

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3

Form N-PX

August 26, 2010

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## FORM N-PX

**ANNUAL REPORT OF PROXY VOTING RECORD OF  
REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-10345

**Nuveen Dividend Advantage Municipal Fund 3**

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(Exact name of registrant as specified in charter)

**333 West Wacker Drive, Chicago, Illinois 60606**

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(Address of principal executive offices) (Zip Code)

**Gifford R. Zimmerman Chief Administrative Officer**

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(Name and address of agent for service)

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

Date of fiscal year-end: October 31

Date of reporting period: June 30, 2010

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**Item 1. Proxy Voting Record**

**Proxy Voting Summary Report**

**Nuveen Dividend Advantage Municipal Fund 3**

July 1, 2009 to June 30, 2010

**Company BlackRock MuniHoldings Fund**

|                     |           |                     |           |
|---------------------|-----------|---------------------|-----------|
| <b>Ticker</b>       | MHD       | <b>Security ID</b>  | 09253N104 |
| <b>Meeting Date</b> | 8/26/2009 | <b>Meeting Type</b> | Annual    |

**Agenda**

| <b>Item #</b> | <b>Agenda Item</b>                               | <b>Proponent</b> | <b>Mgmt Rec</b> | <b>Vote Cast</b> |
|---------------|--|------------------|-----------------|------------------|
| 1.1           | Elect Director/Trustee Richard E. Cavanagh       | Mgmt             | For             | Did Not Vote     |
| 1.2           | Elect Director/Trustee Karen P. Robards          | Mgmt             | For             | Did Not Vote     |
| 1.3           | Elect Director/Trustee G. Nicholas Beckwith, III | Mgmt             | For             | Did Not Vote     |
| 1.4           | Elect Director/Trustee Kent Dixon                | Mgmt             | For             | Did Not Vote     |
| 1.5           | Elect Director/Trustee Frank J. Fabozzi          | Mgmt             | For             | Did Not Vote     |
| 1.6           | Elect Director/Trustee Kathleen F. Feldstein     | Mgmt             | For             | Did Not Vote     |
| 1.7           | Elect Director/Trustee James T. Flynn            | Mgmt             | For             | Did Not Vote     |
| 1.8           | Elect Director/Trustee Jerrold B. Harris         | Mgmt             | For             | Did Not Vote     |
| 1.9           | Elect Director/Trustee R. Glenn Hubbard          | Mgmt             | For             | Did Not Vote     |
| 1.10          | Elect Director/Trustee W. Carl Kester            | Mgmt             | For             | Did Not Vote     |
| 1.11          | Elect Director/Trustee Richard S. Davis          | Mgmt             | For             | Did Not Vote     |
| 1.12          | Elect Director/Trustee Henry Gabbay              | Mgmt             | For             | Did Not Vote     |

**Company PIMCO Municipal Income Fund II**

|                     |            |                     |           |
|---------------------|------------|---------------------|-----------|
| <b>Ticker</b>       | PML        | <b>Security ID</b>  | 72200W106 |
| <b>Meeting Date</b> | 12/18/2009 | <b>Meeting Type</b> | Annual    |

**Agenda**

| <b>Item #</b> | <b>Agenda Item</b>            | <b>Proponent</b> | <b>Mgmt Rec</b> | <b>Vote Cast</b> |
|---------------|-------------------------------|------------------|-----------------|------------------|
| 1.1           | Director Robert E. Connor     | Mgmt             | For             | For              |
| 1.2           | Director William B. Ogden, IV | Mgmt             | For             | For              |

**Company Dreyfus Strategic Municipals Fund**

|                     |           |                     |           |
|---------------------|-----------|---------------------|-----------|
| <b>Ticker</b>       | LEO       | <b>Security ID</b>  | 261932107 |
| <b>Meeting Date</b> | 6/17/2010 | <b>Meeting Type</b> | Annual    |

