000	New York City Industrial Development Agency, New York, American Airlines-JFK International Airport Special Facility Revenue Bonds, Series 2005, 7.750%, 8/01/31 (Alternative Minimum Tax)	8/16 at 101.00	N/R	8,527,840
3,125	New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Second Generation Resolution, Fiscal 2011 Series EE, 5.375%, 6/15/43	12/20 at 100.00	AA+	3,657,281
10	New York City, New York, General Obligation Bonds, Fiscal Series 2002G, 5.625%, 8/01/20 – NPMG Insured	8/15 at 100.00	AA	10,045
2,920	New York Liberty Development Corporation, New York, Liberty Revenue Bonds, 3 World Trade Center Project, Class 1 Series 2014, 5.000%, 11/15/44	11/24 at 100.00	N/R	2,948,090
3,000	New York State Power Authority, General Revenue Bonds, Series 2011A, 5.000%, 11/15/38	11/21 at 100.00	Aa1	3,342,330
43,525	Total New York North Carolina – 0.6% (0.4% of Total Investments)			44,460,999
1,710	Charlotte-Mecklenburg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008, Trust 1149, 15.199%, 7/15/32 (IF) (5)	1/18 at 100.00	AA-	1,956,889
1,200		1/17 at 100.00	AA-	1,255,272

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	Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care System Revenue Bonds, Carolinas Health Care, Series 2007A, 5.000%, 1/15/31			
2,910	Total North Carolina			3,212,161
	Ohio – 2.8% (2.0% of Total Investments)			
	Allen County, Ohio, Hospital Facilities Revenue Bonds, Catholic Health Partners, Refunding and	5/22 at 100.00	AA–	863,560
800	Improvement Series 2012A, 5.000%, 5/01/42 Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:			
5,735	5.125%, 6/01/24	6/17 at 100.00	B–	4,772,896
710	5.875%, 6/01/30	6/17 at 100.00	B–	587,802
3,705	5.750%, 6/01/34	6/17 at 100.00	B–	2,957,850
670	5.875%, 6/01/47	6/17 at 100.00	B	539,022
	Franklin County, Ohio, Hospital Revenue Bonds, OhioHealth Corporation, Series 2011A, 5.000%, 11/15/41	11/21 at 100.00	AA+	6,390,208
5,800				
17,420	Total Ohio			16,111,338
	Oklahoma – 2.2% (1.6% of Total Investments)			
	Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007:			
4,440	5.000%, 2/15/37	2/17 at 100.00	AA	4,602,415
1,120	5.000%, 2/15/42	2/17 at 100.00	AA	1,158,909
	Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007:			
100	5.000%, 2/15/37 (Pre-refunded 2/15/17)	2/17 at 100.00	N/R (4)	106,766
25	5.000%, 2/15/42 (Pre-refunded 2/15/17)	2/17 at 100.00	N/R (4)	26,692
	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health	12/16 at 100.00	AA+	6,629,140
6,305	System, Series 2006, 5.000%, 12/15/36 (UB)			
	Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health	12/16 at 100.00	AA+	96,225
88	System, tender option Bond Trust 3500, 8.546%, 6/15/30 (IF)			
12,078	Total Oklahoma			12,620,147
	Pennsylvania – 1.0% (0.7% of Total Investments)			
	Bucks County Industrial Development Authority, Pennsylvania, Charter School Revenue Bonds,	3/17 at 100.00	BBB–	502,055
500	School Lane Charter School, Series 2007A, 5.000%, 3/15/37			

