

NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
Form N-CSR  
August 06, 2010

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 811-21153  
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Nuveen Maryland Dividend Advantage Municipal Fund 3  
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(Exact name of registrant as specified in charter)

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

Kevin J. McCarthy  
Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
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(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700  
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Date of fiscal year end: May 31  
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Date of reporting period: May 31, 2010  
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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.

[LOGO]  
NUVEEN  
INVESTMENTS

Closed-End Funds

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Nuveen Investments  
Municipal Closed-End Funds

IT'S NOT WHAT YOU EARN, IT'S WHAT YOU KEEP. (R)

Annual Report  
May 31, 2010

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NUVEEN MARYLAND  
PREMIUM INCOME  
MUNICIPAL FUND  
NMY

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NUVEEN MARYLAND  
DIVIDEND ADVANTAGE  
MUNICIPAL FUND  
NFM

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NUVEEN MARYLAND  
DIVIDEND ADVANTAGE  
MUNICIPAL FUND 2  
NZR

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NUVEEN MARYLAND  
DIVIDEND ADVANTAGE  
MUNICIPAL FUND  
NWI

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NUVEEN VIRGINIA  
PREMIUM INCOME  
MUNICIPAL FUND  
NPV

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NUVEEN VIRGINIA  
DIVIDEND ADVANTAGE  
MUNICIPAL FUND  
NGB

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NUVEEN VIRGINIA  
DIVIDEND ADVANTAGE  
MUNICIPAL FUND 2  
NNB

May 10

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[LOGO]  
NUVEEN  
INVESTMENTS

Chairman's Letter to Shareholders

[PHOTO OF ROBERT P. BREMNER]

DEAR SHAREHOLDER,

The economic environment in which your Fund operates reflects continuing but uneven economic recovery. The U.S. and other major industrial countries are experiencing steady but comparatively low levels of economic growth, while emerging market countries are seeing a resumption of relatively strong economic expansion. The potential impact of steps being considered by many governments to counteract the extraordinary governmental spending and credit expansion to deal with the recent financial and economic crisis is injecting uncertainty into global financial markets. The implications for future tax rates, government spending, interest rates and the pace of economic recovery in the U.S. and other leading economies are extremely difficult to predict at the present time. The long term health of the global economy depends on restoring some measure of fiscal discipline around the world, but since all of the corrective steps require economic pain, it is not surprising that governments are reluctant to undertake them.

In the near term, governments remain committed to furthering economic recovery and realizing a meaningful reduction in their national unemployment rates. Such an environment should produce continued economic growth and, consequently, attractive investment opportunities. Over the longer term, the larger uncertainty mentioned earlier carries the risk of unexpected potholes in the road to sustained recovery. For this reason, Nuveen's investment management teams are working hard to balance return and risk by building well-diversified portfolios, among other strategies. I encourage you to read the following commentary on the management of your Fund. As always, I also encourage you to contact your financial consultant if you have any questions about your Nuveen Fund investment. Please consult the Nuveen website for the most recent information on your Nuveen Fund at: [www.nuveen.com](http://www.nuveen.com).

On behalf of the other members of your Fund's Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Robert P. Bremner

Robert P. Bremner  
Chairman of the Board  
July 22, 2010

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Portfolio Manager's Comments

NUVEEN MARYLAND PREMIUM INCOME MUNICIPAL FUND (NMY)  
NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND (NFM)  
NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NZR)  
NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 3 (NWI)  
NUVEEN VIRGINIA PREMIUM INCOME MUNICIPAL FUND (NPV)

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NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NGB)  
NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NNB)

Portfolio manager Cathryn Steeves reviews economic and municipal market conditions at the national and state levels, key investment strategies and the twelve-month performance of the Nuveen Maryland and Virginia funds. Cathryn, who joined Nuveen in 1996, has managed these seven Funds since 2006.

WHAT FACTORS AFFECTED THE U.S. ECONOMIC AND MUNICIPAL MARKET ENVIRONMENTS DURING THE TWELVE-MONTH REPORTING PERIOD ENDED MAY 31, 2010?

During this reporting period, municipal bond prices generally rose as strong cash flows into municipal bond funds combined with tighter supply of new tax-exempt issuance to provide favorable supply and demand conditions. As the period began, there continued to be considerable downward pressure on the economy, and both the Federal Reserve (Fed) and the federal government continued their efforts to improve the overall economic environment. For its part, the Fed continued to hold the benchmark fed funds rate in a target range of zero to 0.25% since cutting it to this record low level in December 2008. At its June 2010 meeting (following the end of this reporting period), the central bank renewed its pledge to keep the fed funds rate "exceptionally low" for an "extended period." As part of its efforts, the federal government put into place the American Recovery and Reinvestment Act of 2009, a \$787 billion economic stimulus package intended to provide job creation, tax relief, fiscal assistance to state and local governments and expansion of unemployment benefits and other federal social welfare programs.

In recent months, these and other measures taken by the Fed and the government to ease the economic recession have produced some incipient signs of improvement. In the first quarter of 2010, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 2.7%. This marked the first time since 2007 that the economy had strung together three consecutive positive quarters. Housing also provided something of a bright spot, as the average home price gained 3.8% for the twelve months ended April 2010, the largest year-over-year increase since September 2006. At the same time, inflation continued to be relatively tame, as the Consumer Price Index (CPI) rose 2.0% year-over-year as of May 2010, driven mainly by increased prices

CERTAIN STATEMENTS IN THIS REPORT ARE FORWARD-LOOKING STATEMENTS. DISCUSSIONS OF SPECIFIC INVESTMENTS ARE FOR ILLUSTRATION ONLY AND ARE NOT INTENDED AS RECOMMENDATIONS OF INDIVIDUAL INVESTMENTS. THE FORWARD-LOOKING STATEMENTS AND OTHER VIEWS EXPRESSED HEREIN ARE THOSE OF THE PORTFOLIO MANAGER AS OF THE DATE OF THIS REPORT. ACTUAL FUTURE RESULTS OR OCCURRENCES MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED IN ANY FORWARD-LOOKING STATEMENTS, AND THE VIEWS EXPRESSED HEREIN ARE SUBJECT TO CHANGE AT ANY TIME, DUE TO NUMEROUS MARKET AND OTHER FACTORS. THE FUNDS DISCLAIM ANY OBLIGATION TO UPDATE PUBLICLY OR REVISE ANY FORWARD-LOOKING STATEMENTS OR VIEWS EXPRESSED HEREIN.

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for gasoline and fuel oil. The core CPI (which excludes food and energy) rose 0.9% over the year, the lowest pace since 1966 and within the Fed's official objective of 2.0% or lower for this measure. While labor markets remained weak, recent months saw some improvement. As of May 2010, the national unemployment rate was 9.7%, up from 9.4% in May 2009 but below the 26-year high of 10.1% in October 2009.

Municipal market conditions began to show general signs of improvement throughout most of the period. This trend was bolstered by the reduced issuance of tax-exempt municipal debt, due in part to the introduction of the Build

America Bond program in 2009. Build America Bonds are a new class of taxable municipal debt, created as part of the February 2009 economic stimulus package. These bonds currently offer municipal issuers a federal subsidy equal to 35% of the bonds' interest payments and therefore provide issuers with an attractive alternative to traditional tax-exempt debt. During the twelve months ended May 31, 2010, taxable Build America Bonds issuance totaled \$95.9 billion, accounting for over 22% of new bonds issued in the municipal market.

Over the twelve months ended May 31, 2010, municipal bond issuance nationwide--both tax-exempt and taxable--totaled \$428.1 billion, an increase of 17% compared with the twelve-month period ended May 31, 2009. Although total municipal issuance rose during these twelve months, supply actually would have fallen approximately 9% without the Build America Bonds issuance. Demand for tax-exempt bonds remained strong during this period, supported in part by the prospect of higher tax rates in the future. Combined with the lower supply of tax-exempt bonds, this provided support for municipal bond prices.

HOW WERE ECONOMIC AND MARKET CONDITIONS IN MARYLAND AND VIRGINIA DURING THIS PERIOD?

Over the past twelve months, Maryland's credit profile remained relatively strong, due to the state's historically sound fiscal management as well as a diverse economy that has fared better than the nation as a whole during the recession. In May 2010, Maryland's jobless rate was 7.2%, up from 7.0% in May 2009, but down from its recent high of 7.7% in early 2010. Like most other states, Maryland's finances have suffered due to declining revenues, which resulted in budget gaps and general fund deficits over the past three years. The state's \$31.6 billion fiscal 2010 budget relied on \$1 billion of federal stimulus funding, one-time measures, and mid-year reductions totaling more than \$1 billion to close a \$2.8 billion deficit. In February 2010, Moody's, Standard & Poor's (S&P), and Fitch confirmed their ratings on Maryland general obligation debt at Aaa/AAA/AAA, respectively, with stable outlooks. During the twelve months ended May 31, 2010, municipal issuance in the state totaled \$6.9 billion, up almost 25% from the previous twelve-month period.

Virginia's proximity to Washington D.C. and a large military presence added some stability to the commonwealth's economy over the twelve-month period, particularly in the northern region. Unemployment in the commonwealth rose from 6.8% in May 2009 to 7.1% in May 2010, below the recent high of 7.3% in March 2010. Virginia was hard hit by the housing recession, especially in the Washington D.C. area, as home sale prices fell to 2002 levels. Recently, however, prices in the area have risen, adding some stability to residential construction. According to the S&P/Case-Shiller home price index, home prices in the Washington D.C. area rose 7.3% over the twelve months ended April 2010,

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compared with a 16.9% loss for the twelve months ended April 2009. For fiscal 2010 and 2011, Virginia faced budget shortfalls of \$3.6 billion and \$1.3 billion, respectively. As of May 2010, Moody's, S&P and Fitch maintained their ratings on Virginia general obligation debt at Aaa/AAA/AAA, respectively, with stable outlooks. During the twelve months ended May 31, 2010, issuance in Virginia totaled \$8.5 billion, a decrease of 2% from the previous twelve months.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THIS REPORTING PERIOD?

As previously mentioned, the availability of tax-exempt bonds declined nationally during this period, due in part to the introduction of taxable Build America Bonds in April 2009. This program also had an impact on tax-exempt

supply in Maryland and Virginia, both of which ranked among the top 15 states by dollar amount of bonds issued under the Build America Bond program. In Maryland, Build America Bond issuance represented approximately 30% of municipal issuance, while these bonds comprised about 25% of municipal supply in Virginia. Since interest payments from Build America Bonds represent taxable income, we do not view these bonds as good investment opportunities for the Maryland and Virginia Funds.

Despite the constrained issuance of tax-exempt municipal bonds, we continued to find attractive value opportunities, taking a bottom-up approach to discovering undervalued sectors and individual credits with the potential to perform well over the long term. In the Maryland Funds, we found value in several areas of the market, primarily in the health care sector, but also in transportation (specifically bonds issued for the Port of Baltimore) and higher education. The Virginia Funds also purchased health care and transportation credits (including zero coupon bonds issued to fund the Dulles Corridor Metrorail project) as well as dedicated tax bonds backed by Puerto Rico sales taxes.

Some of our investment activity during this period was driven by opportunities created by the provisions of the Build America Bond program. For example, tax-exempt supply was more plentiful in the health care and higher education sectors because, as 501(c)(3) (non-profit) organizations, hospitals and private universities generally do not qualify for the Build America Bond program and must continue to issue bonds in the tax-exempt municipal market. In addition, health care entities were active issuers during this period, as they sought to replace variable rate issuance with fixed rates. Refunding issues also are not covered by the Build America Bond program, and this resulted in attractive opportunities in various other sectors of the market.

The impact of the Build America Bond program was also evident in the area of longer-term issuance, as municipal issuers sought to take full advantage of the attractive financing terms offered by these bonds. Approximately 70% of Build America Bonds were issued with maturities of at least 30 years or more. Even though this significantly reduced the availability of tax-exempt credits with longer maturities, we continued to find good opportunities to purchase attractive longer-term bonds for these Funds. During this period, we generally focused on bonds in the 25-year to 30-year part of the yield curve offering 5% coupons or higher. These bonds helped us to maintain the Funds' durations within our target duration range and also rewarded investors as the yield curve remained steep.

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Cash for new purchases during this period was generated primarily by the proceeds from called and maturing bonds. In NPV, we also trimmed our position in bonds with very short maturities. On the whole, however, selling was relatively limited during this period, as the bonds in our portfolios generally offered higher yields than those available in the current marketplace.

As of May 31, 2010, all seven of these Funds continued to use inverse floating rate securities. (1) We employ inverse floaters as a form of leverage for a variety of reasons, including duration management as well as income and total return enhancement.

#### HOW DID THE FUNDS PERFORM?

Individual results for the Nuveen Maryland and Virginia Funds, as well as relevant index and peer group information, are presented in the accompanying table.

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AVERAGE ANNUAL TOTAL RETURNS ON COMMON SHARE NET ASSET VALUE  
FOR PERIODS ENDED  
5/31/10

	1-YEAR	5-YEAR	10-YEAR
-----			
MARYLAND FUNDS			
NMY	14.44%	4.51%	7.10%
NFM	16.68%	4.42%	N/A
NZR	16.13%	4.20%	N/A
NWI	15.53%	4.66%	N/A
Standard & Poor's (S&P) Maryland Municipal Bond Index(2)	8.45%	4.40%	5.69%
Standard & Poor's (S&P) National Municipal Bond Index(3)	9.27%	4.31%	5.85%
Lipper Other States Municipal Debt Funds Average(4)	14.35%	4.04%	6.78%
VIRGINIA FUNDS			
NPV	13.19%	4.14%	6.85%
NGB	15.13%	3.82%	N/A
NNB	15.15%	4.06%	N/A
Standard & Poor's (S&P) Virginia Municipal Bond Index(2)	8.24%	4.27%	5.69%
Standard & Poor's (S&P) National Municipal Bond Index(3)	9.27%	4.31%	5.85%
Lipper Other States Municipal Debt Funds Average(4)	14.35%	4.04%	6.78%
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For the twelve months ended May 31, 2010, the total returns on common share net asset value (NAV) for all of the Maryland and Virginia Funds exceeded the returns for their respective state's (S&P) Municipal Bond Index as well as the S&P National Municipal Bond Index. For the same period, all of the Funds except NPV also outperformed the average return for the Lipper Other States Municipal Debt Funds Average.

Key management factors that influenced the Funds' returns during this period included yield curve and duration positioning, credit exposure and sector allocation. In addition, the use of structural leverage was an important positive factor during this period. The impact of structural leverage is discussed in more detail on page seven.

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

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

1 An inverse floating rate security, also known as an inverse floater, is a financial instrument designed to pay long-term tax-exempt interest at a rate that varies inversely with a short-term tax-exempt interest rate index. For the Nuveen Funds, the index typically used is the Securities Industry and Financial Markets (SIFM) Municipal Swap Index (previously referred to as the Bond Market Association Index or BMA). Inverse floaters, including those inverse floating rate securities in which the

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Funds invested during this reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in this Report sections of this report.

- 2 The Standard & Poor's (S&P) Municipal Bond Indexes for Maryland and Virginia are unleveraged, market value-weighted indexes designed to measure the performance of the tax-exempt, investment-grade Maryland and Virginia municipal bond markets, respectively. These indexes do not reflect any initial or ongoing expenses and are not available for direct investment.
- 3 The Standard & Poor's (S&P) National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.
- 4 The Lipper Other States Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 1-year, 46 funds; 5-year, 46 funds; and 10-year, 18 funds. Lipper returns account for the effects of management fees and assume reinvestment of dividends, but do not reflect any applicable sales charges. The Lipper average is not available for direct investment.

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During this period, bonds with longer maturities generally outperformed bonds with shorter maturities, with bonds at the longest end of the yield curve posting the strongest returns. The outperformance of longer term bonds was due in part to the decline in interest rates, particularly at the longer end of the curve. The scarcity of tax-exempt bonds with longer maturities also drove up the prices of these bonds. Overall, yield curve positioning and duration proved positive for the performance of the Virginia Funds and neutral to slightly negative in the Maryland Funds. The Virginia Funds tended to have more exposure to the outperforming longer part of the yield curve, while the Maryland Funds were underweighted in this area of the curve.

Credit exposure also played an important role in the performance of these Funds. The demand for municipal bonds increased during this period, driven by a variety of factors, including concerns about potential tax increases, the need to rebalance portfolio allocations and a growing appetite for additional risk. At the same time, the supply of new tax-exempt municipal paper declined, due largely to the Build America Bond program. As investors bid up municipal bond prices, bonds rated BBB or below and non-rated bonds generally outperformed those rated AAA. In this environment, the Funds' performance benefited from their allocations to lower quality credits. This was especially true in NFM, which had the heaviest weighting of lower-rated and non-rated bonds among the seven Funds. NMY and NPV, on the other hand, tended to have higher credit quality positions overall, particularly NMY, which had the highest allocation to AAA-rated bonds among these Funds. The higher credit quality hampered the relative performance of these two Funds during this period.

Overall, sector allocations were a positive factor for the Funds' performance during this period. Holdings that generally contributed to the Funds' returns included industrial development revenue (IDR) and health care bonds, both of which exceeded the overall municipal market return by substantial margins. Revenue bonds as a whole performed well, with transportation, housing and special tax among the sectors that outperformed the general municipal market for this period. Zero coupon bonds also were among the strongest performers. All of these Funds benefited from their overweight in health care, housing and other



revenue (specifically dedicated tax) credits, while the Maryland Funds also had an overexposure to IDRs.

In contrast, pre-refunded bonds, which are often backed by U.S. Treasury securities, performed relatively poorly during this period. The underperformance of these bonds can be attributed primarily to their shorter effective maturities and higher credit quality. Among the revenue sectors, education, electric utilities, water and sewer and resource recovery trailed the overall municipal market by small margins, while many general obligation and other tax-backed bonds also failed to keep pace with the market for the twelve months. All of the Maryland and Virginia Funds were overweighted in pre-refunded bonds, and the Maryland Funds also had heavy exposures to higher education credits, which had a negative influence on comparative performance. On the other hand, these Funds were generally underweighted in tax-backed securities, which lessened the impact of the underperformance of these bonds.

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#### IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of these Funds relative to the comparative indexes was the Funds' use of financial leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when bond prices generally are rising.

Leverage made a positive contribution to the performance of these Funds over this reporting period.

#### RECENT DEVELOPMENTS REGARDING THE FUNDS' LEVERAGED CAPITAL STRUCTURE

Shortly after their inception, each of the Funds issued auction rate preferred shares (ARPS) to create financial leverage. As noted in past shareholder reports, the ARPS issued by many closed-end funds, including these Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more ARPS have been submitted for sale in each of their regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely non-existent since late February 2008. This means that these auctions have "failed to clear," and that many, or all, of the ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in ARPS did not lower the credit quality of these shares, and ARPS shareholders unable to sell their shares continued to receive distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the ARPS. In the recent market, with short-term rates at multigenerational lows, those maximum rates also have been low.

One continuing implication for common shareholders from the auction failures is that each Fund's cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, each Fund's common share earnings likely have been incrementally lower at times than they otherwise might have been.

As noted in past shareholder reports, the Nuveen funds' Board of Directors/Trustees authorized several methods to refinance a portion of the

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Nuveen funds' outstanding ARPS. Some funds have utilized tender option bonds (TOBs), also known as floating rate securities, for leverage purposes. The amount of TOBs that a fund may use varies according to the composition of each fund's portfolio. Some funds have a greater ability to use TOBs than others. Some funds have issued Variable Rate Demand Preferred (VRDP) Shares, but these issuances have been limited since it has been difficult to find liquidity providers on economically viable terms given the constrained credit environment. Some funds have issued MuniFund Term Preferred (MTP) Shares, a fixed rate form of preferred stock with a mandatory redemption period of five years.

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While all these efforts have reduced the total amount of outstanding ARPS issued by the Nuveen funds, the funds cannot provide any assurance on when the remaining outstanding ARPS might be redeemed.

At the time this report was prepared, thirty Nuveen leveraged closed-end funds received a demand letter from a law firm on behalf of some common shareholders of each fund, alleging that Nuveen and the fund's officers and Board of Directors/Trustees breached their fiduciary duties related to the redemption at par of the fund's ARPS. After an extensive independent review, on July 14, 2010, the Board of Directors/Trustees announced that each fund had rejected the demands contained in the letters. As a result, the Board of Directors/Trustees has resumed consideration of additional ARPS refinancing. Any future determinations by the Board of Directors/Trustees to refinance a specific fund's ARPS will continue to be based upon a review of the fund's specific circumstances, considering, among other factors, the availability and terms of potential alternative sources of leverage, the receipt of applicable ratings and other necessary approvals for such alternative sources of leverage, and overall market conditions.

As of May 31, 2010, the amounts of ARPS redeemed at par by the Funds are as shown in the accompanying table.

FUND	AUCTION RATE PREFERRED SHARES REDEEMED	% OF ORIGINAL AUCTION RATE PREFERRED SHARES
NMY	\$46,125,000	58.3%
NFM	\$32,000,000	100.0%
NZR	\$32,000,000	100.0%
NWI	\$24,175,000	62.0%
NPV	\$38,250,000	60.0%
NGB	\$24,000,000	100.0%
NNB	\$42,000,000	100.0%

As of May 31, 2010, the Funds have issued and outstanding MTP Shares, at liquidation value, as shown in the accompanying table. (Refer to Notes to Financial Statements, Footnote 1 - General Information and Significant Accounting Policies and Footnote 4 - Fund Shares for further details on MTP Shares.)

FUND	MTP SHARES AT LIQUIDATION VALUE
NMY	\$38,775,000
NFM	\$26,485,000
NZR	\$27,300,000
NWI	\$20,700,000
NPV	\$32,205,000

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NGB	\$22,800,000
NNB	\$43,200,000

As of May 31, 2010, 83 out of the 84 Nuveen closed-end municipal funds that had issued ARPS have redeemed at par all or a portion of these shares. These redemptions bring the total amount of Nuveen's municipal closed-end funds' ARPS redemptions to approximately \$4.4 billion of the approximately \$11.0 billion originally outstanding. For up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at: <http://www.nuveen.com/arps>.

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### Common Share Dividend and Share Price Information

During the twelve-month reporting period ended May 31, 2010, NZR had three monthly dividend increases, NFM, NWI, and NPV each had two monthly dividend increases and NMY, NGB, and NNB each had one monthly dividend increase.

Due to normal portfolio activity, common shareholders of the following Funds received net ordinary income distributions at the end of December 2009 as follows:

FUND	ORDINARY INCOME (PER SHARE)
NPV	\$0.0267
NNB	\$0.0037

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of May 31, 2010, all seven Funds in this report had positive UNII balances for both tax and financial reporting purposes.

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### COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

Since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding common shares.

As of May 31, 2010, the Funds' common share prices were trading at (+) premiums or (-) discounts to their common share NAVs as shown in the accompanying table.