**Agenda**

| <b>Item #</b> | <b>Agenda Item</b>                 | <b>Proponent</b> | <b>Mgmt Rec</b> | <b>Vote Cast</b> |
|---------------|------------------------------------|------------------|-----------------|------------------|
| 1.1           | Elect Director Joseph S. DiMartino | Mgmt             | For             | For              |

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|     |  |      |     |     |
|-----|--|------|-----|-----|
| 1.2 | Elect Director William Hodding Carter, III | Mgmt | For | For |
| 1.3 | Elect Director Joni Evans                  | Mgmt | For | For |
| 1.4 | Elect Director Richard C. Leone            | Mgmt | For | For |

**Company DWS Municipal Income Trust**

|                     |           |                     |           |
|---------------------|-----------|---------------------|-----------|
| <b>Ticker</b>       | KTF       | <b>Security ID</b>  | 23338M106 |
| <b>Meeting Date</b> | 5/24/2010 | <b>Meeting Type</b> | Annual    |

**Agenda**

| <b>Item #</b> | <b>Agenda Item</b>                    | <b>Proponent</b> | <b>Mgmt Rec</b> | <b>Vote Cast</b> |
|---------------|---------------------------------------|------------------|-----------------|------------------|
| 1.1           | Elect Director Henry P. Becton, Jr.   | Mgmt             | For             | For              |
| 1.2           | Elect Director Paul K. Freeman        | Mgmt             | For             | For              |
| 1.3           | Elect Director William McClayton      | Mgmt             | For             | For              |
| 1.4           | Elect Director Jean Gleason Stromberg | Mgmt             | For             | For              |

**Company Van Kampen Trust For Investment Grade Municipals**

|                     |           |                     |           |
|---------------------|-----------|---------------------|-----------|
| <b>Ticker</b>       | VGM       | <b>Security ID</b>  | 920929106 |
| <b>Meeting Date</b> | 4/16/2010 | <b>Meeting Type</b> | Special   |

**Agenda**

| <b>Item #</b> | <b>Agenda Item</b>                    | <b>Proponent</b> | <b>Mgmt Rec</b> | <b>Vote Cast</b> |
|---------------|---------------------------------------|------------------|-----------------|------------------|
| 1             | Approve Investment Advisory Agreement | Mgmt             | For             | For              |
| 2             | Approve Subadvisory Agreement         | Mgmt             | For             | For              |

**Company Van Kampen Municipal Opportunity Trust**

|                     |           |                     |           |
|---------------------|-----------|---------------------|-----------|
| <b>Ticker</b>       | VMO       | <b>Security ID</b>  | 920935103 |
| <b>Meeting Date</b> | 4/16/2010 | <b>Meeting Type</b> | Special   |

**Agenda**

| <b>Item #</b> | <b>Agenda Item</b>                    | <b>Proponent</b> | <b>Mgmt Rec</b> | <b>Vote Cast</b> |
|---------------|---------------------------------------|------------------|-----------------|------------------|
| 1             | Approve Investment Advisory Agreement | Mgmt             | For             | For              |
| 2             | Approve Subadvisory Agreement         | Mgmt             | For             | For              |

**Company Van Kampen Municipal Trust**

|                     |           |                     |           |
|---------------------|-----------|---------------------|-----------|
| <b>Ticker</b>       | VKQ       | <b>Security ID</b>  | 920919107 |
| <b>Meeting Date</b> | 6/17/2009 | <b>Meeting Type</b> | Special   |

**Agenda**

| <b>Item #</b> | <b>Agenda Item</b>            | <b>Proponent</b> | <b>Mgmt Rec</b> | <b>Vote Cast</b> |
|---------------|-------------------------------|------------------|-----------------|------------------|
| 1.1           | Elect Trustee Rod Dammeyer    | Mgmt             | For             | Did Not Vote     |
| 1.2           | Elect Trustee Wayne W. Whalen | Mgmt             | For             | Did Not Vote     |

SIGNATURES:

Pursuant to the requirements of 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.

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Nuveen Dividend Advantage Municipal Fund 3

By /s/ Gifford R. Zimmerman

Gifford R. Zimmerman Chief Administrative Officer

Date

August 26, 2010