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2,560	Montgomery County Industrial Development Authority, Pennsylvania, Health System Revenue Bonds, Albert Einstein Healthcare Network Issue, Series 2015A, 5.250%, 1/15/45	1/25 at 100.00	Baa2	2,705,485
2,206	Northampton County Industrial Development Authority, Pennsylvania, Recovery Revenue Bonds, Northampton Generating Project, Senior Lien Series 2013A0 & AE2, 5.000%, 12/01/23	10/15 at 100.00	N/R	1,993,820
42	Northampton County Industrial Development Authority, Pennsylvania, Recovery Revenue Bonds, Northampton Generating Project, Senior Lien Taxable Series 2013B, 5.000%, 12/31/23	10/15 at 100.00	N/R	42,361
135	Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds, National Gypsum Company, Refunding Series 2014, 5.500%, 11/01/44 (Alternative Minimum Tax)	11/24 at 100.00	N/R	138,141
5,443	Total Pennsylvania South Carolina – 4.5% (3.1% of Total Investments)			5,381,862
10,600	Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2006, 5.000%, 12/01/24	12/16 at 100.00	AA	11,212,571
6,930	South Carolina Public Service Authority, Santee Cooper Revenue Obligations, Refunding Series 2014C, 5.000%, 12/01/46	12/24 at 100.00	AA–	7,564,927
5,700	South Carolina Public Service Authority, Santee Cooper Revenue Obligations, Series 2014A, 5.500%, 12/01/54	6/24 at 100.00	AA–	6,398,307
23,230	Total South Carolina South Dakota – 0.1% (0.1% of Total Investments)			25,175,805
760	South Dakota Health and Educational Facilities Authority, Revenue Bonds, Sanford Health, Series 2014B, 5.000%, 11/01/44	11/24 at 100.00	A+	821,590
5,065	Tennessee – 2.0% (1.4% of Total Investments) Chattanooga Health, Educational and Housing Facility Board, Tennessee, Hospital Revenue Bonds, Catholic Health Initiatives, Series 2013A, 5.250%, 1/01/45	1/23 at 100.00	A+	5,510,062
2,395	Chattanooga-Hamilton County Hospital Authority, Tennessee, Hospital Revenue Bonds, Erlanger	10/24 at 100.00	Baa2	2,532,856

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	Health System, Refunding Series 2014A, 5.000%, 10/01/44			
1,595	Harpeth Valley Utilities District, Davidson and Williamson Counties, Tennessee, Utilities Revenue Bonds, Series 2012A, 4.000%, 9/01/42	9/22 at 100.00	AA	1,646,630
3,680	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant Health, Series 2006, 0.000%, 1/01/41	1/17 at 30.07	A	1,013,362
415	Sullivan County Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds, Wellmont Health System, Series 2006C, 5.250%, 9/01/36	9/16 at 100.00	BBB+	429,786
13,150	Total Tennessee Texas – 20.6% (14.5% of Total Investments) Board of Regents, University of Texas System, Financing System Revenue Bonds, Refunding Series			11,132,696
5,495	2006F, 4.250%, 8/15/36	2/17 at 100.00	AAA	5,578,414
2,700	Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2011, 6.250%, 1/01/46	1/21 at 100.00	BBB	3,115,908
4,500	Colorado River Municipal Water District, Texas, Water System Revenue Bonds, Series 2011, 5.000%, 1/01/36	1/21 at 100.00	AA–	5,008,140
1,140	Grand Parkway Transportation Corporation, Texas, System Toll Revenue Bonds, Tender Option Bond	10/23 at 100.00	AA+	1,530,667
1,935	Trust 2015-XF0228, 17.950%, 4/01/53 (IF) Harris County Cultural Education Facilities Finance Corporation, Texas, Revenue Bonds, Houston	6/25 at 100.00	AA	2,142,374
	Methodist Hospital System, Series 2015, 5.000%, 12/01/45 (WI/DD, Settling 8/06/15) Harris County-Houston Sports Authority, Texas, Revenue Bonds, Capital Appreciation Refunding Senior Lien Series 2014A:			
295	0.000%, 11/15/41 – AGM Insured	11/31 at 62.66	AA	86,025
590	0.000%, 11/15/42 – AGM Insured	11/31 at 59.73	AA	163,041
1,000	0.000%, 11/15/43 – AGM Insured	11/31 at 56.93	AA	266,060
2,000	0.000%, 11/15/44 – AGM Insured	11/31 at 54.25	AA	495,540
2,600	0.000%, 11/15/45 – AGM Insured	11/31 at 51.48	AA	613,496
235	Houston, Texas, Airport System Special Facilities Revenue Bonds, United Airlines, Inc. Terminal E Project, Refunding Series 2014, 5.000%, 7/01/29	7/24 at 100.00	BB–	246,358
10,000			AA	11,183,600