FUND	5/31/10 (+) PREMIUM/(-) DISCOUNT	TWELVE-MONTH AVERAGE (+) PREMIUM/(-) DISCOUNT
NMY	-2.30%	-2.54%
NFM	-0.56%	-1.25%
NZR	+3.66%	-2.34%
NWI	-2.74%	-4.57%

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NPV	+7.60%	+4.78%
NGB	+6.54%	+5.14%
NNB	+4.05%	+3.47%

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NYM Performance OVERVIEW | Nuveen Maryland Premium Income Municipal Fund  
 | as of May 31, 2010

CREDIT QUALITY (as a % of total investments) (2)

[PIE CHART]

AAA/U.S. Guaranteed	39%
AA	25%
A	17%
BBB	13%
BB or Lower	2%
N/R	4%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

Jun	\$ 0.058
Jul	\$ 0.058
Aug	\$ 0.058
Sep	\$ 0.062
Oct	\$ 0.062
Nov	\$ 0.062
Dec	\$ 0.062
Jan	\$ 0.062
Feb	\$ 0.062
Mar	\$ 0.062
Apr	\$ 0.062
May	\$ 0.062

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

6/1/09	\$ 12.71
	\$ 12.56
	\$ 12.7624
	\$ 12.93
	\$ 13.01
	\$ 13.4
	\$ 13.39
	\$ 13.51
	\$ 13.52
	\$ 13.51
	\$ 13.688
	\$ 13.72
	\$ 14.1
	\$ 14.25
	\$ 14.4
	\$ 14.55
	\$ 14.58
	\$ 14.58

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	\$ 14.78
	\$ 14.5599
	\$ 13.83
	\$ 13.81
	\$ 13.67
	\$ 13.74
	\$ 13.59
	\$ 13.59
	\$ 13.7
	\$ 14.09
	\$ 13.78
	\$ 13.806
	\$ 13.9119
	\$ 13.799
	\$ 14
	\$ 13.74
	\$ 13.67
	\$ 13.82
	\$ 13.83
	\$ 13.91
	\$ 13.79
	\$ 13.91
	\$ 14.17
	\$ 14.07
	\$ 14.02
	\$ 14.07
	\$ 14.15
	\$ 14.41
	\$ 14.34
	\$ 14.32
	\$ 14.48
	\$ 14.75
	\$ 14.43
	\$ 14.48
	\$ 14.43
5/31/10	\$ 14.43

FUND SNAPSHOT

Common Share Price	\$ 14.43
Common Share Net Asset Value	\$ 14.77
Premium/(Discount) to NAV	-2.30%
Market Yield	5.16%
Taxable-Equivalent Yield(1)	7.54%
Net Assets Applicable to Common Shares (\$000)	\$157,243
Average Effective Maturity on Securities (Years)	15.61
Leverage-Adjusted Duration	8.32

AVERAGE ANNUAL TOTAL RETURN  
(Inception 3/18/93)

	ON SHARE PRICE	ON NAV
1-Year	19.89%	14.44%

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5-Year	3.37%	4.51%
10-Year	6.38%	7.10%

PORTFOLIO COMPOSITION  
(as a % of total investments)

Tax Obligation/General	19.2%
Health Care	17.1%
Education and Civic Organizations	11.3%
U.S. Guaranteed	11.1%
Tax Obligation/Limited	10.5%
Housing/Multifamily	8.5%
Housing/Single Family	7.5%
Other	14.8%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

Nuveen Investments 11

NFM Performance OVERVIEW | Nuveen Maryland Dividend Advantage Municipal Fund  
| as of May 31, 2010

FUND SNAPSHOT

Common Share Price	\$ 14.30
Common Share Net Asset Value	\$ 14.38
Premium/(Discount) to NAV	-0.56%
Market Yield	5.45%
Taxable-Equivalent Yield(1)	7.97%
Net Assets Applicable to Common Shares (\$000)	\$60,308
Average Effective Maturity on Securities (Years)	17.50

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Leverage-Adjusted Duration 7.21

AVERAGE ANNUAL TOTAL RETURN  
(Inception 1/23/01)

	ON SHARE PRICE	ON NAV
1-Year	15.78%	16.68%
5-Year	3.60%	4.42%
Since Inception	5.02%	5.80%

PORTFOLIO COMPOSITION  
(as a % of total investments)

Health Care	23.5%
U.S. Guaranteed	12.3%
Tax Obligation/General	11.1%
Tax Obligation/Limited	10.9%
Housing/Multifamily	9.6%
Education and Civic Organizations	8.7%
Housing/Single Family	6.6%
Consumer Discretionary	3.5%
Other	13.8%

CREDIT QUALITY (as a % of total investments) (2)

[PIE CHART]

AAA/U.S. Guaranteed	37%
AA	16%
A	17%
BBB	19%
BB or Lower	1%
N/R	10%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

Jun	\$ 0.06
Jul	\$ 0.06
Aug	\$ 0.06
Sep	\$ 0.063
Oct	\$ 0.063
Nov	\$ 0.063
Dec	\$ 0.065
Jan	\$ 0.065
Feb	\$ 0.065
Mar	\$ 0.065

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Apr	\$ 0.065
May	\$ 0.065

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

6/1/09	\$ 13.05
	\$ 13.3
	\$ 12.85
	\$ 12.85
	\$ 12.551
	\$ 12.9799
	\$ 13.3
	\$ 12.91
	\$ 13.4162
	\$ 13.2
	\$ 13.79
	\$ 13.7
	\$ 14
	\$ 14.15
	\$ 13.8899
	\$ 14.55
	\$ 13.7815
	\$ 14.15
	\$ 14.316
	\$ 14.3
	\$ 13.8
	\$ 13.63
	\$ 13.4865
	\$ 13.83
	\$ 13.6
	\$ 13.7
	\$ 13.55
	\$ 13.38
	\$ 13.93
	\$ 13.7
	\$ 13.76
	\$ 13.531
	\$ 13.88
	\$ 13.97
	\$ 13.76
	\$ 13.7
	\$ 13.59
	\$ 13.6901
	\$ 13.39
	\$ 13.618
	\$ 13.62
	\$ 13.5935
	\$ 13.8
	\$ 14
	\$ 14.02
	\$ 14
	\$ 14.19
	\$ 14.35
	\$ 14.19
	\$ 14.18
	\$ 14.85
	\$ 14.09
	\$ 14.3
5/31/10	\$ 14.3



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- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

12 Nuveen Investments

NZR Performance OVERVIEW | Nuveen Maryland Dividend Advantage Municipal Fund 2  
 | as of May 31, 2010

CREDIT QUALITY (as a % of total investments)(2)

[PIE CHART]

AAA/U.S. Guaranteed	36%
AA	25%
A	13%
BBB	16%
BB or Lower	2%
N/R	8%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

Jun	\$ 0.06
Jul	\$ 0.06
Aug	\$ 0.06
Sep	\$ 0.063
Oct	\$ 0.063
Nov	\$ 0.063
Dec	\$ 0.065
Jan	\$ 0.065
Feb	\$ 0.065
Mar	\$ 0.066
Apr	\$ 0.066
May	\$ 0.066

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

6/1/09	\$ 12.6089
	\$ 12.82
	\$ 13.08
	\$ 12.83
	\$ 12.76
	\$ 12.84
	\$ 13.5
	\$ 12.74
	\$ 13.0405
	\$ 13.0995

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\$ 13.27  
 \$ 13.2  
 \$ 13.41  
 \$ 13.25  
 \$ 13.59  
 \$ 13.92  
 \$ 14  
 \$ 14.18  
 \$ 14.27  
 \$ 14.78  
 \$ 14.06  
 \$ 13.61  
 \$ 13.31  
 \$ 13.7  
 \$ 13.53  
 \$ 13.58  
 \$ 13.331  
 \$ 13.96  
 \$ 13.66  
 \$ 13.17  
 \$ 13.28  
 \$ 13.46  
 \$ 13.4848  
 \$ 13.3701  
 \$ 13.45  
 \$ 13.6999  
 \$ 13.96  
 \$ 13.92  
 \$ 13.805  
 \$ 13.8  
 \$ 13.87  
 \$ 13.9145  
 \$ 13.82  
 \$ 13.96  
 \$ 14.25  
 \$ 14.37  
 \$ 14.32  
 \$ 14.74  
 \$ 14.7  
 \$ 14.02  
 \$ 14.3  
 \$ 14.7  
 \$ 15  
 \$ 15

5/31/10

FUND SNAPSHOT

Common Share Price	\$ 15.00
Common Share Net Asset Value	\$ 14.47
Premium/(Discount) to NAV	3.66%
Market Yield	5.28%
Taxable-Equivalent Yield(1)	7.72%
Net Assets Applicable to Common Shares (\$000)	\$60,749
Average Effective Maturity on Securities (Years)	16.36
Leverage-Adjusted Duration	7.67

AVERAGE ANNUAL TOTAL RETURN  
(Inception 9/25/01)

	ON SHARE PRICE	ON NAV
1-Year	24.89%	16.13%
5-Year	5.04%	4.20%
Since Inception	5.67%	5.78%

PORTFOLIO COMPOSITION  
(as a % of total investments)

Health Care	19.0%
U.S. Guaranteed	14.3%
Tax Obligation/General	14.1%
Tax Obligation/Limited	11.7%
Education and Civic Organizations	10.8%
Housing/Single Family	7.0%
Housing/Multifamily	6.2%
Transportation	3.8%
Other	13.1%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

Nuveen Investments 13

NWI Performance OVERVIEW | Nuveen Maryland Dividend Advantage Municipal Fund 3  
| as of May 31, 2010

FUND SNAPSHOT

Common Share Price	\$14.19
Common Share Net Asset Value	\$14.59

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Premium/(Discount) to NAV	-2.74%
Market Yield	5.33%
Taxable-Equivalent Yield(1)	7.79%
Net Assets Applicable to Common Shares (\$000)	\$78,266
Average Effective Maturity on Securities (Years)	15.96
Leverage-Adjusted Duration	7.60

AVERAGE ANNUAL TOTAL RETURN  
(Inception 9/25/02)

	ON SHARE PRICE	ON NAV
1-Year	19.24%	15.53%
5-Year	4.96%	4.66%
Since Inception	4.59%	5.38%

PORTFOLIO COMPOSITION  
(as a % of total investments)

Tax Obligation/Limited	20.7%
Health Care	18.5%
U.S. Guaranteed	14.4%
Tax Obligation/General	11.3%
Education and Civic Organizations	8.8%
Housing/Single Family	5.3%
Housing/Multifamily	5.2%
Water and Sewer	3.6%
Other	12.2%

CREDIT QUALITY (as a % of total investments) (2)

[PIE CHART]

AAA/U.S. Guaranteed	36%
AA	27%
A	15%
BBB	14%
BB or Lower	2%
N/R	6%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

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

Jun	\$ 0.058
May	\$ 0.058
Jul	\$ 0.058
Aug	\$ 0.062
Sep	\$ 0.062
Oct	\$ 0.062
Nov	\$ 0.063
Dec	\$ 0.063
Jan	\$ 0.063
Feb	\$ 0.063
Mar	\$ 0.063
Apr	\$ 0.063

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

6/1/2009	\$ 12.61
	\$ 12.5
	\$ 12.0466
	\$ 12.53
	\$ 12.63
	\$ 12.7176
	\$ 12.94
	\$ 12.9878
	\$ 13
	\$ 13.3
	\$ 12.79
	\$ 12.8
	\$ 13
	\$ 12.936
	\$ 13.28
	\$ 13.23
	\$ 13.59
	\$ 13.88
	\$ 14.11
	\$ 14.12
	\$ 13.6
	\$ 13.4
	\$ 13.12
	\$ 13.35
	\$ 13.4313
	\$ 13.39
	\$ 13.58
	\$ 13.91
	\$ 13.8483
	\$ 13.6499
	\$ 13.81
	\$ 13.8001
	\$ 13.7801
	\$ 13.73
	\$ 13.58
	\$ 13.665
	\$ 13.6246
	\$ 13.85
	\$ 13.72
	\$ 13.66
	\$ 13.87
	\$ 13.8
	\$ 13.88
	\$ 13.94
	\$ 13.86

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	\$ 13.8501
	\$ 14.01
	\$ 13.97
	\$ 14.041
	\$ 13.916
	\$ 13.97
	\$ 14.07
	\$ 14.19
5/31/2010	\$ 14.19

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.6%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

14 Nuveen Investments

NPV Performance OVERVIEW | Nuveen Virginia Premium Income Municipal Fund  
| as of May 31, 2010

CREDIT QUALITY (as a % of total investments) (2)

[PIE CHART]

AAA/U.S. Guaranteed	32%
AA	28%
A	27%
BBB	8%
BB or Lower	1%
N/R	4%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE (3)

[BAR CHART]

Jun	\$ 0.0605
Jul	\$ 0.0605
Aug	\$ 0.0605
Sep	\$ 0.065
Oct	\$ 0.065
Nov	\$ 0.065
Dec	\$ 0.067
Jan	\$ 0.067
Feb	\$ 0.067
Mar	\$ 0.067
Apr	\$ 0.067
May	\$ 0.067

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

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

6/1/09	\$ 14.306
	\$ 14.28
	\$ 13.64
	\$ 13.79
	\$ 14
	\$ 14.47
	\$ 14
	\$ 14.12
	\$ 14.568
	\$ 14.5
	\$ 14.48
	\$ 14.45
	\$ 14.47
	\$ 14.4
	\$ 14.39
	\$ 14.93
	\$ 15.1
	\$ 15.14
	\$ 15.7
	\$ 15.14
	\$ 15.25
	\$ 15.35
	\$ 15.98
	\$ 15.58
	\$ 14.9
	\$ 15.07
	\$ 14.54
	\$ 14.6
	\$ 14.99
	\$ 15
	\$ 14.83
	\$ 14.9356
	\$ 14.86
	\$ 14.75
	\$ 14.81
	\$ 14.8899
	\$ 14.9899
	\$ 15.17
	\$ 15.142
	\$ 15.2
	\$ 15.55
	\$ 15.44
	\$ 15.53
	\$ 15.69
	\$ 15.84
	\$ 15.95
	\$ 16
	\$ 16.13
	\$ 16.07
	\$ 15.6
	\$ 15.92
	\$ 15.86
	\$ 15.85
5/31/10	\$ 15.85

FUND SNAPSHOT

-----	
Common Share Price	\$ 15.85
-----	
Common Share Net Asset Value	\$ 14.73
-----	
Premium/(Discount) to NAV	7.60%

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Market Yield	5.07%
Taxable-Equivalent Yield(1)	7.47%
Net Assets Applicable to Common Shares (\$000)	\$132,302
Average Effective Maturity on Securities (Years)	15.45
Leverage-Adjusted Duration	8.07

AVERAGE ANNUAL TOTAL RETURN  
(Inception 3/18/93)

	ON SHARE PRICE	ON NAV
1-Year	16.60%	13.19%
5-Year	3.37%	4.14%
10-Year	6.69%	6.85%

PORTFOLIO COMPOSITION  
(as a % of total investments)

Health Care	20.8%
Tax Obligation/Limited	18.8%
Tax Obligation/General	12.7%
U.S. Guaranteed	10.5%
Transportation	8.2%
Water and Sewer	5.7%
Housing/Single Family	5.5%
Utilities	4.7%
Other	13.1%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.1%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- 3 The Fund paid shareholders a net ordinary income distribution in December 2009 of \$0.0267 per share.



NGB Performance OVERVIEW | Nuveen Virginia Dividend Advantage Municipal Fund  
 | as of May 31, 2010

FUND SNAPSHOT

Common Share Price	\$ 15.14
Common Share Net Asset Value	\$ 14.21
Premium/(Discount) to NAV	6.54%
Market Yield	5.07%
Taxable-Equivalent Yield(1)	7.47%
Net Assets Applicable to Common Shares (\$000)	\$44,612
Average Effective Maturity on Securities (Years)	16.69
Leverage-Adjusted Duration	9.14

AVERAGE ANNUAL TOTAL RETURN  
 (Inception 1/26/01)

	ON SHARE PRICE	ON NAV
1-Year	14.13%	15.13%
5-Year	3.00%	3.82%
Since Inception	5.59%	5.77%

PORTFOLIO COMPOSITION  
 (as a % of total investments)

Transportation	17.8%
U.S. Guaranteed	17.3%
Health Care	16.9%
Tax Obligation/Limited	14.4%
Long-Term Care	7.6%
Tax Obligation/General	7.5%
Housing/Single Family	6.3%
Other	12.2%

CREDIT QUALITY (as a % of total investments) (2)

[PIE CHART]

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AAA/U.S. Guaranteed	36%
AA	19%
A	21%
BBB	12%
N/R	12%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE

[BAR CHART]

Jun	\$ 0.062
Jul	\$ 0.062
Aug	\$ 0.062
Sep	\$ 0.064
Oct	\$ 0.064
Nov	\$ 0.064
Dec	\$ 0.064
Jan	\$ 0.064
Feb	\$ 0.064
Mar	\$ 0.064
Apr	\$ 0.064
May	\$ 0.064

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

6/1/09	\$ 14
	\$ 13.9
	\$ 13.6
	\$ 13.15
	\$ 14.4
	\$ 14.16
	\$ 14.1899
	\$ 13.48
	\$ 14.7
	\$ 14.73
	\$ 14.23
	\$ 14.08
	\$ 14
	\$ 14.18
	\$ 14
	\$ 14.25
	\$ 14.71
	\$ 14.65
	\$ 15.37
	\$ 14.6192
	\$ 14.42
	\$ 14.3
	\$ 14.95
	\$ 14.4
	\$ 14.4
	\$ 14.75
	\$ 14.25
	\$ 14.49
	\$ 14.2
	\$ 14.66
	\$ 14.63
	\$ 14.11
	\$ 14.72
	\$ 14.18
	\$ 14.399

	\$ 14.52
	\$ 14.732
	\$ 14.3
	\$ 14.5999
	\$ 14.59
	\$ 14.75
	\$ 14.73
	\$ 14.42
	\$ 14.68
	\$ 14.75
	\$ 14.682
	\$ 14.9305
	\$ 15.01
	\$ 15.5
	\$ 14.73
	\$ 14.81
	\$ 15.25
	\$ 15.1399
5/31/10	\$ 15.1399

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.1%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

16 Nuveen Investments

NNB Performance OVERVIEW | Nuveen Virginia Dividend Advantage Municipal Fund 2  
| as of May 31, 2010

CREDIT QUALITY (as a % of total investments) (2)

[PIE CHART]

AAA/U.S. Guaranteed	32%
AA	25%
A	22%
BBB	12%
N/R	9%

2009-2010 MONTHLY TAX-FREE DIVIDENDS PER COMMON SHARE (3)

[BAR CHART]

Jun	\$ 0.062
Jul	\$ 0.062
Aug	\$ 0.062
Sep	\$ 0.066
Oct	\$ 0.066
Nov	\$ 0.066
Dec	\$ 0.066
Jan	\$ 0.066

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Feb	\$ 0.066
Mar	\$ 0.066
Apr	\$ 0.066
May	\$ 0.066

COMMON SHARE PRICE PERFORMANCE -- WEEKLY CLOSING PRICE

[LINE GRAPH]

6/1/09	\$ 13.93
	\$ 14.06
	\$ 13.16
	\$ 13.0999
	\$ 13.09
	\$ 13.39
	\$ 13.73
	\$ 13.85
	\$ 13.8901
	\$ 13.91
	\$ 14.03
	\$ 14.0299
	\$ 14.12
	\$ 14.08
	\$ 14.11
	\$ 14.37
	\$ 14.9
	\$ 14.78
	\$ 15.28
	\$ 15.43
	\$ 14.612
	\$ 14.86
	\$ 14.85
	\$ 14.98
	\$ 14.77
	\$ 14.85
	\$ 14.88
	\$ 14.67
	\$ 14.7201
	\$ 14.95
	\$ 15.017
	\$ 14.79
	\$ 14.8301
	\$ 14.9
	\$ 14.84
	\$ 14.81
	\$ 14.9376
	\$ 14.805
	\$ 14.8
	\$ 15.0001
	\$ 15.04
	\$ 15.38
	\$ 15.14
	\$ 14.98
	\$ 14.96
	\$ 15.18
	\$ 15.03
	\$ 15.16
	\$ 15.48
	\$ 14.9999
	\$ 15.39
	\$ 15.298
	\$ 15.15

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5/31/10 \$ 15.15

FUND SNAPSHOT

Common Share Price	\$ 15.15
Common Share Net Asset Value	\$ 14.56
Premium/(Discount) to NAV	4.05%
Market Yield	5.23%
Taxable-Equivalent Yield(1)	7.70%
Net Assets Applicable to Common Shares (\$000)	\$83,765
Average Effective Maturity on Securities (Years)	16.69
Leverage-Adjusted Duration	8.47

AVERAGE ANNUAL TOTAL RETURN  
(Inception 11/15/01)

	ON SHARE PRICE	ON NAV
1-Year	14.48%	15.15%
5-Year	3.41%	4.06%
Since Inception	5.78%	6.05%

PORTFOLIO COMPOSITION  
(as a % of total investments)

Health Care	21.5%
Tax Obligation/Limited	14.9%
Tax Obligation/General	14.1%
Water and Sewer	11.0%
U.S. Guaranteed	10.2%
Housing/Single Family	8.1%
Long-Term Care	7.1%
Other	13.1%

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.1%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest of Standard & Poor's Group, Moody's Investor Service, Inc. or Fitch, Inc. AAA includes bonds with an implied AAA rating since they are backed by U.S. Government or agency securities. AAA, AA, A

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and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below-investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

3 The Fund paid shareholders a net ordinary income distribution in December 2009 of \$0.0037 per share.

Nuveen Investments 17

NMY | Shareholder Meeting Report

NFM |

NZR | The annual meeting of shareholders was held in the offices of Nuveen Investments on November 30, 2009; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies and the approval of new Fundamental Investment Policies. The meeting for NFM, NZR, NWI and NPV was subsequently adjourned to January 12, 2010. NPV was additionally adjourned to March 23, 2010.

	NMY		NFM	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
-----				
TO APPROVE THE ELIMINATION OF THE FUND'S FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES AND BELOW INVESTMENT GRADE SECURITIES.				
For	--	--	1,965,394	
Against	--	--	122,788	
Abstain	--	--	71,462	
Broker Non-Votes	--	--	481,265	
-----				
Total	--	--	2,640,909	
=====				
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES FOR THE FUND.				
For	--	--	1,988,505	
Against	--	--	107,428	
Abstain	--	--	63,711	
Broker Non-Votes	--	--	481,265	
-----				
Total	--	--	2,640,909	
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY PROHIBITING INVESTMENT IN OTHER INVESTMENT COMPANIES.				
For	--	--	--	
Against	--	--	--	
Abstain	--	--	--	
Broker Non-Votes	--	--	--	

Total	--	--	--
=====			
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO DERIVATIVES AND SHORT SALES.			
For	--	--	--
Against	--	--	--
Abstain	--	--	--
Broker Non-Votes	--	--	--
-----			
Total	--	--	--
=====			
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO COMMODITIES.			
For	--	--	--
Against	--	--	--
Abstain	--	--	--
Broker Non-Votes	--	--	--
-----			
Total	--	--	--
=====			
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO COMMODITIES.			
For	--	--	--
Against	--	--	--
Abstain	--	--	--
Broker Non-Votes	--	--	--
-----			
Total	--	--	--
=====			

18 Nuveen Investments

	NMY		NFM	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares vot toget as a cl
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:				
Robert P. Bremner				
For	8,767,034	--	2,522,131	
Withhold	140,799	--	118,778	
-----				
Total	8,907,833	--	2,640,909	
=====				
Jack B. Evans				
For	8,751,611	--	2,524,202	
Withhold	156,222	--	116,707	
-----				
Total	8,907,833	--	2,640,909	

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=====			
William C. Hunter			
For	--	1,582	--
Withhold	--	190	--
-----			
Total	--	1,772	--
=====			
William J. Schneider			
For	--	1,582	--
Withhold	--	190	--
-----			
Total	--	1,772	--
=====			

Nuveen Investments 19

NWI NGB NPV | Shareholder Meeting Report (continued)

	NWI		NPV	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
-----				
TO APPROVE THE ELIMINATION OF THE FUND'S FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES AND BELOW INVESTMENT GRADE SECURITIES.				
For	2,444,885	884	4,661,554	1,
Against	114,510	19	318,427	
Abstain	86,133	1	185,106	
Broker Non-Votes	893,042	--	1,354,950	
-----				
Total	3,538,570	904	6,520,037	1,
=====				
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES FOR THE FUND.				
For	2,454,038	892	4,704,960	1,
Against	113,840	11	291,053	
Abstain	77,650	1	169,074	
Broker Non-Votes	893,042	--	1,354,950	
-----				
Total	3,538,570	904	6,520,037	1,
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY PROHIBITING INVESTMENT IN OTHER INVESTMENT COMPANIES.				
For	--	--	4,612,617	1,
Against	--	--	359,873	
Abstain	--	--	192,597	
Broker Non-Votes	--	--	1,354,950	
-----				



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Total	--	--	6,520,037	1,
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO DERIVATIVES AND SHORT SALES.				
For	--	--	4,607,762	1,
Against	--	--	346,718	
Abstain	--	--	210,607	
Broker Non-Votes	--	--	1,354,950	
-----				
Total	--	--	6,520,037	1,
=====				
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO COMMODITIES.				
For	--	--	4,631,417	1,
Against	--	--	331,998	
Abstain	--	--	201,672	
Broker Non-Votes	--	--	1,354,950	
-----				
Total	--	--	6,520,037	1,
=====				
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO COMMODITIES.				
For	--	--	4,641,713	1,
Against	--	--	325,766	
Abstain	--	--	197,608	
Broker Non-Votes	--	--	1,354,950	
-----				
Total	--	--	6,520,037	1,
=====				

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	NWI		NPV	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares vot toget as a cl
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:				
Robert P. Bremner				
For	3,400,428	--	6,276,015	
Withhold	138,142	--	220,519	
-----				
Total	3,538,570	--	6,496,534	
=====				
Jack B. Evans				
For	3,406,097	--	6,271,787	
Withhold	132,473	--	224,747	
-----				
Total	3,538,570	--	6,496,534	
=====				

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William C. Hunter				
For	--	841	--	
Withhold	--	63	--	
-----				
Total	--	904	--	1,
=====				
William J. Schneider				
For	--	841	--	
Withhold	--	63	--	
-----				
Total	--	904	--	1,
=====				

Nuveen Investments 21

NNB | Shareholder Meeting Report (continued)

	NNB	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
-----		
TO APPROVE THE ELIMINATION OF THE FUND'S FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES AND BELOW INVESTMENT GRADE SECURITIES.		
For	--	--
Against	--	--
Abstain	--	--
Broker Non-Votes	--	--
-----		
Total	--	--
=====		
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES FOR THE FUND.		
For	--	--
Against	--	--
Abstain	--	--
Broker Non-Votes	--	--
-----		
Total	--	--
=====		
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY PROHIBITING INVESTMENT IN OTHER INVESTMENT COMPANIES.		
For	--	--
Against	--	--
Abstain	--	--
Broker Non-Votes	--	--
-----		
Total	--	--
=====		

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TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL  
POLICY RELATING TO DERIVATIVES AND SHORT SALES.

For	--	--
Against	--	--
Abstain	--	--
Broker Non-Votes	--	--
-----		
Total	--	--

TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL  
POLICY RELATING TO COMMODITIES.

For	--	--
Against	--	--
Abstain	--	--
Broker Non-Votes	--	--
-----		
Total	--	--

TO APPROVE THE NEW FUNDAMENTAL POLICY  
RELATING TO COMMODITIES.

For	--	--
Against	--	--
Abstain	--	--
Broker Non-Votes	--	--
-----		
Total	--	--

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NNB

	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
--	--	--

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

Robert P. Bremner

For	4,564,389	--
Withhold	124,597	--
-----		
Total	4,688,986	--

Jack B. Evans

For	4,566,389	--
Withhold	122,597	--
-----		
Total	4,688,986	--

William C. Hunter

For	--	528
Withhold	--	116
-----		
Total	--	644

=====		
William J. Schneider		
For	--	528
Withhold	--	116
-----		
Total	--	644
=====		

Nuveen Investments 23

Report of Independent  
Registered Public Accounting Firm

THE BOARD TRUSTEES AND SHAREHOLDERS  
 NUVEEN MARYLAND PREMIUM INCOME MUNICIPAL FUND  
 NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND  
 NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
 NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 3  
 NUVEEN VIRGINIA PREMIUM INCOME MUNICIPAL FUND  
 NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND  
 NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Maryland Premium Income Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund 2, Nuveen Maryland Dividend Advantage Municipal Fund 3, Nuveen Virginia Premium Income Municipal Fund, Nuveen Virginia Dividend Advantage Municipal Fund, and Nuveen Virginia Dividend Advantage Municipal Fund 2 (the "Funds"), as of May 31, 2010, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of May 31, 2010, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions

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of Nuveen Maryland Premium Income Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund, Nuveen Maryland Dividend Advantage Municipal Fund 2, Nuveen Maryland Dividend Advantage Municipal Fund 3, Nuveen Virginia Premium Income Municipal Fund, Nuveen Virginia Dividend Advantage Municipal Fund, and Nuveen Virginia Dividend Advantage Municipal Fund 2 at May 31, 2010, the results of their operations and cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois  
July 27, 2010

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NMY | Nuveen Maryland Premium Income Municipal Fund  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
CONSUMER DISCRETIONARY - 2.5% (1.7% OF TOTAL INVESTMENTS)		
Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A:		
\$ 25	5.250%, 9/01/25 - SYNCORA GTY Insured	9/16 at 100.00
4,825	5.250%, 9/01/39 - SYNCORA GTY Insured	9/16 at 100.00
-----		
4,850	Total Consumer Discretionary	
-----		
CONSUMER STAPLES - 1.6% (1.1% OF TOTAL INVESTMENTS)		
2,615	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100.00
-----		
EDUCATION AND CIVIC ORGANIZATIONS - 16.9% (11.3% OF TOTAL INVESTMENTS)		
1,250	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount Saint Mary's College, Series 2006, 5.625%, 9/01/38	9/16 at 100.00
1,000	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 100.00
Maryland Economic Development Corporation, Utility Infrastructure Revenue Bonds, University of Maryland - College Park, Series 2001:		
980	5.375%, 7/01/15 - AMBAC Insured	7/11 at 100.00
980	5.375%, 7/01/16 - AMBAC Insured	7/11 at 100.00
330	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Patterson Park Public Charter School Issue, Series 2010, 6.000%, 7/01/40	7/20 at 100.00

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	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School, Series 2000:		
750	5.250%, 7/01/25 - AGM Insured		1/11 at 101.00
500	5.250%, 7/01/30 - AGM Insured		1/11 at 101.00
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34		7/14 at 100.00
1,430	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins University, Series 2004, Inverse 1003, 13.395%, 7/01/33 (IF)		7/14 at 100.00
1,825	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2006, 5.000%, 6/01/30		6/16 at 100.00
1,365	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/19		5/15 at 100.00
9,445	Morgan State University, Maryland, Student Tuition and Fee Revenue Refunding Bonds, Academic Fees and Auxiliary Facilities, Series 1993, 6.100%, 7/01/20 - NPMFG Insured		No Opt. Call
1,685	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2006A, 5.000%, 10/01/22		10/16 at 100.00
	Westminster, Maryland, Educational Facilities Revenue Bonds, McDaniel College, Series 2006:		
910	5.000%, 11/01/31		11/16 at 100.00
850	4.500%, 11/01/36		11/16 at 100.00
-----			
24,550	Total Education and Civic Organizations		
-----			
	HEALTH CARE - 25.6% (17.1% OF TOTAL INVESTMENTS)		
2,990	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System Issue, Series 2010, 5.125%, 7/01/39		7/19 at 100.00
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Health System, Series 2010, 5.000%, 7/01/40		7/19 at 100.00
1,525	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 2004, 5.500%, 7/01/36		7/14 at 100.00
3,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 5.800%, 7/01/32		7/12 at 100.00
400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll Hospital Center, Series 2006, 5.000%, 7/01/40		7/16 at 100.00
1,665	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Civista Medical Center, Series 2005, 5.000%, 7/01/37 - RAAI Insured		7/14 at 100.00

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NMY | Nuveen Maryland Premium Income Municipal Fund (continued)  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
HEALTH CARE (continued)		
\$ 1,740	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Doctors Community Hospital, Series 2007A, 5.000%, 7/01/29	7/17 at 100.00
1,400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35	7/12 at 100.00
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34	7/11 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Howard County General Hospital Acquisition, Series 1998, 5.000%, 7/01/19 - NCFG Insured	7/10 at 100.00
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente System, Series 1998A, 5.375%, 7/01/15	6/10 at 101.00
3,800	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, 5.500%, 7/01/33	7/13 at 100.00
1,175	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2008, 5.000%, 7/01/28 - AGC Insured	7/17 at 100.00
1,750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24	8/14 at 100.00
3,310	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2007, 5.250%, 5/15/46 - BHAC Insured	5/16 at 100.00
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center Project, Series 2007A:	
1,010	5.000%, 7/01/37	7/17 at 100.00
670	5.500%, 7/01/42	7/17 at 100.00
1,700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 100.00
3,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2002, 5.625%, 7/01/32	7/12 at 100.00

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1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2004B, 5.000%, 7/01/24 - AMBAC Insured	7/13 at 100.00
3,395	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008, 5.750%, 1/01/38	1/18 at 100.00
	Prince George's County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994:	
360	5.375%, 7/01/14 (5)	7/10 at 100.00
295	5.300%, 7/01/24 (5)	7/10 at 100.00
-----		
40,685	Total Health Care	
-----		
HOUSING/MULTIFAMILY - 12.7% (8.5% OF TOTAL INVESTMENTS)		
2,065	Anne Arundel County, Maryland, FNMA Multifamily Housing Revenue Bonds, Glenview Gardens Apartments Project, Series 2009, 5.000%, 1/01/28 (Mandatory put 1/01/27)	1/20 at 102.00
1,450	Maryland Community Development Administration, FNMA Multifamily Development Revenue Bonds, Edgewater Village Apartments, Series 2000B, 5.800%, 8/01/20 (Alternative Minimum Tax)	2/11 at 101.00
2,500	Maryland Community Development Administration, Housing Revenue Bonds, Series 1999A, 5.350%, 7/01/41 (Alternative Minimum Tax)	7/10 at 100.50
880	Maryland Community Development Administration, Housing Revenue Bonds, Series 1999B, 6.250%, 7/01/32 (Alternative Minimum Tax)	7/10 at 100.00
1,000	Maryland Economic Development Corporation, Senior Lien Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23	10/13 at 100.00
1,000	Maryland Economic Development Corporation, Student Housing Revenue Bonds, Collegiate Housing Foundation - Salisbury State University, Series 1999A, 6.000%, 6/01/19	6/10 at 101.90
1,145	Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park Projects, Series 2006, 5.000%, 6/01/33 - CIFG Insured	6/16 at 100.00
3,830	Montgomery County Housing Opportunities Commission, Maryland, FNMA/FHA-Insured Multifamily Housing Development Bonds, Series 1998A, 5.200%, 7/01/30	7/10 at 100.00

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
HOUSING/MULTIFAMILY (continued)		
\$ 360	Montgomery County Housing Opportunities Commission, Maryland,	7/10 at 100.00



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GNMA/FHA-Insured Multifamily Housing Revenue Bonds, Series  
1995A, 5.900%, 7/01/15

2,000	Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000A, 6.100%, 7/01/30	7/10 at 100.00
540	Prince George's County Housing Authority, Maryland, GNMA Collateralized Mortgage Revenue Bonds, University Landing Apartments, Series 1999, 6.100%, 3/20/41 (Alternative Minimum Tax)	9/10 at 101.00
	Prince George's County Housing Authority, Maryland, GNMA Collateralized Mortgage Revenue Refunding Bonds, Overlook Apartments, Series 1995A:	
1,645	5.700%, 12/20/15	6/10 at 100.00
1,670	5.750%, 12/20/19	6/10 at 100.00
-----		
20,085	Total Housing/Multifamily	
-----		
HOUSING/SINGLE FAMILY - 11.2% (7.5% OF TOTAL INVESTMENTS)		
2,510	Maryland Community Development Administration Department of Housing and Community Development, Residential Revenue Bonds, Series 2008C, 5.375%, 9/01/39	9/18 at 100.00
3,000	Maryland Community Development Administration Department of Housing and Community Development, Residential Revenue Bonds, Series 2009B, 4.750%, 9/01/39	9/18 at 100.00
	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006:	
600	4.750%, 9/01/25 (Alternative Minimum Tax) (UB)	9/15 at 100.00
1,195	4.900%, 9/01/26 (Alternative Minimum Tax) (UB)	9/15 at 100.00
4,100	4.875%, 9/01/26 (Alternative Minimum Tax) (UB)	3/16 at 100.00
1,630	4.900%, 9/01/31 (Alternative Minimum Tax) (UB)	9/16 at 100.00
	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2007:	
650	5.000%, 9/01/27 (Alternative Minimum Tax) (UB)	3/17 at 100.00
1,200	4.850%, 9/01/37 (Alternative Minimum Tax) (UB)	3/17 at 100.00
2,330	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2005, 4.900%, 9/01/36 (Alternative Minimum Tax) (UB)	9/14 at 100.00
5	Prince George's County Housing Authority, Maryland, FHLMC/FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 2000A, 6.150%, 8/01/19 (Alternative Minimum Tax)	8/10 at 100.00
290	Puerto Rico Housing Finance Authority, Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 2003A, 4.875%, 6/01/34 (Alternative Minimum Tax)	6/13 at 100.00
-----		
17,510	Total Housing/Single Family	
-----		
INDUSTRIALS - 2.7% (1.8% OF TOTAL INVESTMENTS)		
2,150	Maryland Economic Development Corporation, Economic Development Revenue Bonds, Transportation Facilities Project, Series	6/20 at 100.00

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2010A, 5.750%, 6/01/35

2,010	Maryland Economic Development Corporation, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002, 4.600%, 4/01/16 (Alternative Minimum Tax)	4/12 at 101.00
-----		
4,160	Total Industrials	
-----		
LONG-TERM CARE - 3.2% (2.2% OF TOTAL INVESTMENTS)		
2,455	Baltimore County, Maryland, Revenue Bonds, Oak Crest Village, Series 2007A, 5.000%, 1/01/37	1/17 at 100.00
1,000	Carroll County, Maryland, Revenue Refunding Bonds, EMA Obligated Group, Series 1999A, 5.625%, 1/01/25 - RAAI Insured	7/10 at 100.50
995	Gaithersburg, Maryland, Economic Development Revenue Bonds, Asbury Methodist Homes Inc., Series 2009B, 6.000%, 1/01/23	1/20 at 100.00
1,065	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge Retirement Community, Series 2007, 4.750%, 7/01/34	7/17 at 100.00
-----		
5,515	Total Long-Term Care	
-----		

Nuveen Investments 27

NMY | Nuveen Maryland Premium Income Municipal Fund (continued)  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
TAX OBLIGATION/GENERAL - 28.6% (19.2% OF TOTAL INVESTMENTS)		
\$ 2,030	Anne Arundel County, Maryland, General Obligation Bonds, Series 2004, 5.000%, 4/01/16	4/14 at 100.00
1,000	Anne Arundel County, Maryland, General Obligation Bonds, Series 2006, 5.000%, 3/01/21	3/16 at 100.00
685	Anne Arundel County, Maryland, Water and Sewer Revenue Bonds, Series 2006, 5.000%, 3/01/17	3/16 at 100.00
Baltimore County, Maryland, Metropolitan District Special Assessment Bonds, 67th Issue:		
2,500	5.000%, 6/01/25	6/11 at 101.00
3,500	5.000%, 6/01/26	6/11 at 101.00
1,540	Baltimore, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004A, 5.000%, 10/15/22 - AMBAC Insured	10/14 at 100.00
700	Carroll County, Maryland, Consolidated Public Improvement Bonds, Series 2005A, 5.000%, 12/01/16	12/15 at 100.00

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	Charles County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2006:		
2,185	5.000%, 3/01/14		No Opt. Call
820	5.000%, 3/01/16		No Opt. Call
	Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2004B:		
1,625	5.000%, 8/15/17		2/14 at 100.00
1,180	5.000%, 8/15/19		2/14 at 100.00
1,725	Howard County, Maryland, Metropolitan District Refunding Bonds, Series 2002A, 5.250%, 8/15/18		2/12 at 100.00
1,190	Maryland National Capital Park Planning Commission, Prince George's County, General Obligation Bonds, Park Acquisition and Development, Series 2004EE-2, 5.000%, 1/15/17		1/14 at 100.00
3,000	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/15		No Opt. Call
	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Refunding Bonds, Series 2001:		
1,750	5.250%, 10/01/13		10/11 at 101.00
2,000	5.250%, 10/01/18		10/11 at 101.00
2,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2002, 4.100%, 9/15/19		9/12 at 101.00
5,770	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2003A, 5.000%, 10/01/18		10/13 at 100.00
	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005:		
2,000	5.000%, 6/01/16		6/15 at 100.00
1,235	5.000%, 6/01/23		6/15 at 100.00
1,235	5.000%, 6/01/24		6/15 at 100.00
1,235	5.000%, 6/01/25		6/15 at 100.00
-----			
40,905	Total Tax Obligation/General		
-----			
	TAX OBLIGATION/LIMITED - 15.8% (10.5% OF TOTAL INVESTMENTS)		
300	Baltimore, Maryland, Special Obligation Bonds, North Locust Point Project, Series 2005, 5.500%, 9/01/34		9/15 at 101.00
340	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.700%, 7/01/29 - RAAI Insured		7/10 at 102.00
900	Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34		7/14 at 102.00
	Maryland Department of Transportation, Certificates of Participation, Mass Transit Administration Project, Series 2000:		
875	5.500%, 10/15/19 (Alternative Minimum Tax)		10/10 at 101.00
925	5.500%, 10/15/20 (Alternative Minimum Tax)		10/10 at 101.00

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4,250	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt. Call
1,875	Maryland Economic Development Corporation, Lease Revenue Bonds, Department of Transportation Headquarters Building, Series 2002, 5.375%, 6/01/19	6/12 at 100.50
1,700	Maryland Stadium Authority, Lease Revenue Bonds, Montgomery County Conference Center Facilities, Series 2003, 5.000%, 6/15/24	6/13 at 100.00
1,000	Montgomery County, Maryland, Lease Revenue Bonds, Metrorail Garage, Series 2002, 5.000%, 6/01/21	6/12 at 100.00

28 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
TAX OBLIGATION/LIMITED (continued)		
\$ 675	Montgomery County, Maryland, Special Obligation Bonds, West Germantown Development District, Senior Series 2002A, 5.500%, 7/01/27 - RAAI Insured	7/12 at 101.00
635	New Baltimore City Board of School Commissioners, Maryland, School System Revenue Bonds, Series 2000, 5.125%, 11/01/15	11/10 at 100.00
Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N:		
1,000	5.500%, 7/01/29 - AMBAC Insured	No Opt. Call
2,500	5.250%, 7/01/31 - AMBAC Insured	No Opt. Call
1,000	5.250%, 7/01/33 - NPFPG Insured	No Opt. Call
2,100	Puerto Rico Municipal Finance Agency, Series 2002A, 5.250%, 8/01/21 - AGM Insured	8/12 at 100.00
Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A:		
1,425	5.375%, 8/01/39	2/20 at 100.00
200	5.500%, 8/01/42	2/20 at 100.00
1,500	Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - NPFPG Insured	No Opt. Call
-----		
23,200	Total Tax Obligation/Limited	
-----		
TRANSPORTATION - 4.8% (3.2% OF TOTAL INVESTMENTS)		
1,060	Baltimore, Maryland, Revenue Refunding Bonds, Parking System Facilities, Series 1998A, 5.250%, 7/01/17 - FGIC Insured	No Opt. Call
4,335	Maryland Transportation Authority, Revenue Bonds, Transportation Facilities Projects, Series 2007, 5.000%, 7/01/30 - AGM Insured (UB)	7/17 at 100.00

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2,075	Puerto Rico Ports Authority, Special Facilities Revenue Bonds, AmericanAirlines Inc., Series 1996A, 6.250%, 6/01/26 (Alternative Minimum Tax)	6/10 at 100.00
-----		
7,470	Total Transportation	
-----		
	U.S. GUARANTEED - 16.5% (11.1% OF TOTAL INVESTMENTS) (4)	
2,000	Baltimore, Maryland, Revenue Refunding Bonds, Water Projects, Series 1998A, 5.000%, 7/01/28 - FGIC Insured (ETM)	No Opt. Call
2,000	Baltimore, Maryland, Revenue Refunding Bonds, Water System Projects, Series 1994A, 5.000%, 7/01/24 - FGIC Insured (ETM)	No Opt. Call
1,245	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 (Pre-refunded 7/01/16) - AMBAC Insured	7/16 at 100.00
275	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.700%, 7/01/29 (Pre-refunded 7/01/10) - RAAI Insured	7/10 at 102.00
1,440	Gaithersburg, Maryland, Hospital Facilities Revenue Refunding and Improvement Bonds, Shady Grove Adventist Hospital, Series 1995, 6.500%, 9/01/12 - AGM Insured (ETM)	No Opt. Call
575	Howard County, Maryland, Consolidated Public Improvement Refunding Bonds, Series 2002A, 5.250%, 8/15/18 (Pre-refunded 2/15/12)	2/12 at 100.00
	Maryland Economic Development Corporation, Health and Mental Hygiene Providers Revenue Bonds, Series 1996A:	
810	7.625%, 4/01/21 (Pre-refunded 4/01/11)	4/11 at 102.00
585	7.625%, 4/01/21 (Pre-refunded 4/01/11)	4/11 at 102.00
3,200	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/27 - AMBAC Insured (ETM)	No Opt. Call
3,125	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Howard County General Hospital, Series 1993, 5.500%, 7/01/25 (ETM)	7/10 at 100.00
2,040	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 (Pre-refunded 7/01/14)	7/14 at 100.00
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2002, 6.000%, 7/01/22 (Pre-refunded 7/01/12)	7/12 at 100.00
175	Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 (ETM)	No Opt. Call
1,000	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/20 (Pre-refunded 10/01/10)	10/10 at 101.00

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NMY | Nuveen Maryland Premium Income Municipal Fund (continued)  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
	U.S. GUARANTEED (4) (continued)	
\$ 1,000	Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 1996Y, 5.500%, 7/01/36 (Pre-refunded 7/01/16)	7/16 at 100.00
235	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded 7/01/10)	7/10 at 100.00
2,000	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.500%, 10/01/24 (Pre-refunded 10/01/10)	10/10 at 101.00
23,205	Total U.S. Guaranteed	
	UTILITIES - 3.9% (2.6% OF TOTAL INVESTMENTS)	
2,500	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	9/10 at 100.00
3,500	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2004PP, 5.000%, 7/01/22 - FGIC Insured	7/14 at 100.00
6,000	Total Utilities	
	WATER AND SEWER - 3.4% (2.2% OF TOTAL INVESTMENTS)	
1,045	Baltimore, Maryland, Revenue Refunding Bonds, Water System Projects, Series 1994A, 5.000%, 7/01/24 - FGIC Insured	No Opt. Call
1,655	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 - AMBAC Insured	7/16 at 100.00
1,260	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2007D, 5.000%, 7/01/32 - AMBAC Insured	7/17 at 100.00
860	Maryland Water Quality Financing Administration, Revolving Loan Fund Revenue Bonds, Series 2005A, 5.000%, 9/01/15	No Opt. Call
4,820	Total Water and Sewer	
\$ 225,570	Total Investments (cost \$226,022,758) - 149.4%	
	Floating Rate Obligations - (6.3)%	
	MuniFund Term Preferred Shares, at Liquidation Value - (24.7)% (6)	

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Other Assets Less Liabilities - 2.6%
Auction Rate Preferred Shares, at Liquidation Value - (21.0)% (6)
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 unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor 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.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.
- (6) MuniFund Term Preferred Shares and Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments are 16.5% and 14.0%, respectively.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

30 Nuveen Investments

NFM | Nuveen Maryland Dividend Advantage Municipal Fund  
| Portfolio of Investments May 31, 2010

PRINCIPAL  
AMOUNT (000) DESCRIPTION (1)

OPTIONAL CALL  
PROVISIONS (2)

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CONSUMER DISCRETIONARY - 5.0% (3.5% OF TOTAL INVESTMENTS)

	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A:		
\$	540	5.000%, 9/01/16 - SYNCORA GTY Insured	No Opt. Call
	2,115	5.250%, 9/01/39 - SYNCORA GTY Insured	9/16 at 100.00
	310	Baltimore, Maryland, Subordinate Lien Convention Center Hotel Revenue Bonds, Series 2006B, 5.875%, 9/01/39	9/16 at 100.00
	650	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference Center, Series 2006A, 5.000%, 12/01/31	12/16 at 100.00
-----			
	3,615	Total Consumer Discretionary	
-----			

CONSUMER STAPLES - 2.2% (1.5% OF TOTAL INVESTMENTS)

	1,340	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100.00
-----			

EDUCATION AND CIVIC ORGANIZATIONS - 12.4% (8.7% OF TOTAL INVESTMENTS)

	645	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 100.00
	980	Maryland Economic Development Corporation, Utility Infrastructure Revenue Bonds, University of Maryland - College Park, Series 2001, 5.000%, 7/01/19 - AMBAC Insured	7/11 at 100.00
	125	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Patterson Park Public Charter School Issue, Series 2010, 6.000%, 7/01/40	7/20 at 100.00
	1,500	Maryland Health and Higher Educational Facilities Authority, Educational Facilities Leasehold Mortgage Revenue Bonds, McLean School, Series 2001, 6.000%, 7/01/31	7/10 at 100.00
	500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34	7/14 at 100.00
	585	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins University, Series 2004, Inverse 1003, 13.395%, 7/01/33 (IF)	7/14 at 100.00
	565	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2007, 5.000%, 6/01/36	6/17 at 100.00
	475	Maryland Industrial Development Financing Authority, Revenue Bonds, Our Lady of Good Counsel High School, Series 2005A, 6.000%, 5/01/35	5/15 at 100.00
	615	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/20	5/15 at 100.00

Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System,



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Series 1999:		
215	5.375%, 2/01/19	8/10 at 100.00
410	5.375%, 2/01/29	8/10 at 100.00
900	Westminster, Maryland, Educational Facilities Revenue Bonds, McDaniel College, Series 2006, 4.500%, 11/01/36	11/16 at 100.00
-----		
7,515	Total Education and Civic Organizations	
-----		
HEALTH CARE - 33.5% (23.5% OF TOTAL INVESTMENTS)		
225	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System Issue, Series 2010, 5.125%, 7/01/39	7/19 at 100.00
1,325	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2006, 5.000%, 7/01/36	7/16 at 100.00
330	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Health System, Series 2010, 5.000%, 7/01/40	7/19 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center, Series 1998, 5.125%, 7/01/28 - AGM Insured	7/10 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 1998, 5.000%, 7/01/28	7/10 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 6.000%, 7/01/26	7/12 at 100.00

Nuveen Investments 31

NFM | Nuveen Maryland Dividend Advantage Municipal Fund (continued)  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
HEALTH CARE (continued)		
\$ 400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll Hospital Center, Series 2006, 5.000%, 7/01/40	7/16 at 100.00
775	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Civista Medical Center, Series 2005, 5.000%, 7/01/37 - RAAI Insured	7/14 at 100.00
710	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Doctors Community Hospital, Series 2007A, 5.000%, 7/01/29	7/17 at 100.00

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500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35	7/12 at 100.00
650	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34	7/11 at 100.00
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Series 2001, 5.000%, 5/15/21	5/11 at 100.00
2,225	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente System, Series 1998A, 5.375%, 7/01/15	6/10 at 101.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, 5.500%, 7/01/33	7/13 at 100.00
485	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2008, 5.000%, 7/01/28 - AGC Insured	7/17 at 100.00
700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24	8/14 at 100.00
1,360	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2007, 5.250%, 5/15/46 - BHAC Insured	5/16 at 100.00
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center Project, Series 2007A:	
415	5.000%, 7/01/37	7/17 at 100.00
270	5.500%, 7/01/42	7/17 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2001, 5.625%, 7/01/31	7/11 at 100.00
700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2005, 5.000%, 7/01/35	7/15 at 100.00
980	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008, 5.750%, 1/01/38	1/18 at 100.00
570	Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Union Hospital of Cecil County, Series 1998, 5.100%, 7/01/22	7/10 at 100.00
700	Prince George's County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994, 5.300%, 7/01/24 (5)	7/10 at 100.00
-----		
20,570	Total Health Care	
-----		

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HOUSING/MULTIFAMILY - 13.6% (9.6% OF TOTAL INVESTMENTS)

1,000	Maryland Community Development Administration, Multifamily Housing Revenue Bonds, Princess Anne Apartments, Series 2001D, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 100.00
	Maryland Economic Development Corporation, Senior Lien Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A:	
215	4.250%, 10/01/10	No Opt. Call
50	5.000%, 10/01/15	10/13 at 100.00
210	5.625%, 10/01/23	10/13 at 100.00
1,800	Maryland Economic Development Corporation, Student Housing Revenue Bonds, Sheppard Pratt University Village, Series 2001, 6.000%, 7/01/33 - ACA Insured	7/11 at 101.00
475	Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park Projects, Series 2006, 5.000%, 6/01/33 - CIFG Insured	6/16 at 100.00
750	Montgomery County Housing Opportunities Commission, Maryland, FNMA/FHA-Insured Multifamily Housing Development Bonds, Series 1998A, 5.250%, 7/01/29 (Alternative Minimum Tax)	7/10 at 100.00
2,000	Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000B, 6.200%, 7/01/30 (Alternative Minimum Tax)	7/10 at 100.00

32 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
HOUSING/MULTIFAMILY (continued)		
\$ 2,000	Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2001A, 5.600%, 7/01/42 (Alternative Minimum Tax)	7/11 at 100.00
8,500	Total Housing/Multifamily	
HOUSING/SINGLE FAMILY - 9.4% (6.6% OF TOTAL INVESTMENTS)		
985	Maryland Community Development Administration Department of Housing and Community Development, Residential Revenue Bonds, Series 2008C, 5.375%, 9/01/39	9/18 at 100.00
	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006:	
600	4.750%, 9/01/25 (Alternative Minimum Tax) (UB)	9/15 at 100.00
300	4.900%, 9/01/26 (Alternative Minimum Tax) (UB)	9/15 at 100.00
1,200	4.875%, 9/01/26 (Alternative Minimum Tax) (UB)	3/16 at 100.00
815	4.900%, 9/01/31 (Alternative Minimum Tax) (UB)	9/16 at 100.00