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	Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2011D, 5.000%, 11/15/40	11/21 at 100.00		
705	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Facilities Department, Refunding Series 2011B, 5.250%, 9/01/27	9/16 at 100.00	A2	736,676
4,260	Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Facilities Department, Refunding Series 2011B, 5.250%, 9/01/27 (Pre-refunded 9/01/16)	9/16 at 100.00	N/R (4)	4,484,246
6,000	Houston, Texas, Water and Sewerage System Revenue Bonds, Refunding Junior Lien Series 2001B, 5.500%, 12/01/29 – NPMG Insured (ETM)	No Opt. Call	AA+ (4)	7,922,460
14,200	Hutto Independent School District, Williamson County, Texas, General Obligation Bonds, Series 2007A, 4.750%, 8/01/43 (UB)	8/16 at 100.00	AAA	14,683,084
8,000	Lower Colorado River Authority, Texas, Transmission Contract Revenue Bonds, LCRA Services Corporation Project, Refunding & Improvement Series 2010, 5.000%, 5/15/40	5/20 at 100.00	A1	8,727,120
1,750	Martin County Hospital District, Texas, Combination Limited Tax and Revenue Bonds, Series 2011A, 7.250%, 4/01/36	4/21 at 100.00	BBB	1,937,058
2,505	Matagorda County Navigation District 1, Texas, Collateralized Revenue Refunding Bonds, Houston Light and Power Company, Series 1997, 5.125%, 11/01/28 – AMBAC Insured (Alternative Minimum Tax)	No Opt. Call	A1	2,945,154
4,370	North Texas Tollway Authority, Special Projects System Revenue Bonds, Series 2011A: 0.000%, 9/01/43	9/31 at 100.00	AA+	3,970,932
9,130	North Texas Tollway Authority, System Revenue Bonds, Refunding Second Tier, Series 2008F, 5.750%, 1/01/38 (Pre-refunded 1/01/18)	9/31 at 100.00	AA+	9,119,774
5,965	North Texas Tollway Authority, System Revenue Bonds, Refunding Second Tier, Series 2015A, 5.000%, 1/01/35	1/18 at 100.00	A2 (4)	6,658,849
885	Southwest Higher Education Authority Inc, Texas, Revenue Bonds, Southern Methodist	1/25 at 100.00	A2	969,854
3,500	Southwest Higher Education Authority Inc, Texas, Revenue Bonds, Southern Methodist	10/20 at 100.00	AA-	3,990,245