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	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2007:		
250	5.000%, 9/01/27 (Alternative Minimum Tax) (UB)		3/17 at 100.00
500	4.850%, 9/01/37 (Alternative Minimum Tax) (UB)		3/17 at 100.00
970	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2005, 4.900%, 9/01/36 (Alternative Minimum Tax) (UB)		9/14 at 100.00
-----			
5,620	Total Housing/Single Family		
-----			
	INDUSTRIALS - 3.7% (2.6% OF TOTAL INVESTMENTS)		
810	Maryland Economic Development Corporation, Economic Development Revenue Bonds, Transportation Facilities Project, Series 2010A, 5.750%, 6/01/35		6/20 at 100.00
410	Maryland Economic Development Corporation, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002, 4.600%, 4/01/16 (Alternative Minimum Tax)		4/12 at 101.00
1,000	Northeast Maryland Waste Disposal Authority, Baltimore, Resource Recovery Revenue Bonds, RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax)		7/10 at 100.00
-----			
2,220	Total Industrials		
-----			
	LONG-TERM CARE - 3.9% (2.7% OF TOTAL INVESTMENTS)		
850	Baltimore County, Maryland, Revenue Bonds, Oak Crest Village, Series 2007A, 5.000%, 1/01/37		1/17 at 100.00
295	Gaithersburg, Maryland, Economic Development Revenue Bonds, Asbury Methodist Homes Inc., Series 2009B, 6.000%, 1/01/23		1/20 at 100.00
300	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Edenwald, Series 2006A, 5.400%, 1/01/31		7/16 at 100.00
720	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, King Farm Presbyterian Community, Series 2007A, 5.250%, 1/01/27		1/17 at 100.00
440	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge Retirement Community, Series 2007, 4.750%, 7/01/34		7/17 at 100.00
-----			
2,605	Total Long-Term Care		
-----			
	TAX OBLIGATION/GENERAL - 15.8% (11.1% OF TOTAL INVESTMENTS)		
565	Anne Arundel County, Maryland, General Obligation Bonds, Series 2006, 5.000%, 3/01/21		3/16 at 100.00
3,500	Baltimore County, Maryland, Metropolitan District Special Assessment Bonds, 67th Issue, 5.000%, 6/01/27		6/11 at 101.00
300	Carroll County, Maryland, Consolidated Public Improvement Bonds, Series 2005A, 5.000%, 12/01/16		12/15 at 100.00
600	Frederick, Maryland, General Obligation Bonds, Series 2005, 5.000%, 8/01/16 - NCFG Insured		8/15 at 100.00

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1,000	Maryland National Capital Park Planning Commission, Prince George's County, General Obligation Bonds, Park Acquisition and Development, Series 2004EE-2, 5.000%, 1/15/17	1/14 at 100.00
1,360	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2006A, 5.000%, 5/01/16	No Opt. Call
740	Ocean City, Maryland, General Obligation Bonds, Series 2001, 4.875%, 3/01/19 - FGIC Insured	3/11 at 101.00
700	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 100.00
-----		
8,765	Total Tax Obligation/General	
-----		

Nuveen Investments 33

NFM | Nuveen Maryland Dividend Advantage Municipal Fund (continued)  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
TAX OBLIGATION/LIMITED - 15.5% (10.9% OF TOTAL INVESTMENTS)		
\$ 250	Anne Arundel County, Maryland, Tax Increment Financing Revenue Bonds, Parole Town Center Project, Series 2002, 5.000%, 7/01/12	No Opt. Call
350	Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34	7/14 at 102.00
1,500	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16	No Opt. Call
1,405	Maryland Economic Development Corporation, Lease Revenue Bonds, Department of Transportation Headquarters Building, Series 2002, 5.375%, 6/01/19	6/12 at 100.50
370	Maryland Economic Development Corporation, Lease Revenue Bonds, Montgomery County Town Square Parking Garage, Series 2002A, 5.000%, 9/15/13	9/12 at 100.00
740	Prince George's County, Maryland, Lease Revenue Bonds, Upper Marlboro Justice Center, Series 2003A, 5.000%, 6/30/14 - NPMG Insured	6/13 at 100.00
895	Prince George's County, Maryland, Special Obligation Bonds, National Harbor Project, Series 2005, 5.200%, 7/01/34	7/15 at 100.00
450	Prince George's County, Maryland, Special Tax District Bonds, Victoria Falls Project, Series 2005, 5.250%, 7/01/35	7/13 at 100.00

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1,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt. Call
700	Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - NCFG Insured	No Opt. Call
1,290	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.375%, 10/01/19	10/10 at 101.00
<hr/>		
8,950	Total Tax Obligation/Limited	
<hr/>		
TRANSPORTATION - 4.4% (3.1% OF TOTAL INVESTMENTS)		
650	Maryland Health and Higher Educational Facilities Authority, Parking Facilities Revenue Bonds, Johns Hopkins Hospital, Series 2001, 5.000%, 7/01/27 - AMBAC Insured	7/11 at 100.00
1,785	Maryland Transportation Authority, Revenue Bonds, Transportation Facilities Projects, Series 2007, 5.000%, 7/01/30 - AGM Insured (UB)	7/17 at 100.00
	Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997:	
20	5.750%, 12/01/22 - NCFG Insured (Alternative Minimum Tax)	6/10 at 100.00
70	5.750%, 12/01/25 - NCFG Insured (Alternative Minimum Tax)	6/10 at 100.00
<hr/>		
2,525	Total Transportation	
<hr/>		
U.S. GUARANTEED - 17.5% (12.3% OF TOTAL INVESTMENTS) (4)		
1,015	Baltimore, Maryland, Revenue Refunding Bonds, Water Projects, Series 1998A, 5.000%, 7/01/28 - FGIC Insured (ETM)	No Opt. Call
500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001A, 6.750%, 4/01/23 (Pre-refunded 4/01/11)	4/11 at 101.00
585	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 (Pre-refunded 7/01/14)	7/14 at 100.00
625	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.500%, 6/01/32 (Pre-refunded 6/01/11)	6/11 at 100.00
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2001, 5.250%, 7/01/28 (Pre-refunded 7/01/11)	7/11 at 100.00
640	Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 (ETM)	No Opt. Call
	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A:	
2,300	5.500%, 10/01/32 (Pre-refunded 10/01/10)	10/10 at 101.00
1,700	5.500%, 10/01/40 (Pre-refunded 10/01/10)	10/10 at 101.00
590	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded 7/01/10)	7/10 at 100.00
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9,955 Total U.S. Guaranteed

34 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
UTILITIES - 3.4% (2.4% OF TOTAL INVESTMENTS)		
\$ 1,000	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	9/10 at 100.00
1,040	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2010XX, 5.250%, 7/01/40	7/20 at 100.00
2,040	Total Utilities	
WATER AND SEWER - 2.1% (1.5% OF TOTAL INVESTMENTS)		
285	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 - AMBAC Insured	7/16 at 100.00
540	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2007D, 5.000%, 7/01/32 - AMBAC Insured	7/17 at 100.00
355	Maryland Water Quality Financing Administration, Revolving Loan Fund Revenue Bonds, Series 2005A, 5.000%, 9/01/15	No Opt. Call
1,180	Total Water and Sewer	
\$ 85,400	Total Investments (cost \$84,939,848) - 142.4%	
Floating Rate Obligations - (6.6)%		
MuniFund Term Preferred Shares, at Liquidation Value - (43.9)% (6)		
Other Assets Less Liabilities - 8.1%		
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 unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or

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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.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

(5) For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.

(6) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 30.8%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 35

NZR | Nuveen Maryland Dividend Advantage Municipal Fund 2  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
CONSUMER DISCRETIONARY - 4.3% (2.9% OF TOTAL INVESTMENTS)		
\$ 2,320	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/39 - SYNCORA GTY Insured	9/16 at 100.00
310	Baltimore, Maryland, Subordinate Lien Convention Center Hotel Revenue Bonds, Series 2006B, 5.875%, 9/01/39	9/16 at 100.00
650	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference Center, Series 2006A, 5.000%, 12/01/31	12/16 at 100.00
3,280	Total Consumer Discretionary	
CONSUMER STAPLES - 2.2% (1.5% OF TOTAL INVESTMENTS)		
660	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100.00
800	Tobacco Settlement Financing Corporation, Virgin Islands, Tobacco Settlement Asset-Backed Bonds, Series 2001, 5.000%, 5/15/31	5/11 at 100.00



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1,460 Total Consumer Staples

EDUCATION AND CIVIC ORGANIZATIONS - 16.0% (10.8% OF TOTAL INVESTMENTS)

1,100	Anne Arundel County, Maryland, Economic Development Revenue Bonds, Community College Project, Series 2002, 5.125%, 9/01/22	9/12 at 102.00
500	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount Saint Mary's College, Series 2006, 5.625%, 9/01/38	9/16 at 100.00
645	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 100.00
125	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Patterson Park Public Charter School Issue, Series 2010, 6.000%, 7/01/40	7/20 at 100.00
250	Maryland Health and Higher Educational Facilities Authority, Educational Facilities Leasehold Mortgage Revenue Bonds, McLean School, Series 2001, 6.000%, 7/01/31	7/10 at 100.00
415	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School, Series 2000, 5.250%, 7/01/30 - AGM Insured	1/11 at 101.00
500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34	7/14 at 100.00
585	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins University, Series 2004, Inverse 1003, 13.395%, 7/01/33 (IF)	7/14 at 100.00
750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2006, 5.000%, 6/01/30	6/16 at 100.00
565	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2007, 5.000%, 6/01/36	6/17 at 100.00
500	Maryland Industrial Development Financing Authority, Revenue Bonds, Our Lady of Good Counsel High School, Series 2005A, 6.000%, 5/01/35	5/15 at 100.00
590	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/18	5/15 at 100.00
500	Morgan State University, Maryland, Student Tuition and Fee Revenue Bonds, Academic Fees and Auxiliary Facilities, Series 2001, 4.900%, 7/01/21 - FGIC Insured	7/12 at 100.00
500	Morgan State University, Maryland, Student Tuition and Fee Revenue Bonds, Academic Fees and Auxiliary Facilities, Series 2003A, 5.000%, 7/01/20 - FGIC Insured	7/13 at 100.00
1,140	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2001B, 4.500%, 4/01/19	4/11 at 100.00
650	University of Maryland, Auxiliary Facility and Tuition Revenue	10/16 at 100.00

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Bonds, Series 2006A, 5.000%, 10/01/22

200 Westminster, Maryland, Educational Facilities Revenue Bonds, 11/16 at 100.00  
 McDaniel College, Series 2006, 5.000%, 11/01/31

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 9,515 Total Education and Civic Organizations  
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36 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
HEALTH CARE - 28.2% (19.0% OF TOTAL INVESTMENTS)		
\$ 445	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System Issue, Series 2010, 5.125%, 7/01/39	7/19 at 100.00
335	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Health System, Series 2010, 5.000%, 7/01/40	7/19 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center, Series 1998, 5.125%, 7/01/33 - AGM Insured	7/10 at 100.00
775	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 2004, 5.500%, 7/01/36	7/14 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 6.000%, 7/01/26	7/12 at 100.00
750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Civista Medical Center, Series 2005, 5.000%, 7/01/37 - RAAI Insured	7/14 at 100.00
715	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Doctors Community Hospital, Series 2007A, 5.000%, 7/01/29	7/17 at 100.00
500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35	7/12 at 100.00
650	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34	7/11 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, 5.500%, 7/01/33	7/13 at 100.00
480	Maryland Health and Higher Educational Facilities Authority,	7/17 at 100.00

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Revenue Bonds, LifeBridge Health System, Series 2008, 5.000%,  
7/01/28 - AGC Insured

700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24	8/14 at 100.00
1,360	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2007, 5.250%, 5/15/46 - BHAC Insured	5/16 at 100.00
415	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center Project, Series 2007A: 5.000%, 7/01/37	7/17 at 100.00
280	5.500%, 7/01/42	7/17 at 100.00
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2001, 5.625%, 7/01/31	7/11 at 100.00
700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 100.00
1,500	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2005, 5.000%, 7/01/40	7/15 at 100.00
980	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008, 5.750%, 1/01/38	1/18 at 100.00
1,610	Montgomery County, Maryland, Economic Development Revenue Bonds, Trinity Healthcare Group, Series 2001, 5.125%, 12/01/22	12/11 at 100.00
700	Prince George's County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994, 5.300%, 7/01/24 (5)	7/10 at 100.00
-----		
17,395	Total Health Care	
-----		
HOUSING/MULTIFAMILY - 9.1% (6.2% OF TOTAL INVESTMENTS)		
3,145	Maryland Community Development Administration, Multifamily Development Revenue Bonds, Waters Towers Senior Apartments, Series 2001F, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 100.00
1,110	Maryland Community Development Administration, Multifamily Housing Revenue Bonds, Princess Anne Apartments, Series 2001D, 5.450%, 12/15/33 (Alternative Minimum Tax)	12/11 at 100.00
1,000	Maryland Economic Development Corporation, Senior Lien Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23	10/13 at 100.00
520	Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park Projects, Series 2006, 5.000%, 6/01/33 - CIFG Insured	6/16 at 100.00
-----		
5,775	Total Housing/Multifamily	
-----		

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NZR | Nuveen Maryland Dividend Advantage Municipal Fund 2 (continued)  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
HOUSING/SINGLE FAMILY - 10.4% (7.0% OF TOTAL INVESTMENTS)		
\$ 1,030	Maryland Community Development Administration Department of Housing and Community Development, Residential Revenue Bonds, Series 2008C, 5.375%, 9/01/39	9/18 at 100.00
	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006:	
600	4.750%, 9/01/25 (Alternative Minimum Tax) (UB)	9/15 at 100.00
300	4.900%, 9/01/26 (Alternative Minimum Tax) (UB)	9/15 at 100.00
1,000	4.875%, 9/01/26 (Alternative Minimum Tax) (UB)	3/16 at 100.00
815	4.900%, 9/01/31 (Alternative Minimum Tax) (UB)	9/16 at 100.00
	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2007:	
250	5.000%, 9/01/27 (Alternative Minimum Tax) (UB)	3/17 at 100.00
500	4.850%, 9/01/37 (Alternative Minimum Tax) (UB)	3/17 at 100.00
970	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2005, 4.900%, 9/01/36 (Alternative Minimum Tax) (UB)	9/14 at 100.00
785	Maryland Community Development Administration, Residential Revenue Bonds, Series 2001H, 5.350%, 9/01/32 (Alternative Minimum Tax)	9/10 at 100.00
6,250	Total Housing/Single Family	
INDUSTRIALS - 4.0% (2.7% OF TOTAL INVESTMENTS)		
845	Maryland Economic Development Corporation, Economic Development Revenue Bonds, Transportation Facilities Project, Series 2010A, 5.750%, 6/01/35	6/20 at 100.00
410	Maryland Economic Development Corporation, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002, 4.600%, 4/01/16 (Alternative Minimum Tax)	4/12 at 101.00
1,150	Northeast Maryland Waste Disposal Authority, Baltimore, Resource Recovery Revenue Bonds, RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax)	7/10 at 100.00
2,405	Total Industrials	
LONG-TERM CARE - 4.1% (2.8% OF TOTAL INVESTMENTS)		
860	Baltimore County, Maryland, Revenue Bonds, Oak Crest Village, Series 2007A, 5.000%, 1/01/37	1/17 at 100.00

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380	Gaithersburg, Maryland, Economic Development Revenue Bonds, Asbury Methodist Homes Inc., Series 2009B, 6.000%, 1/01/23	1/20 at 100.00
300	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Edenwald, Series 2006A, 5.400%, 1/01/31	7/16 at 100.00
	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, King Farm Presbyterian Community, Series 2007A:	
500	5.000%, 1/01/17	No Opt. Call
220	5.250%, 1/01/27	1/17 at 100.00
435	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge Retirement Community, Series 2007, 4.750%, 7/01/34	7/17 at 100.00

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 2,695 Total Long-Term Care  
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TAX OBLIGATION/GENERAL - 20.8% (14.1% OF TOTAL INVESTMENTS)

300	Carroll County, Maryland, Consolidated Public Improvement Bonds, Series 2005A, 5.000%, 12/01/16	12/15 at 100.00
	Cecil County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2001B:	
975	4.600%, 8/01/18	8/11 at 101.00
1,020	4.600%, 8/01/19	8/11 at 101.00
600	Frederick, Maryland, General Obligation Bonds, Series 2005, 5.000%, 8/01/16 - NPMG Insured	8/15 at 100.00
510	Frederick, Maryland, General Obligation Refunding and Improvement Bonds, Series 2001, 4.750%, 12/01/19	12/11 at 101.00
1,000	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/15	No Opt. Call
4,730	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Refunding Bonds, Series 2001, 5.250%, 10/01/18	10/11 at 101.00

38 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
TAX OBLIGATION/GENERAL (continued)		
\$ 770	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 - AGM Insured	7/11 at 100.00
800	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 100.00
1,000	Washington Suburban Sanitary District, Montgomery and Prince	6/15 at 100.00

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George's Counties, Maryland, Water Supply Bonds, Series 2005,  
5.000%, 6/01/16

11,705	Total Tax Obligation/General		
-----			
TAX OBLIGATION/LIMITED - 17.4% (11.7% OF TOTAL INVESTMENTS)			
250	Anne Arundel County, Maryland, Tax Increment Financing Revenue Bonds, Parole Town Center Project, Series 2002, 5.000%, 7/01/12		No Opt. Call
530	Baltimore Board of School Commissioners, Maryland, Revenue Bonds, City Public School System, Series 2003A, 5.000%, 5/01/15		5/13 at 100.00
	Baltimore County, Maryland, Certificates of Participation, Health and Social Services Building Project, Series 2001:		
1,580	5.000%, 8/01/20		8/11 at 101.00
1,660	5.000%, 8/01/21		8/11 at 101.00
110	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.700%, 7/01/29 - RAAI Insured		7/10 at 102.00
350	Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34		7/14 at 102.00
1,000	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16		No Opt. Call
1,405	Maryland Economic Development Corporation, Lease Revenue Bonds, Department of Transportation Headquarters Building, Series 2002, 5.375%, 6/01/19		6/12 at 100.50
1,000	Montgomery County, Maryland, Special Obligation Bonds, West Germantown Development District, Senior Series 2002A, 5.500%, 7/01/27 - RAAI Insured		7/12 at 101.00
895	Prince George's County, Maryland, Special Obligation Bonds, National Harbor Project, Series 2005, 5.200%, 7/01/34		7/15 at 100.00
475	Prince George's County, Maryland, Special Tax District Bonds, Victoria Falls Project, Series 2005, 5.250%, 7/01/35		7/13 at 100.00
1,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured		No Opt. Call
-----			
10,255	Total Tax Obligation/Limited		
-----			
TRANSPORTATION - 5.7% (3.8% OF TOTAL INVESTMENTS)			
	Maryland Health and Higher Educational Facilities Authority, Parking Facilities Revenue Bonds, Johns Hopkins Hospital, Series 2001:		
650	5.000%, 7/01/27 - AMBAC Insured		7/11 at 100.00
1,000	5.000%, 7/01/34 - AMBAC Insured		7/11 at 100.00
1,780	Maryland Transportation Authority, Revenue Bonds, Transportation Facilities Projects, Series 2007, 5.000%, 7/01/30 - AGM Insured (UB)		7/17 at 100.00
-----			
3,430	Total Transportation		
-----			

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U.S. GUARANTEED - 21.2% (14.3% OF TOTAL INVESTMENTS) (4)		
1,000	Baltimore County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2002, 5.000%, 8/01/18 (Pre-refunded 8/01/12)	8/12 at 100.00
90	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.700%, 7/01/29 (Pre-refunded 7/01/10) - RAAI Insured	7/10 at 102.00
25	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001A, 6.750%, 4/01/23 (Pre-refunded 4/01/11)	4/11 at 101.00
1,260	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/17 - AMBAC Insured (ETM)	No Opt. Call

Nuveen Investments 39

NZR | Nuveen Maryland Dividend Advantage Municipal Fund 2 (continued)  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
U.S. GUARANTEED (4) (continued)		
\$ 525	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 (Pre-refunded 7/01/14)	7/14 at 100.00
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.500%, 6/01/32 (Pre-refunded 6/01/11)	6/11 at 100.00
2,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2001, 5.250%, 7/01/28 (Pre-refunded 7/01/11)	7/11 at 100.00
900	Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 (ETM)	No Opt. Call
1,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001, 5.250%, 12/01/20 (Pre-refunded 12/01/11) - FGIC Insured	12/11 at 101.00
3,000	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40 (Pre-refunded 10/01/10)	10/10 at 101.00
1,000	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 6.000%, 7/01/26 (Pre-refunded 7/01/10)	7/10 at 100.00
-----		

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12,050	Total U.S. Guaranteed	
-----		
	UTILITIES - 3.2% (2.2% OF TOTAL INVESTMENTS)	
1,000	Guam Power Authority, Revenue Bonds, Series 1999A, 5.250%, 10/01/34 - NPFPG Insured	10/10 at 100.00
1,000	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	9/10 at 100.00
-----		
2,000	Total Utilities	
-----		
	WATER AND SEWER - 1.4% (1.0% OF TOTAL INVESTMENTS)	
285	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 - AMBAC Insured	7/16 at 100.00
540	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2007D, 5.000%, 7/01/32 - AMBAC Insured	7/17 at 100.00
-----		
825	Total Water and Sewer	
-----		
\$ 89,040	Total Investments (cost \$88,596,455) - 148.0%	
=====		
	Floating Rate Obligations - (6.3)%	
-----		
	MuniFund Term Preferred Shares, at Liquidation Value - (44.9)% (6)	
-----		
	Other Assets Less Liabilities - 3.2%	
-----		
	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 unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor 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.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.
- (6) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of



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Total Investments is 30.4%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

40 Nuveen Investments

NWI | Nuveen Maryland Dividend Advantage Municipal Fund 3  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
CONSUMER DISCRETIONARY - 3.5% (2.4% OF TOTAL INVESTMENTS)		
\$ 2,385	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/39 - SYNCORA GTY Insured	9/16 at 100.00
380	Baltimore, Maryland, Subordinate Lien Convention Center Hotel Revenue Bonds, Series 2006B, 5.875%, 9/01/39	9/16 at 100.00
700	Maryland Economic Development Corporation, Revenue Bonds, Chesapeake Bay Hyatt Conference Center, Series 2006A, 5.000%, 12/01/31	12/16 at 100.00
3,465	Total Consumer Discretionary	
CONSUMER STAPLES - 2.9% (1.9% OF TOTAL INVESTMENTS)		
2,280	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33	5/12 at 100.00
EDUCATION AND CIVIC ORGANIZATIONS - 13.1% (8.8% OF TOTAL INVESTMENTS)		
225	Anne Arundel County, Maryland, Economic Development Revenue Bonds, Community College Project, Series 2002, 5.125%, 9/01/22	9/12 at 102.00
625	Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount Saint Mary's College, Series 2006, 5.625%, 9/01/38	9/16 at 100.00
690	Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34	4/14 at 100.00
165	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Patterson Park Public Charter School Issue, Series 2010, 6.000%, 7/01/40	7/20 at 100.00

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625	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34	7/14 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins University, Series 2002A, 5.000%, 7/01/32	7/12 at 100.00
735	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins University, Series 2004, Inverse 1003, 13.395%, 7/01/33 (IF)	7/14 at 100.00
925	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2006, 5.000%, 6/01/30	6/16 at 100.00
625	Maryland Industrial Development Financing Authority, Revenue Bonds, Our Lady of Good Counsel High School, Series 2005A, 6.000%, 5/01/35	5/15 at 100.00
710	Montgomery County Revenue Authority, Maryland, Lease Revenue Bonds, Montgomery College Arts Center Project, Series 2005A, 5.000%, 5/01/18	5/15 at 100.00
1,000	Morgan State University, Maryland, Student Tuition and Fee Revenue Bonds, Academic Fees and Auxiliary Facilities, Series 2003A, 5.000%, 7/01/32 - FGIC Insured	7/13 at 100.00
985	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2001B, 4.625%, 4/01/21	4/11 at 100.00
800	University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2006A, 5.000%, 10/01/22	10/16 at 100.00
890	Westminster, Maryland, Educational Facilities Revenue Bonds, McDaniel College, Series 2006, 5.000%, 11/01/31	11/16 at 100.00
-----		
10,000	Total Education and Civic Organizations	
-----		
HEALTH CARE - 27.5% (18.5% OF TOTAL INVESTMENTS)		
445	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System Issue, Series 2010, 5.125%, 7/01/39	7/19 at 100.00
700	Maryland Health and Higher Education Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2006, 5.000%, 7/01/31	7/16 at 100.00
335	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Health System, Series 2010, 5.000%, 7/01/40	7/19 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center, Series 1998, 5.125%, 7/01/33 - AGM Insured	7/10 at 100.00
775	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 2004, 5.500%, 7/01/36	7/14 at 100.00
1,250	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002,	7/12 at 100.00

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5.800%, 7/01/32

Nuveen Investments 41

NWI | Nuveen Maryland Dividend Advantage Municipal Fund 3 (continued)  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
HEALTH CARE (continued)		
\$ 1,750	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll Hospital Center, Series 2006, 5.000%, 7/01/40	7/16 at 100.00
1,070	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Civista Medical Center, Series 2005, 5.000%, 7/01/37 - RAAI Insured	7/14 at 100.00
885	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Doctors Community Hospital, Series 2007A, 5.000%, 7/01/29	7/17 at 100.00
700	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35	7/12 at 100.00
800	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Greater Baltimore Medical Center, Series 2001, 5.000%, 7/01/34	7/11 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Johns Hopkins Hospital, Series 2001, 5.000%, 5/15/21	5/11 at 100.00
1,000	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, 5.500%, 7/01/33	7/13 at 100.00
595	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2008, 5.000%, 7/01/28 - AGC Insured	7/17 at 100.00
900	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24	8/14 at 100.00
1,690	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2007, 5.250%, 5/15/46 - BHAC Insured	5/16 at 100.00
525	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center Project, Series 2007A: 5.000%, 7/01/37	7/17 at 100.00
340	5.500%, 7/01/42	7/17 at 100.00

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650	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2001, 5.625%, 7/01/31	7/11 at 100.00
850	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Peninsula Regional Medical Center, Series 2006, 5.000%, 7/01/36	7/16 at 100.00
1,845	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Union Hospital of Cecil County, Series 2002, 5.625%, 7/01/32	7/12 at 100.00
1,220	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Washington County Hospital, Series 2008, 5.750%, 1/01/38	1/18 at 100.00
775	Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Adventist Healthcare, Series 2003A, 5.750%, 1/01/25	1/13 at 101.00
900	Prince George's County, Maryland, Revenue Bonds, Dimensions Health Corporation, Series 1994, 5.300%, 7/01/24 (5)	7/10 at 100.00
-----		
22,000	Total Health Care	
-----		
HOUSING/MULTIFAMILY - 7.7% (5.2% OF TOTAL INVESTMENTS)		
980	Maryland Community Development Administration, Housing Revenue Bonds, Series 2002B, 4.950%, 7/01/32 (Alternative Minimum Tax)	7/12 at 100.00
1,250	Maryland Economic Development Corporation, Senior Lien Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23	10/13 at 100.00
	Maryland Economic Development Corporation, Student Housing Revenue Bonds, Sheppard Pratt University Village, Series 2001:	
20	5.875%, 7/01/21 - ACA Insured	7/11 at 101.00
150	6.000%, 7/01/33 - ACA Insured	7/11 at 101.00
475	Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park Projects, Series 2006, 5.000%, 6/01/33 - CIFG Insured	6/16 at 100.00
	Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2002B:	
515	5.100%, 7/01/33 (Alternative Minimum Tax)	7/12 at 100.00
3,000	5.200%, 7/01/44 (Alternative Minimum Tax)	7/12 at 100.00
-----		
6,390	Total Housing/Multifamily	
-----		

42 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
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HOUSING/SINGLE FAMILY - 7.8% (5.3% OF TOTAL INVESTMENTS)

\$	1,280	Maryland Community Development Administration Department of Housing and Community Development, Residential Revenue Bonds, Series 2008C, 5.375%, 9/01/39	9/18 at 100.00
		Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2006:	
	595	4.900%, 9/01/26 (Alternative Minimum Tax) (UB)	9/15 at 100.00
	1,200	4.875%, 9/01/26 (Alternative Minimum Tax) (UB)	3/16 at 100.00
	815	4.900%, 9/01/31 (Alternative Minimum Tax) (UB)	9/16 at 100.00
		Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2007:	
	350	5.000%, 9/01/27 (Alternative Minimum Tax) (UB)	3/17 at 100.00
	620	4.850%, 9/01/37 (Alternative Minimum Tax) (UB)	3/17 at 100.00
	1,160	Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue Bonds, Series 2005, 4.900%, 9/01/36 (Alternative Minimum Tax) (UB)	9/14 at 100.00

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6,020 Total Housing/Single Family

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INDUSTRIALS - 3.4% (2.3% OF TOTAL INVESTMENTS)

	1,090	Maryland Economic Development Corporation, Economic Development Revenue Bonds, Transportation Facilities Project, Series 2010A, 5.750%, 6/01/35	6/20 at 100.00
	510	Maryland Economic Development Corporation, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002, 4.600%, 4/01/16 (Alternative Minimum Tax)	4/12 at 101.00
	1,000	Northeast Maryland Waste Disposal Authority, Baltimore, Resource Recovery Revenue Bonds, RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax)	7/10 at 100.00

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2,600 Total Industrials

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LONG-TERM CARE - 3.7% (2.5% OF TOTAL INVESTMENTS)

	1,050	Baltimore County, Maryland, Revenue Bonds, Oak Crest Village, Series 2007A, 5.000%, 1/01/37	1/17 at 100.00
	380	Gaithersburg, Maryland, Economic Development Revenue Bonds, Asbury Methodist Homes Inc., Series 2009B, 6.000%, 1/01/23	1/20 at 100.00
	400	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Edenwald, Series 2006A, 5.400%, 1/01/31	7/16 at 100.00
		Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, King Farm Presbyterian Community, Series 2007A:	
	280	5.000%, 1/01/17	No Opt. Call
	520	5.250%, 1/01/27	1/17 at 100.00
	540	Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Ridge Retirement Community, Series 2007, 4.750%, 7/01/34	7/17 at 100.00

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3,170	Total Long-Term Care	
-----		
TAX OBLIGATION/GENERAL - 16.7% (11.3% OF TOTAL INVESTMENTS)		
1,000	Annapolis, Maryland, General Obligation Public Improvement Refunding Bonds, Series 2002, 4.375%, 4/01/17	4/12 at 101.00
380	Carroll County, Maryland, Consolidated Public Improvement Bonds, Series 2005A, 5.000%, 12/01/16	12/15 at 100.00
1,260	Charles County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2002, 4.400%, 1/15/16	1/12 at 101.00
710	Frederick, Maryland, General Obligation Bonds, Series 2005, 5.000%, 8/01/16 - NPFG Insured	8/15 at 100.00
1,000	Maryland National Capital Park Planning Commission, Prince George's County, General Obligation Bonds, Park Acquisition and Development, Series 2004EE-2, 5.000%, 1/15/17	1/14 at 100.00
1,850	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/15	No Opt. Call

Nuveen Investments 43

NWI | Nuveen Maryland Dividend Advantage Municipal Fund 3 (continued)  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
TAX OBLIGATION/GENERAL (continued)		
\$ 1,440	Montgomery County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2006A, 5.000%, 5/01/16	No Opt. Call
1,000	Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004C, 5.000%, 12/01/11	No Opt. Call
1,000	St. Mary's County, Maryland, General Obligation Hospital Bonds, Series 2002, 5.000%, 10/01/12	No Opt. Call
1,000	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 100.00
1,000	Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Water Supply Bonds, Series 2005, 5.000%, 6/01/16	6/15 at 100.00
-----		
11,640	Total Tax Obligation/General	
-----		
TAX OBLIGATION/LIMITED - 30.7% (20.7% OF TOTAL INVESTMENTS)		
1,000	Baltimore Board of School Commissioners, Maryland, Revenue Bonds,	5/13 at 100.00

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	City Public School System, Series 2003A, 5.000%, 5/01/15		
135	Frederick County, Maryland, Lake Linganore Village Community Development Special Obligation Bonds, Series 2001A, 5.600%, 7/01/20 - RAAI Insured		7/10 at 102.00
450	Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34		7/14 at 102.00
5,000	Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16		No Opt. Call
2,200	Maryland Economic Development Corporation, Lease Revenue Bonds, Department of Transportation Headquarters Building, Series 2002, 4.750%, 6/01/22		6/12 at 100.50
450	Maryland Economic Development Corporation, Lease Revenue Bonds, Montgomery County Town Square Parking Garage, Series 2002A, 5.000%, 9/15/13		9/12 at 100.00
2,935	Maryland Economic Development Corporation, Lease Revenue Bonds, Montgomery County Wayne Avenue Parking Project, Series 2002A, 5.250%, 9/15/16		9/12 at 100.00
	Maryland Stadium Authority, Lease Revenue Bonds, Montgomery County Conference Center Facilities, Series 2003:		
1,465	5.000%, 6/15/21		6/13 at 100.00
1,620	5.000%, 6/15/23		6/13 at 100.00
1,210	Prince George's County, Maryland, Special Obligation Bonds, National Harbor Project, Series 2005, 5.200%, 7/01/34		7/15 at 100.00
575	Prince George's County, Maryland, Special Tax District Bonds, Victoria Falls Project, Series 2005, 5.250%, 7/01/35		7/13 at 100.00
1,200	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured		No Opt. Call
	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Bonds, Series 2002G:		
1,000	5.250%, 7/01/17		7/12 at 100.00
1,205	5.250%, 7/01/20		7/12 at 100.00
1,275	5.250%, 7/01/21		7/12 at 100.00
700	Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - NPFPG Insured		No Opt. Call

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22,420 Total Tax Obligation/Limited

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44 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
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TRANSPORTATION - 3.0% (2.0% OF TOTAL INVESTMENTS)

\$ 2,210 Maryland Transportation Authority, Revenue Bonds, 7/17 at 100.00  
 Transportation Facilities Projects, Series 2007, 5.000%,  
 7/01/30 - AGM Insured (UB)

-----  
 U.S. GUARANTEED - 21.4% (14.4% OF TOTAL INVESTMENTS) (4)

255 Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 7/16 at 100.00  
 2006C, 5.000%, 7/01/31 (Pre-refunded 7/01/16) - AMBAC Insured

110 Frederick County, Maryland, Lake Linganore Village Community 7/10 at 102.00  
 Development Special Obligation Bonds, Series 2001A, 5.600%,  
 7/01/20 (Pre-refunded 7/01/10) - RAAI Insured

280 Maryland Health and Higher Educational Facilities Authority, 4/11 at 101.00  
 Revenue Bonds, Collington Episcopal Life Care Community  
 Inc., Series 2001A, 6.750%, 4/01/23 (Pre-refunded 4/01/11)

285 Maryland Health and Higher Educational Facilities Authority, No Opt. Call  
 Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/17 -  
 AMBAC Insured (ETM)

725 Maryland Health and Higher Educational Facilities Authority, 7/14 at 100.00  
 Revenue Bonds, LifeBridge Health System, Series 2004A,  
 5.125%, 7/01/34 (Pre-refunded 7/01/14)

770 Maryland Transportation Authority, Revenue Refunding Bonds, No Opt. Call  
 Transportation Facilities Projects, First Series 1978,  
 6.800%, 7/01/16 (ETM)

4,860 Prince George's County Housing Authority, Maryland, GNMA 11/12 at 100.00  
 Collateralized Mortgage Revenue Bonds, Fairview and Hillside  
 Projects, Series 2002A, 4.700%, 11/20/22 (Pre-refunded  
 11/20/12)

1,525 Puerto Rico Electric Power Authority, Power Revenue Bonds, 7/10 at 101.00  
 Series 2000HH, 5.250%, 7/01/29 (Pre-refunded 7/01/10) - AGM  
 Insured

3,500 Puerto Rico Infrastructure Financing Authority, Special 10/10 at 101.00  
 Obligation Bonds, Series 2000A, 5.500%, 10/01/40  
 (Pre-refunded 10/01/10)

1,000 Puerto Rico Public Finance Corporation, Commonwealth No Opt. Call  
 Appropriation Bonds, Series 1998A, 5.125%, 6/01/24 - AMBAC  
 Insured (ETM)

235 Puerto Rico Public Finance Corporation, Commonwealth 2/12 at 100.00  
 Appropriation Bonds, Series 2002E, 5.500%, 8/01/29  
 (Pre-refunded 2/01/12)

2,000 University of Maryland, Auxiliary Facility and Tuition Revenue 4/12 at 100.00  
 Bonds, Series 2002A, 5.125%, 4/01/22 (Pre-refunded 4/01/12)

25 Washington Suburban Sanitary District, Montgomery and Prince 6/11 at 101.00  
 George's Counties, Maryland, General Obligation Construction  
 Bonds, Second Series 2001, 5.000%, 6/01/17 (Pre-refunded  
 6/01/11)

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 15,570 Total U.S. Guaranteed  
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UTILITIES - 1.6% (1.1% OF TOTAL INVESTMENTS)

1,250	Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax)	9/10 at 100.00
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-----  
WATER AND SEWER - 5.3% (3.6% OF TOTAL INVESTMENTS)

2,570	Baltimore, Maryland, Revenue Refunding Bonds, Wastewater Projects, Series 2002A, 5.125%, 7/01/42 - FGIC Insured	7/12 at 100.00
345	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2006C, 5.000%, 7/01/31 - AMBAC Insured	7/16 at 100.00
660	Baltimore, Maryland, Wastewater Project Revenue Bonds, Series 2007D, 5.000%, 7/01/32 - AMBAC Insured	7/17 at 100.00

Nuveen Investments 45

NWI | Nuveen Maryland Dividend Advantage Municipal Fund 3 (continued)  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
WATER AND SEWER (continued)		
\$ 430	Maryland Water Quality Financing Administration, Revolving Loan Fund Revenue Bonds, Series 2005A, 5.000%, 9/01/15	No Opt. Call
-----		
4,005	Total Water and Sewer	
-----		
\$ 113,020	Total Investments (cost \$113,411,699) - 148.3%	
=====		
	Floating Rate Obligations - (5.4)%	
	-----	
	MuniFund Term Preferred Shares, at Liquidation Value - (26.4)% (6)	
	-----	
	Other Assets Less Liabilities - 2.4%	
	-----	
	Auction Rate Preferred Shares, at Liquidation Value - (18.9)% (6)	
	-----	
	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 unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public

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accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor 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.

- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) For fair value measurement disclosure purposes, investment categorized as Level 3. See Notes to Financial Statements, Footnote 2 - Fair Value Measurements for more information.
- (6) MuniFund Term Preferred Shares and Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments are 17.8% and 12.8%, respectively.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

46 Nuveen Investments

NPV | Nuveen Virginia Premium Income Municipal Fund  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	CONSUMER STAPLES - 3.3% (2.3% OF TOTAL INVESTMENTS)	
\$ 6,640	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset Backed Bonds, Series 2007B1, 5.000%, 6/01/47	6/17 at 100.00
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 6.6% (4.5% OF TOTAL INVESTMENTS)	
1,000	Prince William County Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Catholic Diocese of Arlington, Series 2003, 5.500%, 10/01/33	10/13 at 101.00
700	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Refunding Bonds, Ana G. Mendez University System, Series 2002, 5.375%, 12/01/21	12/12 at 101.00
2,815	The Rector and Visitors of the University of Virginia, General	6/15 at 100.00

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Revenue Bonds, Series 2005, 5.000%, 6/01/37

2,120	Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2001A, 5.000%, 9/01/26	9/11 at 100.00
1,635	Virginia Commonwealth University, Revenue Bonds, Series 2004A, 5.000%, 5/01/17 - AMBAC Insured	5/14 at 101.00
-----		
8,270	Total Education and Civic Organizations	
-----		
HEALTH CARE - 30.2% (20.8% OF TOTAL INVESTMENTS)		
2,000	Albemarle County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Martha Jefferson Hospital, Series 2002, 5.250%, 10/01/35	10/12 at 100.00
1,500	Arlington County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Virginia Hospital Center Arlington Health System, Refunding Series 2010, 5.000%, 7/01/31	7/20 at 100.00
650	Charlotte County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Halifax Regional Hospital Incorporated, Series 2007, 5.000%, 9/01/27	9/17 at 100.00
1,705	Fairfax County Industrial Development Authority, Virginia, Healthcare Revenue Bonds, Inova Health System, Series 2009, Trust 11733, 14.518%, 5/15/35 (IF)	5/19 at 100.00
4,850	Fairfax County Industrial Development Authority, Virginia, Hospital Revenue Refunding Bonds, Inova Health System, Series 1993A, 5.000%, 8/15/23	No Opt. Call
1,000	Fredericksburg Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2007, 5.250%, 6/15/23	No Opt. Call
1,250	Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33	6/12 at 100.00
1,000	Hanover County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Memorial Regional Medical Center, Series 1995, 6.375%, 8/15/18 - NPMFG Insured	No Opt. Call
2,300	Harrisonburg Industrial Development Authority, Virginia, Hospital Facilities Revenue Bonds, Rockingham Memorial Hospital, Series 2006, 5.000%, 8/15/31 - AMBAC Insured	8/16 at 100.00
1,440	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30	11/12 at 100.00
1,500	Henrico County Industrial Development Authority, Virginia, Healthcare Revenue Bonds, Bon Secours Health System, Series 1996, 6.250%, 8/15/20 - NPMFG Insured	No Opt. Call
1,500	Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33	4/13 at 100.00
4,750	Medical College of Virginia Hospital Authority, General Revenue	7/10 at 100.00

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Bonds, Series 1998, 5.125%, 7/01/23 - NCFG Insured

3,000	Roanoke Industrial Development Authority, Virginia, Hospital Revenue Bonds, Carilion Health System, Series 2002A, 5.500%, 7/01/19 - NCFG Insured	7/12 at 100.00
	Stafford County Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2006:	
2,000	5.250%, 6/15/26	6/16 at 100.00
1,010	5.250%, 6/15/31	6/16 at 100.00
1,695	5.250%, 6/15/37	6/16 at 100.00
850	Virginia Small Business Finance Authority, Healthcare Facilities Revenue Bonds, Refunding Sentara Healthcare, Series 2010, 5.000%, 11/01/40	5/20 at 100.00
2,210	Virginia Small Business Financing Authority, Wellmont Health System Project Revenue Bonds, Series 2007A, 5.250%, 9/01/37	9/17 at 100.00

Nuveen Investments 47

NPV | Nuveen Virginia Premium Income Municipal Fund (continued)  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	HEALTH CARE (continued)	
\$ 540	Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds Valley Health System Obligated Group, Series 2009E, 5.625%, 1/01/44	1/19 at 100.00
1,425	Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds, Winchester Medical Center, Series 2007, 5.125%, 1/01/31	1/17 at 100.00
500	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Health Care, Inc., Series 2010A, 5.625%, 4/15/39	4/20 at 100.00
-----		
38,675	Total Health Care	
-----		
	HOUSING/MULTIFAMILY - 3.3% (2.3% OF TOTAL INVESTMENTS)	
1,340	Arlington County Industrial Development Authority, Virginia, Multifamily Housing Revenue Bonds, Patrick Henry Apartments, Series 2000, 6.050%, 11/01/32 (Mandatory put 11/01/20) (Alternative Minimum Tax)	11/10 at 100.00
	Danville Industrial Development Authority, Virginia, Student Housing Revenue Bonds, Collegiate Housing Foundation, Averett College, Series 1999A:	
500	6.875%, 6/01/20	6/10 at 101.00
1,500	7.000%, 6/01/30	6/10 at 101.00

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1,000	Lynchburg Redevelopment and Housing Authority, Virginia, Vistas GNMA Mortgage-Backed Revenue Bonds, Series 2000A, 6.200%, 1/20/40 (Alternative Minimum Tax)	10/10 at 102.00
<hr/>		
4,340	Total Housing/Multifamily	
<hr/>		
HOUSING/SINGLE FAMILY - 7.9% (5.5% OF TOTAL INVESTMENTS)		
300	Puerto Rico Housing Finance Authority, Mortgage-Backed Securities Program Home Mortgage Revenue Bonds, Series 2003A, 4.875%, 6/01/34 (Alternative Minimum Tax)	6/13 at 100.00
850	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - NPMFG Insured	7/11 at 100.00
1,500	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2005C-2, 4.750%, 10/01/32 (Alternative Minimum Tax)	1/15 at 100.00
2,740	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006 D1, 4.900%, 1/01/33 (Alternative Minimum Tax)	7/15 at 100.00
1,340	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006, 4.800%, 7/01/29 (Alternative Minimum Tax)	7/15 at 100.00
3,900	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2007B, 4.750%, 7/01/32 (Alternative Minimum Tax)	7/16 at 100.00
<hr/>		
10,630	Total Housing/Single Family	
<hr/>		
LONG-TERM CARE - 4.7% (3.3% OF TOTAL INVESTMENTS)		
2,765	Fairfax County Economic Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Goodwin House, Inc., Series 2007A, 5.125%, 10/01/37	10/17 at 100.00
800	Fairfax County Economic Development Authority, Virginia, Retirement Center Revenue Bonds, Greenspring Village, Series 2006A, 4.875%, 10/01/36	10/16 at 100.00
1,495	Henrico County Economic Development Authority, Virginia, GNMA Mortgage-Backed Securities Program Assisted Living Revenue Bonds, Beth Sholom, Series 1999A, 5.900%, 7/20/29	7/10 at 101.00
	Henrico County Economic Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of Richmond, Series 2006:	
100	5.000%, 10/01/27	10/11 at 103.00
1,345	5.000%, 10/01/35	No Opt. Call
<hr/>		
6,505	Total Long-Term Care	
<hr/>		
MATERIALS - 1.1% (0.7% OF TOTAL INVESTMENTS)		
500	Bedford County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation, Series 1998, 5.600%, 12/01/25 (Alternative Minimum Tax)	8/10 at 100.00
1,000	Goochland County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa	6/10 at 100.50

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Packaging Corporation Project, Series 1998, 5.650%, 12/01/25  
(Alternative Minimum Tax)

-----  
1,500 Total Materials  
-----

48 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
TAX OBLIGATION/GENERAL - 18.4% (12.7% OF TOTAL INVESTMENTS)		
Chesapeake, Virginia, General Obligation Bonds, Water and Sewerage Series 2003B:		
\$ 1,880	5.000%, 6/01/21	6/13 at 100.00
2,060	5.000%, 6/01/23	6/13 at 100.00
1,355	Harrisonburg, Virginia, General Obligation Bonds, Public Safety and Steam Plant, Series 2002, 5.000%, 7/15/19 - FGIC Insured	7/12 at 101.00
105	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.250%, 5/01/22	5/12 at 100.00
1,185	Lynchburg, Virginia, General Obligation Bonds, Series 2004, 5.000%, 6/01/21	6/14 at 100.00
1,300	Newport News, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 5/01/16	5/14 at 101.00
1,280	Portsmouth, Virginia, General Obligation Bonds, Series 2005A, 5.000%, 4/01/15 - NPFPG Insured	No Opt. Call
1,480	Richmond, Virginia, General Obligation Bonds, Series 2004A, 5.000%, 7/15/21 - AGM Insured	7/14 at 100.00
1,430	Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.000%, 10/01/17	10/12 at 101.00
1,135	Suffolk, Virginia, General Obligation Bonds, Series 2005, 5.000%, 12/01/15	No Opt. Call
2,000	Virginia Beach, Virginia, General Obligation Bonds, Series 2003B, 5.000%, 5/01/15	5/13 at 100.00
1,100	Virginia Beach, Virginia, General Obligation Bonds, Series 2005, 5.000%, 1/15/20	1/16 at 100.00
4,500	Virginia Beach, Virginia, General Obligation Bonds, Series 2008, 5.000%, 10/01/27 (UB)	10/17 at 100.00
1,425	Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/20	6/11 at 101.00
22,235	Total Tax Obligation/General	

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TAX OBLIGATION/LIMITED - 27.2% (18.8% OF TOTAL INVESTMENTS)

	Buena Vista Public Recreational Facilities Authority, Virginia, Lease Revenue Bonds, Golf Course Project, Series 2005A:		
335	5.250%, 7/15/25 - ACA Insured		7/15 at 100.00
260	5.500%, 7/15/35 - ACA Insured		7/15 at 100.00
1,340	Culpeper Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities Project, Series 2005, 5.000%, 1/01/20 - NCFG Insured		1/15 at 100.00
	Cumberland County, Virginia, Certificates of Participation, Series 1997:		
685	6.200%, 7/15/12		No Opt. Call
1,375	6.375%, 7/15/17		No Opt. Call
1,000	Dinwiddie County Industrial Development Authority, Virginia, Lease Revenue Bonds, Series 2004B, 5.125%, 2/15/16 - NCFG Insured		2/14 at 100.00
1,000	Fairfax County Economic Development Authority, Virginia, Lease Revenue Bonds, Joint Public Uses Community Project, Series 2006, 5.000%, 5/15/18		5/16 at 100.00
	Fairfax County Economic Development Authority, Virginia, Lease Revenue Bonds, Laurel Hill Public Facilities Projects, Series 2003:		
2,210	5.000%, 6/01/14		6/13 at 101.00
1,165	5.000%, 6/01/22		6/13 at 101.00
1,660	Front Royal and Warren County Industrial Development Authority, Virginia, Lease Revenue Bonds, Series 2004B, 5.000%, 4/01/18 - AGM Insured		4/14 at 100.00
1,270	James City County Economic Development Authority, Virginia, Revenue Bonds, County Government Projects, Series 2005, 5.000%, 7/15/19		7/15 at 100.00
445	Montgomery County Industrial Development Authority, Virginia, Public Facility Lease Revenue Bonds, Public Projects Series 2008, 5.000%, 2/01/29		2/18 at 100.00
1,185	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.000%, 7/01/32 - AGM Insured		7/12 at 100.00
2,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured		No Opt. Call
5,000	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/43 - AMBAC Insured		No Opt. Call
5,875	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005C, 0.000%, 7/01/28 - AMBAC Insured		No Opt. Call

Nuveen Investments 49

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
TAX OBLIGATION/LIMITED (continued)		
	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D:	
\$ 265	5.250%, 7/01/27	7/12 at 100.00
320	5.250%, 7/01/36	7/12 at 100.00
1,300	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 5.500%, 8/01/42	2/20 at 100.00
1,110	Spotsylvania County Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities, Series 2003B, 4.375%, 8/01/20 - AMBAC Insured	8/13 at 100.00
1,600	Stafford County and Staunton Industrial Development Authority, Virginia, Revenue Bonds, Virginia Municipal League and Virginia Association of Counties Finance Program, Series 2006A, 5.000%, 8/01/23 - NCFG Insured	8/16 at 100.00
2,500	Stafford County Economic Development Authority, Virginia, Lease Revenue Bonds, Public Facility Projects, Series 2008, 5.000%, 4/01/33 - AGC Insured (UB)	4/18 at 100.00
1,400	Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/22	5/15 at 100.00
850	Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2009, Trust 09-3B, 12.968%, 2/01/27 (IF)	2/19 at 100.00
850	Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2009, Trust 09-4B, 12.884%, 2/01/28 (IF)	2/19 at 100.00
1,625	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2005C, 5.000%, 8/01/17	8/15 at 100.00
	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2000B:	
95	5.500%, 5/01/20 - AGM Insured	11/10 at 100.00
550	5.500%, 5/01/30 - AGM Insured	11/10 at 100.00
775	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2002A, 5.000%, 5/01/19	5/11 at 101.00
2,000	Virginia Transportation Board, Transportation Revenue Bonds, U.S. Route 58 Corridor Development Program, Series 2004B, 5.000%, 5/15/15	5/14 at 100.00
-----		
42,045	Total Tax Obligation/Limited	
-----		
TRANSPORTATION - 11.9% (8.2% OF TOTAL INVESTMENTS)		
2,500	Metropolitan Washington D.C. Airports Authority, System Revenue Bonds, Series 2007B, 5.000%, 10/01/35 - AMBAC Insured (Alternative Minimum Tax)	10/17 at 100.00