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	University, Series 2010, 5.000%, 10/01/41 Tarrant County Cultural Education Facilities Finance Corporation, Texas, Revenue Bonds, Texas	2/17 at 100.00	AA	8,022,014
7,700	Health Resources, Series 2007A, 5.000%, 2/15/36 (UB) Texas Municipal Gas Acquisition and Supply Corporation III, Gas Supply Revenue Bonds, Series	No Opt. Call	A3	467,690
435	2012, 5.000%, 12/15/32 Texas Transportation Commission, Central Texas Turnpike System Revenue Bonds, First Tier	8/22 at 100.00	A-	1,807,707
1,665	Refunding Series 2012A, 5.000%, 8/15/41 Texas Transportation Commission, Central Texas Turnpike System Revenue Bonds, First Tier	8/24 at 100.00	A-	1,728,934
1,565	Refunding Series 2015B, 5.000%, 8/15/37 Texas Transportation Commission, Central Texas Turnpike System Revenue Bonds, Second Tier	8/24 at 100.00	BBB+	8,168,586
7,625	Refunding Series 2015C, 5.000%, 8/15/42 Total Texas			116,770,006
112,750	Utah – 1.1% (0.8% of Total Investments) Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001E:			
220	5.200%, 1/01/18 (Alternative Minimum Tax)	1/16 at 100.00	AA-	220,422
155	5.500%, 1/01/23 (Alternative Minimum Tax)	1/16 at 100.00	Aaa	155,313
	Utah Housing Corporation, Single Family Mortgage Bonds, Series 2001F-1:			
370	4.950%, 7/01/18 (Alternative Minimum Tax)	1/16 at 100.00	AA-	370,881
215	5.300%, 7/01/23 (Alternative Minimum Tax)	1/16 at 100.00	Aaa	215,398
	Utah Transit Authority, Sales Tax Revenue and Refunding Bonds, Series 2012, 5.000%, 6/15/42	6/22 at 100.00	A+	5,396,126
4,935	Total Utah			6,358,140
5,895	Vermont – 1.6% (1.1% of Total Investments) University of Vermont and State Agricultural College, Revenue Bonds, Series 2005, 5.000%, 10/01/35 (Pre-refunded 10/01/15) – NPMG Insured	10/15 at 100.00	AA- (4)	9,073,170
9,000	Virginia – 0.1% (0.1% of Total Investments) Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr	12/15 at 100.00	N/R	814,330
1,000	Village, Series 2005, 5.375%, 12/01/28 Washington – 6.0% (4.2% of Total Investments) Energy Northwest, Washington, Electric Revenue Bonds, Columbia Generating Station, Refunding	7/25 at 100.00	Aa1	6,889,380
6,000				

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2,500	Series 2015A, 5.000%, 7/01/38 (UB) (5) King County, Washington, Sewer Revenue Bonds, Series 2009, 5.250%, 1/01/42	1/19 at 100.00	AA+	2,771,375
10,000	Washington Health Care Facilities Authority, Revenue Bonds, Catholic Health, Series 2011A, 5.000%, 2/01/41	2/21 at 100.00	A+	10,721,297
10,105	Washington Health Care Facilities Authority, Revenue Bonds, Central Washington Health Services Association, Refunding Series 2015, 4.000%, 7/01/36	7/25 at 100.00	Baa1	9,736,572
3,410	Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research Center, Series 2011A, 5.625%, 1/01/35	1/21 at 100.00	A	3,779,712
32,015	Total Washington Wisconsin – 3.0% (2.1% of Total Investments)			33,898,336
235	Public Finance Authority of Wisconsin, Exempt Facilities Revenue Bonds, National Gypsum Company Project, Refunding Series 2014, 5.250%, 4/01/30 (Alternative Minimum Tax)	11/24 at 100.00	N/R	239,465
1,000	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Charity HealthCare Ministry, Series 2007, 5.000%, 9/01/33	9/17 at 100.00	BBB+	1,031,990
10,000	Wisconsin Health and Educational Facilities Authority, Wisconsin, Revenue Bonds, ThedaCare Inc, Series 2015, 5.000%, 12/15/44	12/24 at 100.00	AA–	10,852,100
4,275	Wisconsin State, General Fund Annual Appropriation Revenue Bonds, Refunding Series 2009A, 6.000%, 5/01/36	5/19 at 100.00	AA–	4,959,727
15,510	Total Wisconsin			17,083,282
\$ 824,576	Total Municipal Bonds (cost \$748,841,108)			803,583,398

Principal
Amount

(000)	Description (1)	Coupon	Maturity	Ratings (3)	Value
	CORPORATE BONDS – 0.0% (0.0% of Total Investments)				
	Transportation – 0.0% (0.0% of Total Investments)				
\$ 45	(8), (9) Las Vegas Monorail Company, Senior Interest Bonds,	5.500%	7/15/19	N/R	\$ 8,132
12	(8), (9) Las Vegas Monorail Company, Senior Interest Bonds,	5.500%	7/15/55	N/R	1,607
\$ 57	Total Corporate Bonds (cost \$5,125)				9,739