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3,200	Metropolitan Washington D.C. Airports Authority, Virginia, Dulles Toll Road Revenue Bonds, Dulles Metrorail Capital Appreciation, Series 2010B, 0.000%, 10/01/44	10/28 at 100.00
4,000	Norfolk Airport Authority, Virginia, Airport Revenue Bonds, Series 2001A, 5.125%, 7/01/31 - FGIC Insured	7/11 at 100.00
1,000	Norfolk, Virginia, Parking System Revenue Bonds, Series 2005A, 5.000%, 2/01/23 - NPFGB Insured	2/15 at 100.00
2,500	Richmond Metropolitan Authority, Virginia, Revenue Refunding Bonds, Expressway System, Series 2002, 5.250%, 7/15/22 - FGIC Insured	No Opt. Call
285	Virginia Port Authority, Port Facilities Revenue Refunding Bonds Series 2010, 5.000%, 7/01/40	7/19 at 100.00
1,260	Virginia Port Authority, Revenue Bonds, Port Authority Facilities, Series 2006, 5.000%, 7/01/36 - FGIC Insured (Alternative Minimum Tax)	7/13 at 100.00
2,000	Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/23	2/11 at 100.00
-----		
16,745	Total Transportation	
-----		
	U.S. GUARANTEED - 15.2% (10.5% OF TOTAL INVESTMENTS) (4)	
3,500	Alexandria Industrial Development Authority, Virginia, Fixed Rate Revenue Bonds, Institute for Defense Analyses, Series 2000A, 5.900%, 10/01/30 (Pre-refunded 10/01/10) - AMBAC Insured	10/10 at 101.00

50 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	U.S. GUARANTEED (4) (continued)	
\$ 750	Bristol, Virginia, General Obligation Utility System Revenue Bonds, Series 2002, 5.000%, 11/01/24 - AGM Insured (ETM)	No Opt. Call
925	Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002, 5.375%, 4/01/19 (Pre-refunded 4/01/12)	4/12 at 100.00
60	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 (Pre-refunded 11/15/12)	11/12 at 100.00
375	Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A: 6.000%, 6/01/22 (Pre-refunded 6/01/12)	6/12 at 101.00
800	6.100%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 101.00

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815	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.000%, 7/01/32 (Pre-refunded 7/01/12) - AGM Insured	7/12 at 100.00
2,500	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40 (Pre-refunded 10/01/10)	10/10 at 101.00
	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D:	
735	5.250%, 7/01/27 (Pre-refunded 7/01/12)	7/12 at 100.00
880	5.250%, 7/01/36 (Pre-refunded 7/01/12)	7/12 at 100.00
385	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded 7/01/10)	7/10 at 100.00
440	Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue Refunding Bonds, Series 2001C, 6.850%, 7/15/21 (Pre-refunded 7/15/11)	7/11 at 100.00
	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005:	
790	5.250%, 6/01/19 (Pre-refunded 6/01/12)	6/12 at 100.00
3,850	5.500%, 6/01/26 (Pre-refunded 6/01/15)	6/15 at 100.00
1,000	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.500%, 10/01/24 (Pre-refunded 10/01/10)	10/10 at 101.00
965	Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2002A, 5.000%, 5/01/19 (Pre-refunded 5/01/11)	5/11 at 101.00
-----		
18,770	Total U.S. Guaranteed	
-----		
	UTILITIES - 6.9% (4.7% OF TOTAL INVESTMENTS)	
	Bristol, Virginia, Utility System Revenue Refunding Bonds, Series 2003:	
1,705	5.250%, 7/15/14 - NPF Insured	7/13 at 100.00
1,800	5.250%, 7/15/15 - NPF Insured	7/13 at 100.00
2,775	5.250%, 7/15/23 - NPF Insured	7/13 at 100.00
2,500	Mecklenburg County Industrial Development Authority, Virginia, Revenue Bonds, UAE Mecklenburg Cogeneration LP, Series 2002, 6.500%, 10/15/17 (Alternative Minimum Tax)	10/12 at 100.00
-----		
8,780	Total Utilities	
-----		
	WATER AND SEWER - 8.2% (5.7% OF TOTAL INVESTMENTS)	
	Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002:	
105	5.375%, 4/01/19	4/12 at 100.00
800	5.000%, 4/01/27	4/12 at 100.00
1,000	Loudoun County Sanitation Authority, Virginia, Water and Sewerage System Revenue Bonds, Series 2004, 5.000%, 1/01/26	1/15 at 100.00

NPV | Nuveen Virginia Premium Income Municipal Fund (continued)  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	WATER AND SEWER (continued)	
	Norfolk, Virginia, Water Revenue Refunding Bonds, Series 2001:	
\$ 1,310	5.000%, 11/01/21 - FGIC Insured	11/11 at 100.00
1,380	5.000%, 11/01/22 - FGIC Insured	11/11 at 100.00
2,250	Virginia Beach, Virginia, Storm Water Utility Revenue Bonds, Series 2000, 6.000%, 9/01/24	9/10 at 101.00
1,800	Virginia Beach, Virginia, Water and Sewer System Revenue Bonds, Series 2005, 5.000%, 10/01/30	10/15 at 100.00
1,515	Virginia State Resources Authority, Clean Water Revenue Bonds, Series 2007, Trust 3036, 13.137%, 10/01/29 (IF)	10/17 at 100.00
-----		
10,160	Total Water and Sewer	
-----		
\$ 195,295	Total Investments (cost \$187,559,056) - 144.9%	
=====		
	Floating Rate Obligations - (3.5)%	
	-----	
	MuniFund Term Preferred Shares, at Liquidation Value - (24.3)% (5)	
	-----	
	Other Assets Less Liabilities - 2.2%	
	-----	
	Auction Rate Preferred Shares, at Liquidation Value - (19.3)% (5)	
	-----	
	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 unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor 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.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of

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principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

- (5) MuniFund Term Preferred Shares and Auction Rate Preferred Shares, at Liquidation Value as a percentage of Total Investments are 16.8% and 13.3%, respectively.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

52 Nuveen Investments

NGB | Nuveen Virginia Dividend Advantage Municipal Fund  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	CONSUMER STAPLES - 3.5% (2.3% OF TOTAL INVESTMENTS)	
\$ 1,660	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset Backed Bonds, Series 2007B1, 5.000%, 6/01/47	6/17 at 100.00
715	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2007B2, 0.000%, 6/01/46	6/17 at 100.00
-----		
2,375	Total Consumer Staples	
-----		
	EDUCATION AND CIVIC ORGANIZATIONS - 4.4% (2.9% OF TOTAL INVESTMENTS)	
500	Danville Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Averett University, Series 2001, 6.000%, 3/15/22	3/11 at 102.00
500	Prince William County Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Catholic Diocese of Arlington, Series 2003, 5.500%, 10/01/33	10/13 at 101.00
	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System, Series 1999:	
160	5.375%, 2/01/19	8/10 at 100.50
320	5.375%, 2/01/29	8/10 at 100.50
500	Virginia College Building Authority, Educational Facilities Revenue Refunding Bonds, Marymount University, Series 1998,	7/10 at 100.00

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5.100%, 7/01/18 - RAAI Insured

-----		
1,980	Total Education and Civic Organizations	
-----		
HEALTH CARE - 25.6% (16.9% OF TOTAL INVESTMENTS)		
1,500	Arlington County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Virginia Hospital Center Arlington Health System, Refunding Series 2010, 5.000%, 7/01/31	7/20 at 100.00
250	Charlotte County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Halifax Regional Hospital Incorporated, Series 2007, 5.000%, 9/01/37	9/17 at 100.00
565	Fairfax County Industrial Development Authority, Virginia, Healthcare Revenue Bonds, Inova Health System, Series 2009, Trust 11733, 14.518%, 5/15/35 (IF)	5/19 at 100.00
100	Fairfax County Industrial Development Authority, Virginia, Hospital Revenue Refunding Bonds, Inova Health System, Series 1993A, 5.000%, 8/15/23	No Opt. Call
1,000	Fauquier County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Fauquier Hospital, Series 2002, 5.250%, 10/01/25 - RAAI Insured	10/12 at 102.00
500	Fredericksburg Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2007, 5.250%, 6/15/23	No Opt. Call
500	Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33	6/12 at 100.00
820	Harrisonburg Industrial Development Authority, Virginia, Hospital Facilities Revenue Bonds, Rockingham Memorial Hospital, Series 2006, 5.000%, 8/15/31 - AMBAC Insured	8/16 at 100.00
480	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30	11/12 at 100.00
525	Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33	4/13 at 100.00
800	Norton Industrial Development Authority, Virginia, Hospital Revenue Refunding and Improvement Bonds, Norton Community Hospital, Series 2001, 6.000%, 12/01/22 - ACA Insured	12/11 at 101.00
	Stafford County Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2006:	
750	5.250%, 6/15/25	6/16 at 100.00
360	5.250%, 6/15/31	6/16 at 100.00
605	5.250%, 6/15/37	6/16 at 100.00
450	Virginia Small Business Finance Authority, Healthcare Facilities Revenue Bonds, Refunding Sentara Healthcare, Series 2010, 5.000%, 11/01/40	5/20 at 100.00
785	Virginia Small Business Financing Authority, Wellmont Health	9/17 at 100.00

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System Project Revenue Bonds, Series 2007A, 5.250%, 9/01/37

360 Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds Valley Health System Obligated Group, Series 2009E, 5.625%, 1/01/44 1/19 at 100.00

Nuveen Investments 53

NGB | Nuveen Virginia Dividend Advantage Municipal Fund (continued)  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
HEALTH CARE (continued)		
\$ 715	Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds, Winchester Medical Center, Series 2007, 5.125%, 1/01/31	1/17 at 100.00
180	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Health Care, Inc., Series 2010A, 5.625%, 4/15/39	4/20 at 100.00
11,245	Total Health Care	
HOUSING/MULTIFAMILY - 5.0% (3.3% OF TOTAL INVESTMENTS)		
1,000	Arlington County Industrial Development Authority, Virginia, Multifamily Housing Mortgage Revenue Bonds, Arlington View Terrace Apartments, Series 2001, 5.150%, 11/01/31 (Mandatory put 11/01/19) (Alternative Minimum Tax)	11/11 at 102.00
1,000	Virginia Housing Development Authority, Rental Housing Bonds, Series 2000G, 5.625%, 10/01/20 (Alternative Minimum Tax)	10/10 at 100.00
200	Virginia Housing Development Authority, Rental Housing Bonds, Series 2010F, 5.000%, 4/01/45	10/19 at 100.00
2,200	Total Housing/Multifamily	
HOUSING/SINGLE FAMILY - 9.5% (6.3% OF TOTAL INVESTMENTS)		
850	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - NPMG Insured	7/11 at 100.00
600	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2005C-2, 4.750%, 10/01/32 (Alternative Minimum Tax)	1/15 at 100.00
960	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006 D1, 4.900%, 1/01/33 (Alternative Minimum Tax)	7/15 at 100.00
480	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006, 4.800%, 7/01/29 (Alternative Minimum Tax)	7/15 at 100.00

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1,400	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2007B, 4.750%, 7/01/32 (Alternative Minimum Tax)	7/16 at 100.00
-----		
4,290	Total Housing/Single Family	
-----		
LONG-TERM CARE - 11.5% (7.6% OF TOTAL INVESTMENTS)		
700	Albemarle County Industrial Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Westminster-Canterbury of the Blue Ridge, Series 2007, 5.000%, 1/01/31	1/17 at 100.00
350	Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr Village, Series 2005, 5.625%, 12/01/39	12/15 at 100.00
1,005	Fairfax County Economic Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Goodwin House, Inc., Series 2007A, 5.125%, 10/01/37	10/17 at 100.00
500	Fairfax County Economic Development Authority, Virginia, Retirement Center Revenue Bonds, Greenspring Village, Series 2006A, 4.750%, 10/01/26	10/16 at 100.00
540	Henrico County Economic Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of Richmond, Series 2006, 5.000%, 10/01/35	No Opt. Call
700	Industrial Development Authority of the County of Prince William, Virginia, Residential Care Facility Revenue Bonds, Westminster at Lake, First Mortgage, Series 2006, 5.125%, 1/01/26	1/17 at 100.00
650	James City County Industrial Development Authority, Virginia, Residential Care Facility First Mortgage Revenue Refunding Bonds, Williamsburg Landing Inc., Series 2003A, 6.000%, 3/01/23	3/12 at 101.00
530	Roanoke Industrial Development Authority, Virginia, Residential Revenue Bonds, Virginia Lutheran Homes Incorporated, Series 2006, 5.000%, 12/01/39	12/16 at 100.00
350	Suffolk Industrial Development Authority, Virginia, Retirement Facilities First Mortgage Revenue Bonds, Lake Prince Center, Series 2006, 5.300%, 9/01/31	9/16 at 100.00
350	Virginia Beach Development Authority, Virginia, Residential Care Facility Mortgage Revenue Bonds, Westminster Canterbury on Chesapeake Bay, Series 2005, 5.000%, 11/01/22	11/15 at 100.00
175	Winchester Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster-Canterbury of Winchester Inc., Series 2005A, 5.200%, 1/01/27	1/15 at 100.00
-----		
5,850	Total Long-Term Care	
-----		

54 Nuveen Investments

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PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
MATERIALS - 0.7% (0.5% OF TOTAL INVESTMENTS)		
\$	100 Bedford County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation, Series 1998, 5.600%, 12/01/25 (Alternative Minimum Tax)	8/10 at 100.00
	20 Bedford County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation, Series 1999A, 6.550%, 12/01/25 (Alternative Minimum Tax)	6/10 at 101.00
	220 Goochland County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation Project, Series 1998, 5.650%, 12/01/25 (Alternative Minimum Tax)	6/10 at 100.50
-----		
	340 Total Materials	
-----		
TAX OBLIGATION/GENERAL - 11.5% (7.5% OF TOTAL INVESTMENTS)		
	700 Loudoun County, Virginia, General Obligation Bonds, Series 2006B, 5.000%, 12/01/25	12/16 at 100.00
	845 Newport News, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 5/01/16	5/14 at 101.00
	620 Richmond, Virginia, General Obligation Bonds, Series 2005A, 5.000%, 7/15/17 - AGM Insured	7/15 at 100.00
	400 Suffolk, Virginia, General Obligation Bonds, Series 2005, 5.000%, 12/01/15	No Opt. Call
	400 Virginia Beach, Virginia, General Obligation Bonds, Series 2005, 5.000%, 1/15/20	1/16 at 100.00
	1,600 Virginia Beach, Virginia, General Obligation Bonds, Series 2008, 5.000%, 10/01/26 (UB)	10/17 at 100.00
-----		
	4,565 Total Tax Obligation/General	
-----		
TAX OBLIGATION/LIMITED - 21.9% (14.4% OF TOTAL INVESTMENTS)		
	100 Bell Creek Community Development Authority, Virginia, Special Assessment Bonds, Series 2003A, 6.750%, 3/01/22	3/13 at 101.00
	500 Broad Street Community Development Authority, Virginia, Revenue Bonds, Series 2003, 7.500%, 6/01/33	6/13 at 102.00
	Buena Vista Public Recreational Facilities Authority, Virginia, Lease Revenue Bonds, Golf Course Project, Series 2005A:	
	120 5.250%, 7/15/25 - ACA Insured	7/15 at 100.00
	95 5.500%, 7/15/35 - ACA Insured	7/15 at 100.00
	500 Fairfax County Economic Development Authority, Virginia, Lease	5/16 at 100.00



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	Revenue Bonds, Joint Public Uses Community Project, Series 2006, 5.000%, 5/15/18	
160	Montgomery County Industrial Development Authority, Virginia, Public Facility Lease Revenue Bonds, Public Projects Series 2008, 5.000%, 2/01/29	2/18 at 100.00
580	Prince William County, Virginia, Certificates of Participation, County Facilities, Series 2005, 5.000%, 6/01/20 - AMBAC Insured	6/15 at 100.00
700	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt. Call
3,000	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/29 - AMBAC Insured	No Opt. Call
780	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 5.500%, 8/01/42	2/20 at 100.00
1,000	Spotsylvania County Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities, Series 2003B, 5.125%, 8/01/23 - AMBAC Insured	8/13 at 100.00
600	Stafford County and Staunton Industrial Development Authority, Virginia, Revenue Bonds, Virginia Municipal League and Virginia Association of Counties Finance Program, Series 2006A, 5.000%, 8/01/23 - NCFG Insured	8/16 at 100.00
890	Stafford County Economic Development Authority, Virginia, Lease Revenue Bonds, Public Facility Projects, Series 2008, 5.000%, 4/01/33 - AGC Insured (UB)	4/18 at 100.00
960	Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.375%, 10/01/19	10/10 at 101.00
195	Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/22	5/15 at 100.00
280	Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2009, Trust 09-3B, 12.968%, 2/01/27 (IF)	2/19 at 100.00

Nuveen Investments 55

NGB | Nuveen Virginia Dividend Advantage Municipal Fund (continued)  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	TAX OBLIGATION/LIMITED (continued)	
\$ 280	Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2009, Trust 09-4B, 12.884%, 2/01/28 (IF)	2/19 at 100.00

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345	Virginia Gateway Community Development Authority, Prince William County, Special Assessment Bonds, Series 2003, 6.375%, 3/01/30	3/13 at 102.00
345	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2005C, 5.000%, 8/01/17	8/15 at 100.00
-----		
11,430	Total Tax Obligation/Limited	
-----		
TRANSPORTATION - 27.0% (17.8% OF TOTAL INVESTMENTS)		
1,000	Capital Region Airport Authority, Richmond, Virginia, Revenue Bonds, Richmond International Airport, Series 2005A, 5.000%, 7/01/18 - AGM Insured	7/15 at 100.00
1,000	Chesapeake Bay Bridge and Tunnel Commission, Virginia, General Resolution Revenue Refunding Bonds, Series 1998, 5.500%, 7/01/25 - NPFPG Insured	No Opt. Call
3,000	Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001A, 5.500%, 10/01/27 - NPFPG Insured (Alternative Minimum Tax)	10/11 at 101.00
250	Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001B, 5.000%, 10/01/21 - NPFPG Insured	10/11 at 101.00
1,300	Metropolitan Washington D.C. Airports Authority, Virginia, Dulles Toll Road Revenue Bonds, Dulles Metrorail Capital Appreciation, Series 2010B, 0.000%, 10/01/44	10/28 at 100.00
1,500	Norfolk Airport Authority, Virginia, Airport Revenue Bonds, Series 2001A, 5.125%, 7/01/31 - FGIC Insured	7/11 at 100.00
500	Norfolk, Virginia, Parking System Revenue Bonds, Series 2005A, 5.000%, 2/01/23 - NPFPG Insured	2/15 at 100.00
500	Richmond Metropolitan Authority, Virginia, Revenue Refunding Bonds, Expressway System, Series 2002, 5.250%, 7/15/22 - FGIC Insured	No Opt. Call
285	Virginia Port Authority, Port Facilities Revenue Refunding Bonds Series 2010, 5.000%, 7/01/40	7/19 at 100.00
455	Virginia Port Authority, Revenue Bonds, Port Authority Facilities, Series 2006, 5.000%, 7/01/36 - FGIC Insured (Alternative Minimum Tax)	7/13 at 100.00
1,225	Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/23	2/11 at 100.00
1,250	Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001B, 5.125%, 8/01/27 (Alternative Minimum Tax)	2/11 at 100.00
-----		
12,265	Total Transportation	
-----		
U.S. GUARANTEED - 26.3% (17.3% OF TOTAL INVESTMENTS) (4)		
500	Albemarle County Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of the Blue Ridge First Mortgage, Series 2001, 6.200%, 1/01/31 (Pre-refunded 1/01/12)	1/12 at 100.00

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1,000	Bristol, Virginia, Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 7/15/21 - AGM Insured (ETM)	No Opt. Call
	Guam Economic Development Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A:	
30	5.000%, 5/15/22 (Pre-refunded 5/15/11)	5/11 at 100.00
850	5.400%, 5/15/31 (Pre-refunded 5/15/11)	5/11 at 100.00
20	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 (Pre-refunded 11/15/12)	11/12 at 100.00
2,310	Leesburg, Virginia, General Obligation Public Improvement Bonds, Series 2000, 5.125%, 1/15/21 (Pre-refunded 1/15/11) - FGIC Insured	1/11 at 101.00
425	Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A, 6.000%, 6/01/22 (Pre-refunded 6/01/12)	6/12 at 101.00
500	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2005B, 5.000%, 6/01/18 (Pre-refunded 6/01/15)	6/15 at 100.00
	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A:	
1,500	5.500%, 10/01/32 (Pre-refunded 10/01/10)	10/10 at 101.00
1,500	5.500%, 10/01/40 (Pre-refunded 10/01/10)	10/10 at 101.00
155	Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded 7/01/10)	7/10 at 100.00

56 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	U.S. GUARANTEED (4) (continued)	
\$ 120	Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue Refunding Bonds, Series 2001B, 6.125%, 7/15/11 (ETM)	No Opt. Call
880	Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue Refunding Bonds, Series 2001C, 6.850%, 7/15/21 (Pre-refunded 7/15/11)	7/11 at 100.00
725	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005, 5.500%, 6/01/26 (Pre-refunded 6/01/15)	6/15 at 100.00
500	Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2002A, 5.000%, 2/01/22 (Pre-refunded 2/01/12)	2/12 at 100.00
-----		
11,015	Total U.S. Guaranteed	

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-----		
	UTILITIES - 2.3% (1.5% OF TOTAL INVESTMENTS)	
1,000	Mecklenburg County Industrial Development Authority, Virginia, Revenue Bonds, UAE Mecklenburg Cogeneration LP, Series 2002, 6.500%, 10/15/17 (Alternative Minimum Tax)	10/12 at 100.00
-----		
	WATER AND SEWER - 2.7% (1.7% OF TOTAL INVESTMENTS)	
500	Virginia Beach, Virginia, Water and Sewer System Revenue Bonds, Series 2005, 5.000%, 10/01/30	10/15 at 100.00
545	Virginia State Resources Authority, Clean Water Revenue Bonds, Series 2007, Trust 3036, 13.137%, 10/01/29 (IF)	10/17 at 100.00
-----		
1,045	Total Water and Sewer	
-----		
\$ 69,600	Total Investments (cost \$67,631,798) - 151.9%	
=====		
	Floating Rate Obligations - (3.7)%	
	-----	
	MuniFund Term Preferred Shares, at Liquidation Value - (51.1)% (5)	
	-----	
	Other Assets Less Liabilities - 2.9%	
	-----	
	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 unless otherwise noted.

(2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor 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.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

(5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.7%.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 57

NNB | Nuveen Virginia Dividend Advantage Municipal Fund 2  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
CONSUMER STAPLES - 3.5% (2.3% OF TOTAL INVESTMENTS)		
\$ 3,100	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset Backed Bonds, Series 2007B1, 5.000%, 6/01/47	6/17 at 100.00
1,430	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2007B2, 0.000%, 6/01/46	6/17 at 100.00
-----		
4,530	Total Consumer Staples	
-----		
EDUCATION AND CIVIC ORGANIZATIONS - 6.6% (4.3% OF TOTAL INVESTMENTS)		
1,000	Fairfax County Economic Development Authority, Virginia, Revenue Bonds, National Wildlife Federation, Series 1999, 5.375%, 9/01/29 - NPPG Insured	9/10 at 100.00
1,000	Prince William County Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Catholic Diocese of Arlington, Series 2003, 5.500%, 10/01/33	10/13 at 101.00
1,500	Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Refunding Bonds, Ana G. Mendez University System, Series 2002, 5.375%, 12/01/21	12/12 at 101.00
2,000	Winchester Industrial Development Authority, Virginia, Educational Facilities First Mortgage Revenue Bonds, Shenandoah University, Series 1998, 5.250%, 10/01/28 - NPPG Insured	10/10 at 100.00
-----		
5,500	Total Education and Civic Organizations	
-----		
HEALTH CARE - 32.7% (21.5% OF TOTAL INVESTMENTS)		
1,500	Albemarle County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Martha Jefferson Hospital, Series 2002, 5.250%, 10/01/35	10/12 at 100.00
2,000	Arlington County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Virginia Hospital Center Arlington Health System, Refunding Series 2010, 5.000%, 7/01/31	7/20 at 100.00
450	Charlotte County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Halifax Regional Hospital Incorporated, Series 2007, 5.000%, 9/01/27	9/17 at 100.00

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1,070	Fairfax County Industrial Development Authority, Virginia, Healthcare Revenue Bonds, Inova Health System, Series 2009, Trust 11733, 14.518%, 5/15/35 (IF)	5/19 at 100.00
3,000	Fauquier County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Fauquier Hospital, Series 2002, 5.250%, 10/01/25 - RAAI Insured	10/12 at 102.00
1,000	Fredericksburg Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2007, 5.250%, 6/15/23	No Opt. Call
675	Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33	6/12 at 100.00
1,500	Harrisonburg Industrial Development Authority, Virginia, Hospital Facilities Revenue Bonds, Rockingham Memorial Hospital, Series 2006, 5.000%, 8/15/31 - AMBAC Insured	8/16 at 100.00
960	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30	11/12 at 100.00
1,155	Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33	4/13 at 100.00
1,200	Norton Industrial Development Authority, Virginia, Hospital Revenue Refunding and Improvement Bonds, Norton Community Hospital, Series 2001, 6.000%, 12/01/22 - ACA Insured	12/11 at 101.00
1,000	Prince William County Industrial Development Authority, Virginia, Hospital Facility Revenue Refunding Bonds, Potomac Hospital Corporation of Prince William, Series 1998, 5.000%, 10/01/18 - AGM Insured	10/10 at 100.00
3,915	Roanoke Industrial Development Authority, Virginia, Hospital Revenue Bonds, Carilion Health System, Series 2002A, 5.500%, 7/01/20 - NPPG Insured	7/12 at 100.00
	Stafford County Economic Development Authority, Virginia, Hospital Facilities Revenue Bonds, MediCorp Health System, Series 2006:	
1,250	5.250%, 6/15/25	6/16 at 100.00
655	5.250%, 6/15/31	6/16 at 100.00
1,095	5.250%, 6/15/37	6/16 at 100.00
1,250	Virginia Small Business Finance Authority, Healthcare Facilities Revenue Bonds, Refunding Sentara Healthcare, Series 2010, 5.000%, 11/01/40	5/20 at 100.00

58 Nuveen Investments

PRINCIPAL  
AMOUNT (000) DESCRIPTION (1)

OPTIONAL CALL  
PROVISIONS (2)

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HEALTH CARE (continued)			
\$	1,430	Virginia Small Business Financing Authority, Wellmont Health System Project Revenue Bonds, Series 2007A, 5.250%, 9/01/37	9/17 at 100.00
	720	Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds Valley Health System Obligated Group, Series 2009E, 5.625%, 1/01/44	1/19 at 100.00
	715	Winchester Industrial Development Authority, Virginia, Hospital Revenue Bonds, Winchester Medical Center, Series 2007, 5.125%, 1/01/31	1/17 at 100.00
	340	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Health Care, Inc., Series 2010A, 5.625%, 4/15/39	4/20 at 100.00
-----			
	26,880	Total Health Care	
-----			
HOUSING/MULTIFAMILY - 0.2% (0.2% OF TOTAL INVESTMENTS)			
	200	Virginia Housing Development Authority, Rental Housing Bonds, Series 2010F, 5.000%, 4/01/45	10/19 at 100.00
-----			
HOUSING/SINGLE FAMILY - 12.3% (8.1% OF TOTAL INVESTMENTS)			
	6,350	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - NPMG Insured	7/11 at 100.00
	500	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2005C-2, 4.750%, 10/01/32 (Alternative Minimum Tax)	1/15 at 100.00
	870	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2006, 4.800%, 7/01/29 (Alternative Minimum Tax)	7/15 at 100.00
	2,600	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2007B, 4.750%, 7/01/32 (Alternative Minimum Tax)	7/16 at 100.00
-----			
	10,320	Total Housing/Single Family	
-----			
LONG-TERM CARE - 10.9% (7.1% OF TOTAL INVESTMENTS)			
	1,300	Albemarle County Industrial Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Westminster-Cantebury of the Blue Ridge, Series 2007, 5.000%, 1/01/31	1/17 at 100.00
	650	Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr Village, Series 2005, 5.625%, 12/01/39	12/15 at 100.00
	1,815	Fairfax County Economic Development Authority, Virginia, Residential Care Facilities Mortgage Revenue Bonds, Goodwin House, Inc., Series 2007A, 5.125%, 10/01/37	10/17 at 100.00
	500	Fairfax County Economic Development Authority, Virginia, Retirement Center Revenue Bonds, Greenspring Village, Series 2006A, 4.750%, 10/01/26	10/16 at 100.00
	855	Henrico County Economic Development Authority, Virginia,	No Opt. Call

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Residential Care Facility Revenue Bonds, Westminster  
 Canterbury of Richmond, Series 2006, 5.000%, 10/01/35

1,300	Industrial Development Authority of the County of Prince William, Virginia, Residential Care Facility Revenue Bonds, Westminster at Lake, First Mortgage, Series 2006, 5.125%, 1/01/26	1/17 at 100.00
1,350	James City County Industrial Development Authority, Virginia, Residential Care Facility First Mortgage Revenue Refunding Bonds, Williamsburg Landing Inc., Series 2003A, 6.000%, 3/01/23	3/12 at 101.00
970	Roanoke Industrial Development Authority, Virginia, Residential Revenue Bonds, Virginia Lutheran Homes Incorporated, Series 2006, 5.000%, 12/01/39	12/16 at 100.00
650	Suffolk Industrial Development Authority, Virginia, Retirement Facilities First Mortgage Revenue Bonds, Lake Prince Center, Series 2006, 5.300%, 9/01/31	9/16 at 100.00
650	Virginia Beach Development Authority, Virginia, Residential Care Facility Mortgage Revenue Bonds, Westminster Canterbury on Chesapeake Bay, Series 2005, 5.000%, 11/01/22	11/15 at 100.00
325	Winchester Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster-Canterbury of Winchester Inc., Series 2005A, 5.200%, 1/01/27	1/15 at 100.00
-----		
10,365	Total Long-Term Care	
-----		
MATERIALS - 0.7% (0.5% OF TOTAL INVESTMENTS)		
165	Bedford County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation, Series 1998, 5.600%, 12/01/25 (Alternative Minimum Tax)	8/10 at 100.00
460	Goochland County Industrial Development Authority, Virginia, Industrial Development Revenue Refunding Bonds, Nekoosa Packaging Corporation Project, Series 1998, 5.650%, 12/01/25 (Alternative Minimum Tax)	6/10 at 100.50
-----		
625	Total Materials	
-----		

Nuveen Investments 59

NNB | Nuveen Virginia Dividend Advantage Municipal Fund 2 (continued)  
 | Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		

TAX OBLIGATION/GENERAL - 21.5% (14.1% OF TOTAL INVESTMENTS)



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\$	1,750	Chesapeake, Virginia, General Obligation Bonds, Series 2001, 5.500%, 12/01/16	12/11 at 100.00
	1,000	Loudoun County, Virginia, General Obligation Bonds, Series 2006B, 5.000%, 12/01/25	12/16 at 100.00
	95	Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.250%, 5/01/22	5/12 at 100.00
	660	Powhatan County, Virginia, General Obligation Bonds, Series 2001: 5.000%, 1/15/23 - AMBAC Insured	1/11 at 101.00
	1,000	5.000%, 1/15/27 - AMBAC Insured	1/11 at 101.00
	1,950	Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002A: 5.000%, 10/01/18	10/12 at 101.00
	2,435	5.000%, 10/01/19	10/12 at 101.00
	1,280	Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002B, 5.000%, 10/01/15 - FGIC Insured (Alternative Minimum Tax)	10/12 at 101.00
	600	Virginia Beach, Virginia, General Obligation Bonds, Series 2005, 5.000%, 1/15/20	1/16 at 100.00
	2,900	Virginia Beach, Virginia, General Obligation Bonds, Series 2008, 5.000%, 10/01/26 (UB)	10/17 at 100.00
	1,500	Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/19	6/11 at 101.00
	1,420	Virginia Beach, Virginia, General Obligation Refunding and Public Improvement Bonds, Series 2002, 5.000%, 3/01/21	3/12 at 100.00
	16,590	Total Tax Obligation/General	
		TAX OBLIGATION/LIMITED - 22.7% (14.9% OF TOTAL INVESTMENTS)	
	107	Bell Creek Community Development Authority, Virginia, Special Assessment Bonds, Series 2003A, 6.750%, 3/01/22	3/13 at 101.00
	1,000	Broad Street Community Development Authority, Virginia, Revenue Bonds, Series 2003, 7.500%, 6/01/33	6/13 at 102.00
	210	Buena Vista Public Recreational Facilities Authority, Virginia, Lease Revenue Bonds, Golf Course Project, Series 2005A: 5.250%, 7/15/25 - ACA Insured	7/15 at 100.00
	165	5.500%, 7/15/35 - ACA Insured	7/15 at 100.00
	800	Fairfax County Economic Development Authority, Virginia, Lease Revenue Bonds, Joint Public Uses Community Project, Series 2006, 5.000%, 5/15/18	5/16 at 100.00
	1,800	Loudoun County Industrial Development Authority, Virginia, Lease Revenue Refunding Bonds, Public Facility Project, Series 2003, 5.000%, 3/01/19	3/13 at 100.00
	285	Montgomery County Industrial Development Authority, Virginia, Public Facility Lease Revenue Bonds, Public Projects Series 2008, 5.000%, 2/01/29	2/18 at 100.00

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1,300	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 - AMBAC Insured	No Opt. Call
2,000	Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/29 - AMBAC Insured	No Opt. Call
400	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.250%, 7/01/27	7/12 at 100.00
1,625	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 5.500%, 8/01/42	2/20 at 100.00
1,000	Spotsylvania County Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities, Series 2003B, 5.125%, 8/01/23 - AMBAC Insured	8/13 at 100.00
1,000	Stafford County and Staunton Industrial Development Authority, Virginia, Revenue Bonds, Virginia Municipal League and Virginia Association of Counties Finance Program, Series 2006A, 5.000%, 8/01/23 - NPMG Insured	8/16 at 100.00
1,610	Stafford County Economic Development Authority, Virginia, Lease Revenue Bonds, Public Facility Projects, Series 2008, 5.000%, 4/01/33 - AGC Insured (UB)	4/18 at 100.00
700	Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/22	5/15 at 100.00
535	Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2009, Trust 09-3B, 12.968%, 2/01/27 (IF)	2/19 at 100.00

60 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
	TAX OBLIGATION/LIMITED (continued)	
\$	535 Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2009, Trust 09-4B, 12.884%, 2/01/28 (IF)	2/19 at 100.00
	673 Virginia Gateway Community Development Authority, Prince William County, Special Assessment Bonds, Series 2003, 6.375%, 3/01/30	3/13 at 102.00
2,540	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2001B, 5.000%, 8/01/19	8/11 at 101.00
570	Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2005C, 5.000%, 8/01/17	8/15 at 100.00
540	Virginia Resources Authority, Infrastructure Revenue Bonds, Prerefunded-Pooled Loan Bond Program, Series 2001D, 5.000%, 5/01/26	No Opt. Call

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19,395	Total Tax Obligation/Limited	
-----		
TRANSPORTATION - 6.5% (4.2% OF TOTAL INVESTMENTS)		
1,000	Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2002A, 5.125%, 10/01/26 - FGIC Insured (Alternative Minimum Tax)	10/12 at 100.00
2,200	Metropolitan Washington D.C. Airports Authority, Virginia, Dulles Toll Road Revenue Bonds, Dulles Metrorail Capital Appreciation, Series 2010B, 0.000%, 10/01/44	10/28 at 100.00
1,500	Norfolk, Virginia, Parking System Revenue Bonds, Series 2005A, 5.000%, 2/01/23 - NPFG Insured	2/15 at 100.00
745	Virginia Port Authority, Port Facilities Revenue Refunding Bonds Series 2010, 5.000%, 7/01/40	7/19 at 100.00
825	Virginia Port Authority, Revenue Bonds, Port Authority Facilities, Series 2006, 5.000%, 7/01/36 - FGIC Insured (Alternative Minimum Tax)	7/13 at 100.00
-----		
6,270	Total Transportation	
-----		
U.S. GUARANTEED - 15.5% (10.2% OF TOTAL INVESTMENTS) (4)		
165	Albemarle County Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of the Blue Ridge First Mortgage, Series 2001, 6.200%, 1/01/31 (Pre-refunded 1/01/12)	1/12 at 100.00
1,000	Bristol, Virginia, General Obligation Utility System Revenue Bonds, Series 2002, 5.000%, 11/01/24 - AGM Insured (ETM)	No Opt. Call
40	Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 (Pre-refunded 11/15/12)	11/12 at 100.00
250	Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A: 6.000%, 6/01/22 (Pre-refunded 6/01/12)	6/12 at 101.00
600	6.100%, 6/01/32 (Pre-refunded 6/01/12)	6/12 at 101.00
1,000	Newport News, Virginia, General Obligation Bonds, Series 2003B, 5.000%, 11/01/22 (Pre-refunded 11/01/13)	11/13 at 100.00
2,750	Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40 (Pre-refunded 10/01/10)	10/10 at 101.00
1,100	Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.250%, 7/01/27 (Pre-refunded 7/01/12)	7/12 at 100.00
455	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 5.500%, 8/01/29 (Pre-refunded 2/01/12)	2/12 at 100.00
445	Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue Refunding Bonds, Series 2001C, 6.850%, 7/15/21 (Pre-refunded 7/15/11)	7/11 at 100.00

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1,000	Staunton, Virginia, General Obligation Bonds, Series 2004, 6.250%, 2/01/25 (Pre-refunded 2/01/14) - AMBAC Insured	2/14 at 101.00
Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005:		
300	5.250%, 6/01/19 (Pre-refunded 6/01/12)	6/12 at 100.00
2,700	5.500%, 6/01/26 (Pre-refunded 6/01/15)	6/15 at 100.00
-----		
11,805	Total U.S. Guaranteed	
-----		

Nuveen Investments 61

NNB | Nuveen Virginia Dividend Advantage Municipal Fund 2 (continued)  
| Portfolio of Investments May 31, 2010

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)
-----		
UTILITIES - 2.4% (1.6% OF TOTAL INVESTMENTS)		
\$ 2,000	Mecklenburg County Industrial Development Authority, Virginia, Revenue Bonds, UAE Mecklenburg Cogeneration LP, Series 2002, 6.500%, 10/15/17 (Alternative Minimum Tax)	10/12 at 100.00
-----		
WATER AND SEWER - 16.8% (11.0% OF TOTAL INVESTMENTS)		
805	Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002, 5.000%, 4/01/27	4/12 at 100.00
Henry County Public Service Authority, Virginia, Water and Sewerage Revenue Refunding Bonds, Series 2001:		
1,000	5.500%, 11/15/17 - AGM Insured	No Opt. Call
3,000	5.500%, 11/15/19 - AGM Insured	No Opt. Call
Norfolk, Virginia, Water Revenue Refunding Bonds, Series 2001:		
1,080	5.000%, 11/01/18 - FGIC Insured	11/11 at 100.00
1,190	5.000%, 11/01/19 - FGIC Insured	11/11 at 100.00
1,525	5.000%, 11/01/24 - FGIC Insured	11/11 at 100.00
1,000	Virginia Beach, Virginia, Water and Sewer System Revenue Bonds, Series 2005, 5.000%, 10/01/30	10/15 at 100.00
2,250	Virginia Resources Authority, Water and Sewerage System Revenue Bonds, Caroline County Public Improvements Project, Series 2001, 5.000%, 5/01/32	5/11 at 101.00
990	Virginia State Resources Authority, Clean Water Revenue Bonds, Series 2007, Trust 3036, 13.137%, 10/01/29 (IF)	10/17 at 100.00
-----		
12,840	Total Water and Sewer	
-----		
\$ 127,320	Total Investments (cost \$125,444,371) - 152.3%	
=====		
Floating Rate Obligations - (3.6)%		

-----  
MuniFund Term Preferred Shares, at Liquidation Value - (51.6)% (5)  
-----

Other Assets Less Liabilities - 2.9%  
-----

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 unless otherwise noted.
  - (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
  - (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor 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.
  - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
  - (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 33.9%.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 - Inverse Floating Rate Securities for more information.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

62 Nuveen Investments

| Statement of  
| Assets & Liabilites May 31, 2010

MARYLAND	MARYLAND	MARYLAND
PREMIUM	DIVIDEND	DIVIDEND
INCOME	ADVANTAGE	ADVANTAGE 2
(NMY)	(NFM)	(NZR)

-----  
ASSETS

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Investments, at value (cost \$226,022,758, \$84,939,848,\$88,596,455 and \$113,411,699, respectively)	\$ 234,991,664	\$ 85,902,416	\$ 89,896,345
Cash	4,331	3,204,136	291,491
Receivables:			
Interest	4,183,794	1,566,358	1,616,007
Investments sold	140,000	110,000	105,000
Deferred offering costs	794,385	639,819	650,309
Other assets	32,993	10,476	10,501
<hr/>			
Total assets	240,147,167	91,433,205	92,569,653
<hr/>			
LIABILITIES			
Floating rate obligations	9,962,000	3,973,000	3,840,000
Cash overdraft	--	--	--
Payables:			
Auction Rate Preferred share dividends	3,524	--	--
Common share dividends	611,401	255,633	260,774
Interest	85,628	91,815	102,527
Offering costs	254,775	234,400	234,400
MuniFund Term Preferred shares, at liquidation value	38,775,000	26,485,000	27,300,000
Accrued expenses:			
Management fees	126,116	44,589	41,278
Other	111,019	40,367	41,553
<hr/>			
Total liabilities	49,929,463	31,124,804	31,820,532
<hr/>			
Auction Rate Preferred shares, at liquidation value	32,975,000	--	--
<hr/>			
Net assets applicable to Common shares	\$ 157,242,704	\$ 60,308,401	\$ 60,749,121
<hr/>			
Common shares outstanding	10,643,624	4,193,517	4,197,272
<hr/>			
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.77	\$ 14.38	\$ 14.47
<hr/>			
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:			
<hr/>			
Common shares, \$.01 par value per share	\$ 106,436	\$ 41,935	\$ 41,973
Paid-in surplus	147,789,740	59,490,323	59,538,503
Undistributed (Over-distribution of) net investment income	2,175,745	760,002	759,614
Accumulated net realized gain (loss) from investments	(1,798,123)	(946,427)	(890,859)
Net unrealized appreciation (depreciation) of investments	8,968,906	962,568	1,299,890
<hr/>			
Net assets applicable to Common shares	\$ 157,242,704	\$ 60,308,401	\$ 60,749,121
<hr/>			
Authorized shares:			
Common	Unlimited	Unlimited	Unlimited
Auction Rate Preferred	Unlimited	Unlimited	Unlimited
MuniFund Term Preferred	Unlimited	Unlimited	Unlimited
<hr/>			

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

| Statement of  
| Assets & Liabilities (continued)

May 31, 2010

	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)	VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)
<hr/>			
ASSETS			
Investments, at value (cost \$187,559,056, \$67,631,798 and \$125,444,371, respectively)	\$ 191,723,937	\$ 67,751,450	\$ 127,535,136
Cash	--	270,150	437,936
Receivables:			
Interest	3,059,583	1,047,487	1,866,043
Investments sold	1,121,000	--	190,000
Deferred offering costs	691,996	524,791	726,231
Other assets	29,827	7,873	13,871
<hr/>			
Total assets	196,626,343	69,601,751	130,769,217
<hr/>			
LIABILITIES			
Floating rate obligations	4,630,000	1,640,000	2,980,000
Cash overdraft	895,110	--	--
Payables:			
Auction Rate Preferred share dividends	2,067	--	--
Common share dividends	535,309	193,191	363,640
Interest	71,120	53,200	100,800
Offering costs	243,125	235,858	248,791
MuniFund Term Preferred shares, at liquidation value	32,205,000	22,800,000	43,200,000
Accrued expenses:			
Management fees	105,319	34,618	59,581
Other	86,872	32,576	51,762
<hr/>			
Total liabilities	38,773,922	24,989,443	47,004,574
<hr/>			
Auction Rate Preferred shares, at liquidation value	25,550,000	--	--
<hr/>			
Net assets applicable to Common shares	\$ 132,302,421	\$ 44,612,308	\$ 83,764,643
<hr/>			
Common shares outstanding	8,982,270	3,139,973	5,751,134
<hr/>			
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.73	\$ 14.21	\$ 14.56
<hr/>			
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:			
<hr/>			
Common shares, \$.01 par value per share	\$ 89,823	\$ 31,400	\$ 57,511
Paid-in surplus	126,425,231	44,472,299	81,540,239
Undistributed (Over-distribution of) net investment income	1,637,438	516,157	735,883

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Accumulated net realized gain (loss) from investments	(14,952)	(527,200)	(659,755)
Net unrealized appreciation (depreciation) of investments	4,164,881	119,652	2,090,765
-----	-----	-----	-----
Net assets applicable to Common shares	\$ 132,302,421	\$ 44,612,308	\$ 83,764,643
=====	=====	=====	=====
Authorized shares:			
Common	Unlimited	Unlimited	Unlimited
Auction Rate Preferred	Unlimited	Unlimited	Unlimited
MuniFund Term Preferred	Unlimited	Unlimited	Unlimited
=====	=====	=====	=====

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

64 Nuveen Investments

| Statement of  
| Operations

Year Ended May 31, 2010

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)
-----	-----	-----	-----
INVESTMENT INCOME	\$ 11,197,103	\$ 4,495,325	\$ 4,518,214
-----	-----	-----	-----
EXPENSES			
Management fees	1,466,683	558,911	566,542
Auction fees	91,206	26,998	28,348
Dividend disbursing agent fees	20,000	7,479	14,192
Shareholders' servicing agent fees and expenses	16,417	1,422	986
Interest expense and amortization of offering costs	491,329	144,219	155,414
Custodian's fees and expenses	47,449	24,030	24,150
Trustees' fees and expenses	6,327	2,339	2,376
Professional fees	24,394	13,105	13,213
Shareholders' reports - printing and mailing expenses	46,630	24,839	26,332
Stock exchange listing fees	9,168	591	592
Investor relations expense	19,549	7,519	7,793
Other expenses	22,089	23,879	24,030
-----	-----	-----	-----
Total expenses before custodian fee credit and expense reimbursement	2,261,241	835,331	863,968
Custodian fee credit	(2,302)	(1,246)	(390)
Expense reimbursement	--	(72,667)	(102,857)
-----	-----	-----	-----
Net expenses	2,258,939	761,418	760,721
-----	-----	-----	-----
Net investment income	8,938,164	3,733,907	3,757,493
-----	-----	-----	-----
REALIZED AND UNREALIZED GAIN (LOSS)			
Net realized gain (loss) from investments	81,032	26,955	17,339



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Change in net unrealized appreciation (depreciation) of investments	11,721,055	5,284,917	5,066,240
Net realized and unrealized gain (loss)	11,802,087	5,311,872	5,083,579
DISTRIBUTIONS TO AUCTION RATE PREFERRED SHAREHOLDERS			
From net investment income	(263,268)	(103,621)	(105,170)
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(263,268)	(103,621)	(105,170)
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 20,476,983	\$ 8,942,158	\$ 8,735,902

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Nuveen Investments 65

| Statement of  
| Operations (continued)

Year Ended May 31, 2010

	VIRGINIA PREMIUM INCOME (NPV)	VIRGINIA DIVIDEND ADVANTAGE (NGB)	VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)
INVESTMENT INCOME	\$ 9,765,166	\$ 3,517,795	\$ 6,429,432
EXPENSES			
Management fees	1,224,208	430,492	804,132
Auction fees	73,008	14,169	24,062
Dividend disbursing agent fees	20,000	7,479	5,863
Shareholders' servicing agent fees and expenses	13,867	940	1,199
Interest expense and amortization of offering costs	372,770	412,213	797,818
Custodian's fees and expenses	42,269	19,905	28,876
Trustees' fees and expenses	5,450	1,845	3,512
Professional fees	21,401	11,716	15,910
Shareholders' reports - printing and mailing expenses	48,899	18,549	29,208
Stock exchange listing fees	9,215	442	810
Investor relations expense	16,772	5,537	9,837
Other expenses	19,507	23,677	25,479
Total expenses before custodian fee credit and expense reimbursement	1,867,366	946,964	1,746,706
Custodian fee credit	(462)	(1,229)	(1,932)
Expense reimbursement	--	(56,080)	(155,961)
Net expenses	1,866,904	889,655	1,588,813

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Net investment income	7,898,262	2,628,140	4,840,619
-----			
REALIZED AND UNREALIZED GAIN (LOSS)			
Net realized gain (loss) from investments	71,327	146	14,297
Change in net unrealized appreciation (depreciation) of investments	8,157,368	3,488,158	6,627,764
-----			
Net realized and unrealized gain (loss)	8,228,695	3,488,304	6,642,061
-----			
DISTRIBUTIONS TO AUCTION RATE PREFERRED SHAREHOLDERS			
From net investment income	(233,784)	(49,195)	(85,539)
-----			
Decrease in net assets applicable to Common shares from distributions to Auction Rate Preferred shareholders	(233,784)	(49,195)	(85,539)
-----			
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 15,893,173	\$ 6,067,249	\$ 11,397,141
=====			

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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| Statement of  
| Changes in Net Assets

	MARYLAND PREMIUM INCOME (NMY)		MARYLAND DIVIDEND ADVANTAGE (NFM)	
	YEAR ENDED 5/31/10	YEAR ENDED 5/31/09	YEAR ENDED 5/31/10	YEAR ENDED 5/31/09
-----				
OPERATIONS				
Net investment income	\$ 8,938,164	\$ 9,449,559	\$ 3,733,907	\$ 3,990,619
Net realized gain (loss) from investments	81,032	(1,683,796)	26,955	(792,146)
Change in net unrealized appreciation (depreciation) of investments	11,721,055	(5,452,149)	5,284,917	(4,198,821)
Distributions to Auction Rate Preferred Shareholders:				
From net investment income	(263,268)	(1,728,826)	(103,621)	(710,618)
From accumulated net realized gains	--	(112,500)	--	(112,500)
-----				
Net increase (decrease) in net assets applicable to Common shares from operations	20,476,983	472,288	8,942,158	(1,711,456)
-----				
DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(7,789,618)	(6,676,649)	(3,182,569)	(2,946,821)
From accumulated net realized gains	--	(285,154)	--	(285,154)
-----				
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(7,789,618)	(6,961,803)	(3,182,569)	(2,946,821)

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CAPITAL SHARE TRANSACTIONS

Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	50,895	--	41,978	65
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	50,895	--	41,978	65
Net increase (decrease) in net assets applicable to Common shares	12,738,260	(6,489,515)	5,801,567	(4,592)
Net assets applicable to Common shares at the beginning of year	144,504,444	150,993,959	54,506,834	59,099
Net assets applicable to Common shares at the end of year	\$157,242,704	\$144,504,444	\$ 60,308,401	\$ 54,506
Undistributed (Over-distribution of) net investment income at the end of year	\$ 2,175,745	\$ 1,235,082	\$ 760,002	\$ 295

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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| Statement of  
| Changes in Net Assets (continued)

	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)		VIRGINIA PREMIUM INCOME (NPV)	
	YEAR ENDED 5/31/10	YEAR ENDED 5/31/09	YEAR ENDED 5/31/10	YEAR ENDED 5/31/09
<b>OPERATIONS</b>				
Net investment income	\$ 4,512,987	\$ 4,774,513	\$ 7,898,262	\$ 8,077,262
Net realized gain (loss) from investments	(9,894)	(1,006,050)	71,327	(88,000)
Change in net unrealized appreciation (depreciation) of investments	6,524,642	(3,207,766)	8,157,368	(5,786,000)
Distributions to Auction Rate Preferred Shareholders:				
From net investment income	(135,013)	(858,983)	(233,784)	(1,346,000)
From accumulated net realized gains	--	(32,339)	--	(146,000)
Net increase (decrease) in net assets applicable to Common shares from operations	10,892,722	(330,625)	15,893,173	708,000
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>				
From net investment income	(3,958,565)	(3,451,676)	(7,219,765)	(5,849,000)
From accumulated net realized gains	--	(90,650)	--	(428,000)
Decrease in net assets applicable to Common shares from distributions to				