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Shares	Description (1), (10)	Value
	INVESTMENT COMPANIES – 0.6% (0.4% of Total Investments)	
6,266	BlackRock MuniHoldings Fund Inc.	\$ 101,635
131,278	Deutsche Municipal Income Trust	1,672,482
26,880	Dreyfus Strategic Municipal Fund	217,459
43,020	Invesco VK Investment Grade Municipal Trust	551,086
30,000	Invesco VK Municipal Opportunity Trust	378,000
43,420	PIMCO Municipal Income Fund II	514,527
	Total Investment Companies (cost \$3,325,133)	3,435,189
	Total Long-Term Investments (cost \$752,171,366)	807,028,326
	Floating Rate Obligations – (7.3)%	(41,452,000)
	Institutional MuniFund Term Preferred Shares, at Liquidation Value – (26.5)% (11)	(150,000,000)
	Variable Rate MuniFund Term Preferred Shares, at Liquidation Value – (14.3)% (11)	(81,000,000)
	Other Assets Less Liabilities – 5.5%	31,373,650
	Net Assets Applicable to Common Shares – 100%	\$ 565,949,976

Fair Value Measurements

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Municipal Bonds	\$ —	\$803,583,398	\$ —	\$803,583,398
Corporate Bonds	—	—	9,739	9,739
Investment Companies	3,435,189	—	—	3,435,189
Total	\$3,435,189	\$803,583,398	\$9,739	\$807,028,326

Income Tax Information

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

As of July 31, 2015, the cost of investments was \$709,497,099.

Gross unrealized appreciation and gross unrealized depreciation of investments as of July 31, 2015, were as follows:

Gross unrealized:	
Appreciation	\$65,571,909
Depreciation	(9,486,095)
Net unrealized appreciation (depreciation) of investments	\$56,085,814

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities,
- (4) which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
As of, or subsequent to, the end of the reporting period this security is non-income producing.
- (6) Non-income producing, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has ceased accruing additional income on the Fund's records.
On January 7, 2015, the Fund's Adviser determined it was unlikely that this borrower would fulfill its
- (7) entire obligation on this security, and therefore reduced the security's interest rate of accrual from 7.125% to 5.700%.
- (8) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board. For fair value measurement disclosure purposes, investment classified as Level 3.

- (9) During January 2010, Las Vegas Monorail Company (“Las Vegas Monorail”) filed for federal bankruptcy protection. During March 2012, Las Vegas Monorail emerged from federal bankruptcy with the acceptance of a reorganization plan assigned by the Federal Bankruptcy Court. Under the reorganization plan, the Fund surrendered its Las Vegas Monorail Project Revenue Bonds, First Tier, Series 2000 and in turn received two senior interest corporate bonds: the first with an annual coupon rate of 5.500% maturing on July 15, 2019 and the second with an annual coupon rate of 3.000% (5.500% after December 31, 2015) maturing on July 15, 2055. The Fund’s custodian is not accruing income on the Fund’s records for either senior interest corporate bond.
- (10) A copy of the most recent financial statements for these investment companies can be obtained directly from the Securities and Exchange Commission on its website at <http://www.sec.gov>.
- (11) Institutional MuniFund Term Preferred Shares and Variable Rate MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments are 18.6% and 10.0%, respectively.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction.
- (WI/DD) Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
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Item 2. Controls and Procedures.

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

Item 3. Exhibits.

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Dividend Advantage Municipal Fund 3

By
(Signature /s/ Kevin J. McCarthy
and Title)
Kevin J. McCarthy
Vice President and Secretary

Date: September 29, 2015

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

Date: September 29, 2015

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

Date: September 29, 2015