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Common shareholders	(3,958,565)	(3,542,326)	(7,219,765)	(6,277)
-----				
CAPITAL SHARE TRANSACTIONS				
Net proceeds from Common shares issued to shareholders due to reinvestment of distributions	--	--	509,839	175
-----				
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	--	509,839	175
-----				
Net increase (decrease) in net assets applicable to Common shares	6,934,157	(3,872,951)	9,183,247	(5,393)
Net assets applicable to Common shares at the beginning of year	71,331,936	75,204,887	123,119,174	128,512
-----				
Net assets applicable to Common shares at the end of year	\$ 78,266,093	\$ 71,331,936	\$132,302,421	\$123,119
=====				
Undistributed (Over-distribution of) net investment income at the end of year	\$ 939,416	\$ 492,853	\$ 1,637,438	\$ 1,141
=====				

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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VIRGINIA DIVIDEND  
ADVANTAGE 2 (NNB)

	YEAR ENDED 5/31/10	YEAR ENDED 5/31/09
-----		
OPERATIONS		
Net investment income	\$ 4,840,619	\$ 5,570,292
Net realized gain (loss) from investments	14,297	(661,202)
Change in net unrealized appreciation (depreciation) of investments	6,627,764	(5,657,242)
Distributions to Auction Rate Preferred Shareholders:		
From net investment income	(85,539)	(940,842)
From accumulated net realized gains	--	(13,944)
-----		
Net increase (decrease) in net assets applicable to Common shares from operations	11,397,141	(1,702,938)
-----		
DISTRIBUTIONS TO COMMON SHAREHOLDERS		
From net investment income	(4,503,540)	(4,123,820)
From accumulated net realized gains	--	(41,880)
-----		
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(4,503,540)	(4,165,700)
-----		
CAPITAL SHARE TRANSACTIONS		
Net proceeds from Common shares issued to shareholders due to reinvestment of		

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distributions	144,710	123,400
-----		
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	144,710	123,400
-----		
Net increase (decrease) in net assets applicable to Common shares	7,038,311	(5,745,238)
Net assets applicable to Common shares at the beginning of year	76,726,332	82,471,570
-----		
Net assets applicable to Common shares at the end of year	\$ 83,764,643	\$ 76,726,332
=====		
Undistributed (Over-distribution of) net investment income at the end of year	\$ 735,883	\$ 396,944
=====		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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| Statement of  
| Cash Flows

Year Ended May 31, 2010

	MARYLAND PREMIUM INCOME (NMY)	MARYL DIVID ADVANT (
-----		
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS	\$ 20,476,983	\$ 8,942,
Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities:		
Purchases of investments	(15,391,910)	(3,446,
Proceeds from sales and maturities of investments	4,364,000	4,889,
Amortization (Accretion) of premiums and discounts, net	490,799	155,
(Increase) Decrease in receivable for interest	(141,129)	39,
(Increase) Decrease in receivable for investments sold	2,420,000	260,
(Increase) Decrease in other assets	(5,036)	5,
Increase (Decrease) in payable for Auction Rate Preferred share dividends	(13)	(2,
Increase (Decrease) in payable for interest	85,628	91,
Increase (Decrease) in accrued management fees	8,806	7,
Increase (Decrease) in accrued other liabilities	27,998	1,
Net realized (gain) loss from investments	(81,032)	(26,
Change in net unrealized (appreciation) depreciation of investments	(11,721,055)	(5,284,
Taxes paid on undistributed capital gains	(278)	(
-----		
Net cash provided by (used in) operating activities	533,761	5,632,
-----		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in cash overdraft balance	--	

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Cash distributions paid to Common shareholders	(7,695,919)	(3,119,
Increase (Decrease) in Auction Rate Preferred shares noticed for redemption, at liquidation value	--	
(Increase) Decrease in deferred offering costs	(794,385)	(639,
Increase (Decrease) in payable for offering costs	254,775	234,
Increase (Decrease) in MuniFund Term Preferred shares, at liquidation value	38,775,000	26,485,
Increase (Decrease) in Auction Rate Preferred shares, at liquidation value	(37,900,000)	(25,825,
-----		
Net cash provided by (used in) financing activities	(7,360,529)	(2,864,
-----		
NET INCREASE (DECREASE) IN CASH	(6,826,768)	2,767,
Cash at the beginning of year	6,831,099	436,
-----		
CASH AT THE END OF YEAR	\$ 4,331	\$ 3,204,
=====		

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYL DIVID ADVANT (
-----		
	\$ 50,895	\$ 41,
=====		

Cash paid for interest (excluding amortization of offering costs) was as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYL DIVID ADVANT (
-----		
	\$ 348,461	\$ 34,
=====		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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VIRGINIA  
PREMIUM  
INCOME

(NPV)

## CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON  
SHARES FROM OPERATIONS

\$ 15,893,173 \$

Adjustments to reconcile the net increase (decrease) in net assets applicable  
to Common shares from operations to net cash provided by (used  
in) operating activities:

Purchases of investments (6,822,978) (

Proceeds from sales and maturities of investments 5,132,130

Amortization (Accretion) of premiums and discounts, net 189,631

(Increase) Decrease in receivable for interest (29,406)

(Increase) Decrease in receivable for investments sold (586,000)

(Increase) Decrease in other assets (4,184)

Increase (Decrease) in payable for Auction Rate Preferred share dividends (1,335)

Increase (Decrease) in payable for interest 71,120

Increase (Decrease) in accrued management fees 3,096

Increase (Decrease) in accrued other liabilities 22,902

Net realized (gain) loss from investments (71,327)

Change in net unrealized (appreciation) depreciation of investments (8,157,368) (

Taxes paid on undistributed capital gains --

-----  
Net cash provided by (used in) operating activities 5,639,454

## CASH FLOWS FROM FINANCING ACTIVITIES:

Increase (Decrease) in cash overdraft balance 895,110

Cash distributions paid to Common shareholders (6,650,812) (

Increase (Decrease) in Auction Rate Preferred shares noticed for redemption,  
at liquidation value -- (

(Increase) Decrease in deferred offering costs (691,996)

Increase (Decrease) in payable for offering costs 243,125

Increase (Decrease) in MuniFund Term Preferred shares, at liquidation value 32,205,000 2

Increase (Decrease) in Auction Rate Preferred shares, at liquidation value (38,250,000) (1

-----  
Net cash provided by (used in) financing activities (12,249,573) (

NET INCREASE (DECREASE) IN CASH (6,610,119) (

Cash at the beginning of year 6,610,119

CASH AT THE END OF YEAR

\$ -- \$

## SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Non-cash financing activities not included herein consist of reinvestments of  
Common share distributions as follows:VIRGINIA  
PREMIUM  
INCOME  
(NPV)-----  
\$ 509,839 \$

Cash paid for interest (excluding amortization of offering costs) was as

follows:

VIRGINIA  
PREMIUM  
INCOME  
(NPV)

-----  
\$ 250,571 \$  
=====

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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| Notes to  
| Financial Statements

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds covered in this report and their corresponding Common share stock exchange symbols are Nuveen Maryland Premium Income Municipal Fund (NMY), Nuveen Maryland Dividend Advantage Municipal Fund (NFM), Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR), Nuveen Maryland Dividend Advantage Municipal Fund 3 (NWI), Nuveen Virginia Premium Income Municipal Fund (NPV), Nuveen Virginia Dividend Advantage Municipal Fund (NGB) and Nuveen Virginia Dividend Advantage Municipal Fund 2 (NNB) (collectively, the "Funds"). Common shares of Maryland Premium Income (NMY) and Virginia Premium Income (NPV) are traded on the New York Stock Exchange ("NYSE") while Common shares of Maryland Dividend Advantage (NFM), Maryland Dividend Advantage 2 (NZR), Maryland Dividend Advantage 3 (NWI), Virginia Dividend Advantage (NGB) and Virginia Dividend Advantage 2 (NNB) are traded on the NYSE Amex. The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end management investment companies.

Each Fund seeks to provide current income exempt from both regular federal and designated state income taxes by investing primarily in a portfolio of municipal obligations issued by state and local government authorities within a single state or certain U.S. territories.

In June 2009, the Financial Accounting Standards Board ("FASB") established the FASB Accounting Standards Codification(TM) (the "Codification") as the single source of authoritative accounting principles recognized by the FASB in the preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP"). The Codification supersedes existing non-grandfathered, non-SEC accounting and reporting standards. The Codification did not change GAAP but rather organized it into a hierarchy where all guidance within the Codification carries an equal level of authority. The Codification became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Codification did not have a material effect on the Funds' financial statements.

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

INVESTMENT 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 Trustees. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service or, in the absence of a pricing service for a particular investment, the Board of Trustees of the Fund, or its designee, may establish fair value using a wide variety of market data including yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. Temporary investments in securities that have variable rate and demand features qualifying them as short-term investments are valued at amortized cost, which approximates value.

#### INVESTMENT TRANSACTIONS

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments 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/delayed delivery purchase commitments. At May 31, 2010, there were no such outstanding purchase commitments in any of the 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. Interest income also includes paydown gains and losses, if any.

#### INCOME TAXES

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions that will enable interest from municipal securities, which is exempt from regular federal and designated state income taxes, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

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For all open tax years and all major taxing jurisdictions, management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Funds is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

#### DIVIDENDS AND DISTRIBUTIONS TO COMMON SHAREHOLDERS

Dividends from tax-exempt net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if

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any, are distributed to shareholders at least 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 accordance with federal income tax regulations, which may differ from U.S. GAAP.

AUCTION RATE PREFERRED SHARES

The following Funds have issued and outstanding Auction Rate Preferred Shares ("ARPS"), \$25,000 stated value per share, which approximates market value, as a means of effecting financial leverage. Each Fund's ARPS are issued in one or more Series. The dividend rate paid by the Funds on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period. As of May 31, 2010, the number of ARPS outstanding, by Series and in total, for each Fund is as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)	VIRGINIA PREMIUM INCOME (NPV)
Number of shares:			
Series T	--	593	333
Series W	585	--	--
Series TH	734	--	689
Total	1,319	593	1,022

Beginning in February 2008, more shares for sale were submitted in the regularly scheduled auctions for the ARPS issued by the Funds than there were offers to buy. This meant that these auctions "failed to clear," and that many ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. ARPS shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions as calculated in accordance with the pre-established terms of the ARPS. As of May 31, 2010, the aggregate amount of outstanding ARPS redeemed by each Fund is as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)
ARPS redeemed, at liquidation value	\$46,125,000	\$32,000,000	\$32,000,000	\$24,175,000

VIRGINIA PREMIUM INCOME	VIRGINIA DIVIDEND ADVANTAGE	VIRGINIA DIVIDEND ADVANTAGE 2
-------------------------------	-----------------------------------	-------------------------------------

	(NPV)	(NGB)	(NNB)
ARPS redeemed, at liquidation value	\$38,250,000	\$24,000,000	\$42,000,000

MUNIFUND TERM PREFERRED SHARES

The Funds have issued and outstanding MuniFund Term Preferred ("MTP") Shares, with a \$10 stated value per share. Proceeds from the issuance of MTP Shares, net of offering expenses, were used to redeem all, or a portion of, each Fund's outstanding ARPS. Each Fund's MTP Shares are issued in one Series. Dividends, which are recognized as interest expense for financial reporting purposes, are paid monthly at a fixed annual rate, subject to adjustments in certain circumstances. The MTP Shares trade on the NYSE. As of May 31, 2010, the number of MTP Shares outstanding, annual interest rate and the NYSE "ticker" symbol for each Fund are as follows:

	MARYLAND PREMIUM INCOME (NMY)			MARYLAND DIVIDEND ADVANTAGE (NFM)		
	SHARES OUTSTANDING	ANNUAL INTEREST RATE	NYSE TICKER	SHARES OUTSTANDING	ANNUAL INTEREST RATE	NYSE TICKER
Series 2015	3,877,500	2.65%	NMY Pr C	2,648,500	2.60%	NFM Pr C

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| Notes to  
| Financial Statements (continued)

	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)			MARYLAND DIVIDEND ADVANTAGE 3 (NWI)		
	SHARES OUTSTANDING	ANNUAL INTEREST RATE	NYSE TICKER	SHARES OUTSTANDING	ANNUAL INTEREST RATE	NYSE TICKER
Series 2015	2,730,000	2.60%	NZR Pr C	2,070,000	2.65%	NWI

	VIRGINIA PREMIUM INCOME (NPV)			VIRGINIA DIVIDEND ADVANTAGE (NVA)		
	SHARES OUTSTANDING	ANNUAL INTEREST RATE	NYSE TICKER	SHARES OUTSTANDING	ANNUAL INTEREST RATE	NYSE TICKER
Series:						

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2014	--	--%	--	2,280,000	2.80%	NGB
2015	3,220,500	2.65	NPV Pr C	--	--	

VIRGINIA DIVIDEND ADVANTAGE 2 (			
	SHARES OUTSTANDING	ANNUAL INTEREST RATE	TI
Series 2014	4,320,000	2.80%	NNB

Each Fund is obligated to redeem its MTP Shares by the date as specified in its offering document ("Term Redemption Date"), unless earlier redeemed or repurchased by the Fund. MTP Shares are subject to optional and mandatory redemption in certain circumstances. MTP Shares will be subject to redemption at the option of each Fund ("Optional Redemption Date"), subject to a payment of premium for one year following the Optional Redemption Date ("Premium Expiration Date"), and at par thereafter. MTP Shares also will be subject to redemption, at the option of each Fund, at par in the event of certain changes in the credit rating of the MTP Shares. Each Fund may be obligated to redeem certain of the MTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. The Term Redemption Date, Optional Redemption Date and Premium Expiration Date for each Fund's MTP Shares are as follows:

	MARYLAND PREMIUM INCOME (NMY) SERIES 2015	MARYLAND DIVIDEND ADVANTAGE (NFM) SERIES 2015	MARYLAND DIVIDEND ADVANTAGE 2 (NZR) SERIES 2015	MARY DIVI ADVANTA SERIES
Term Redemption Date	February 1, 2015	May 1, 2015	May 1, 2015	March 1,
Optional Redemption Date	February 1, 2011	May 1, 2011	May 1, 2011	March 1,
Premium Expiration Date	January 31, 2012	April 30, 2012	April 30, 2012	February 29,

	VIRGINIA PREMIUM INCOME (NPV) SERIES 2015	VIRGINIA DIVIDEND ADVANTAGE (NGB) SERIES 2014	VIRG DIVI ADVANTA SERIES
Term Redemption Date	February 1, 2015	December 1, 2014	December 1,
Optional Redemption Date	February 1, 2011	December 1, 2010	December 1,
Premium Expiration Date	January 31, 2012	November 30, 2011	November 30,

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The average liquidation value of MTP Shares outstanding for each Fund during the fiscal year ended May 31, 2010, was as follows:

	MARYLAND PREMIUM INCOME (NMY) *	MARYLAND DIVIDEND ADVANTAGE (NFM) **	MARYLAND DIVIDEND ADVANTAGE (NZ)
Average liquidation value of MTP Shares outstanding	\$38,551,423	\$26,485,000	\$27,300,000

\* For the period January 29, 2010 (first issuance date of shares) through May 31, 2010.

\*\* For the period April 13, 2010 (first issuance date of shares) through May 31, 2010.

\*\*\* For the period April 9, 2010 (first issuance date of shares) through May 31, 2010.

\*\*\*\* For the period February 23, 2010 (first issuance date of shares) through May 31, 2010.

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	VIRGINIA PREMIUM INCOME (NPV) *****	VIRGINIA DIVIDEND ADVANTAGE (NGB) *****	ADVANTAGE
Average liquidation value of MTP Shares outstanding	\$32,133,571	\$22,703,077	\$42,000,000

\*\*\*\*\* For the period January 26, 2010 (first issuance date of shares) through May 31, 2010.

\*\*\*\*\* For the period November 18, 2009 (first issuance date of shares) through May 31, 2010.

\*\*\*\*\* For the period November 4, 2009 (first issuance date of shares) through May 31, 2010.

For financial reporting purposes only, the liquidation value of MTP Shares is recorded as a liability on the Statement of Assets and Liabilities. Unpaid dividends on MTP Shares are recognized as "Interest payable" on the Statement of Assets and Liabilities. Dividends paid on MTP Shares are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

Net amounts earned by Nuveen Investments, Inc. ("Nuveen") as underwriter of each

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Fund's MTP Share offering were recorded as reductions of offering costs recognized by the Funds. For the fiscal year ended May 31, 2010, the net amounts earned by Nuveen for each Fund were as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)	MARYLA DIVIDE ADVANTAGE (N
Net amounts earned by Nuveen	\$2,336	\$ --	\$

	VIRGINIA PREMIUM INCOME (NPV)	VIRGIN DIVIDE ADVANTA (N
Net amounts earned by Nuveen	\$1,707	\$1

### INVERSE FLOATING RATE SECURITIES

Each Fund is authorized to invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. In turn, this trust (a) issues floating rate certificates, in face amounts equal to some fraction of the deposited bond's par amount or market value, that typically pay short-term tax-exempt interest rates to third parties, and (b) issues to a long-term investor (such as one of the Funds) an inverse floating rate certificate (sometimes referred to as an "inverse floater") that represents all remaining or residual interest in the trust. The income received by the inverse floater holder varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the inverse floater holder bears substantially all of the underlying bond's downside investment risk and also benefits disproportionately from any potential appreciation of the underlying bond's value. The price of an inverse floating rate security will be more volatile than that of the underlying bond because the interest rate is dependent on not only the fixed coupon rate of the underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an "externally-deposited inverse floater"), or instead by first selling a fixed-rate bond to a broker-dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (referred to as a "self-deposited inverse floater"). The inverse floater held by a Fund gives the Fund the right (a) to cause the holders of the floating rate certificates to tender their notes at par, and (b) to have the broker transfer the fixed-rate bond held by the trust to the Fund, thereby collapsing the trust. An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as "(IF) - Inverse floating rate investment." An investment in a self-deposited inverse floater is accounted for as a financing transaction. In

such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as "(UB) - Underlying bond of an inverse floating rate trust reflected as a financing transaction," with the Fund accounting for the short-term floating rate certificates issued by the trust as "Floating rate obligations" on the Statement of Assets and Liabilities. In addition, the Fund reflects in Investment Income the entire earnings of the underlying bond and recognizes the related interest paid to the holders of the short-term floating rate certificates as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

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| Notes to  
| Financial Statements (continued)

During the fiscal year ended May 31, 2010, each Fund invested in externally-deposited inverse floaters and/or self-deposited inverse floaters.

Each Fund may also enter into shortfall and forbearance agreements (sometimes referred to as a "recourse trust" or "credit recovery swap") (such agreements referred to herein as "Recourse Trusts") with a broker-dealer by which a Fund agrees to reimburse the broker-dealer, in certain circumstances, for the difference between the liquidation value of the fixed-rate bond held by the trust and the liquidation value of the floating rate certificates issued by the trust plus any shortfalls in interest cash flows. Under these agreements, a Fund's potential exposure to losses related to or on inverse floaters may increase beyond the value of a Fund's inverse floater investments as a Fund may potentially be liable to fulfill all amounts owed to holders of the floating rate certificates. At period end, any such shortfall is included as "Unrealized depreciation on Recourse Trusts" on the Statement of Assets and Liabilities.

At May 31, 2010, each Fund's maximum exposure to externally-deposited Recourse Trusts is as follows:

	MARYLAND PREMIUM INCOME (NMY)	MAR DIV ADVA
-----		
Maximum exposure to Recourse Trusts	\$ --	
=====		
		VIR PR I
-----		
Maximum exposure to Recourse Trusts		\$6,81
=====		

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the fiscal year

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ended May 31, 2010, were as follows:

	MARYLAND PREMIUM INCOME (NMY)	MAR DIV ADVA
Average floating rate obligations outstanding	\$9,962,000	\$3,97
Average annual interest rate and fees	0.88%	
=====		
Average floating rate obligations outstanding		VIRG PRE IN
Average annual interest rate and fees		\$4,63
=====		

DERIVATIVE FINANCIAL INSTRUMENTS

Each Fund is authorized to invest in certain derivative instruments, including foreign currency forwards, futures, options and swap contracts. Although each Fund is authorized to invest in such derivative instruments, and may do so in the future, they did make any such investments during the fiscal year ended May 31, 2010.

MARKET AND COUNTERPARTY CREDIT RISK

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts, when applicable, expose a Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

Each Fund helps manage counterparty credit risk by entering into agreements only with counterparties Nuveen Asset Management (the "Adviser"), a wholly-owned subsidiary of Nuveen, believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, the Funds have instructed the custodian to pledge assets of the



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Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the predetermined threshold amount.

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ZERO COUPON SECURITIES

Each Fund is authorized to invest in zero coupon securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

OFFERING COSTS

Costs incurred by the Funds in connection with their offerings of MTP Shares were recorded as a deferred charge which will be amortized over the 5-year life of the shares. Each Fund's amortized deferred charges are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations. Each Fund's offering costs incurred were as follows:

	MARYLAND PREMIUM INCOME (NMY)	MAR DIV ADVA
MTP Shares offering costs	\$849,289	\$65

	VIR PR I
MTP Shares offering costs	\$74

CUSTODIAN FEE CREDIT

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by net credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments. Credits for cash balances may be offset by charges for any days on which a Fund overdraws its account at the custodian bank.

INDEMNIFICATIONS

Under the Funds' organizational documents, their officers and trustees are

indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP 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 decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

2. FAIR VALUE MEASUREMENTS

In determining the value of each Fund's investments, various inputs are used. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - 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 risk associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of May 31, 2010:

MARYLAND PREMIUM INCOME (NMY)	LEVEL 1	LEVEL 2	LEVEL 3
Investments:			
Municipal Bonds	\$--	\$234,45	
=====			
MARYLAND DIVIDEND ADVANTAGE (NFM)	LEVEL 1		LEVEL 3
Investments:			
Municipal Bonds	\$--	\$85,41	
=====			
MARYLAND DIVIDEND ADVANTAGE 2 (NZR)	LEVEL 1		LEVEL 3
Investments:			
Municipal Bonds	\$--	\$89,41	
=====			

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MARYLAND DIVIDEND ADVANTAGE 3 (NWI)	LEVEL 1	LE
Investments:		
Municipal Bonds	\$--	\$115,42
VIRGINIA PREMIUM INCOME (NPV)	LEVEL 1	LE
Investments:		
Municipal Bonds	\$--	\$191,72
VIRGINIA DIVIDEND ADVANTAGE (NGB)	LEVEL 1	LE
Investments:		
Municipal Bonds	\$--	\$67,75
VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)	LEVEL 1	LE
Investments:		
Municipal Bonds	\$--	\$127,53

The following is a reconciliation of each Fund's Level 3 investments held at the beginning and end of the measurement period:

	MARYLAND PREMIUM INCOME (NMY) LEVEL 3 INVESTMENTS	MAR DIV ADVA LE INVEST
Balance at the beginning of year	\$ --	\$
Gains (losses):		
Net realized gains (losses)	--	
Net change in unrealized appreciation (depreciation)	--	
Net purchases at cost (sales at proceeds)	--	
Net discounts (premiums)	--	
Net transfers in to (out of) at end of period fair value	532,963	48
Balance at the end of year	\$532,963	\$48

"Change in net unrealized appreciation (depreciation) of investments" presented on the Statement of Operations includes net unrealized appreciation (depreciation) related to securities classified as Level 3 at year end as follows:

MARYLAND PREMIUM INCOME (NMY)	MAR DIV ADVA
--	--------------------

-----  
 Level 3 net appreciation (depreciation) \$33,626 \$4  
 =====

3. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Funds record derivative instruments at fair value with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes. The Funds did not invest in derivative instruments during the fiscal year ended May 31, 2010.

4. FUND SHARES

COMMON SHARES

Since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding Common Shares.

Transactions in Common shares were as follows:

	MARYLAND PREMIUM INCOME (NMY)		MARYLAND DIVIDEND ADVANTAGE (NFM)	
	YEAR ENDED 5/31/10	YEAR ENDED 5/31/09	YEAR ENDED 5/31/10	5/31/09
Common shares issued to shareholders due to reinvestment of distributions	3,548	--	3,167	

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	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)		VIRGINIA PREMIUM INCOME (NPV)	
	YEAR ENDED 5/31/10	YEAR ENDED 5/31/09	YEAR ENDED 5/31/10	5/31/09
Common shares issued to shareholders due to reinvestment of distributions	--	--	35,258	1

-----  
 Common shares issued to shareholders due to  
 reinvestment of distributions  
 =====

PREFERRED SHARES

Transactions in ARPS were as follows:

	MARYLAND PREMIUM INCOME (NMY)					
	YEAR ENDED 5/31/10		YEAR ENDED 5/31/09		YEAR ENDED 5/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
ARPS redeemed and/or noticed for redemption:						
Series M	--	\$ --	--	\$ --	1,033	\$ --
Series W	673	16,825,000	146	3,650,000	--	--
Series TH	843	21,075,000	183	4,575,000	--	--
<b>Total</b>	<b>1,516</b>	<b>\$37,900,000</b>	<b>329</b>	<b>\$ 8,225,000</b>	<b>1,033</b>	<b>\$ --</b>

	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)					
	YEAR ENDED 5/31/10		YEAR ENDED 5/31/09		YEAR ENDED 5/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
ARPS redeemed and/or noticed for redemption:						
Series T	--	\$ --	--	\$ --	807	\$ --
Series F	1,065	26,625,000	215	5,375,000	--	--
<b>Total</b>	<b>1,065</b>	<b>\$26,625,000</b>	<b>215</b>	<b>\$ 5,375,000</b>	<b>807</b>	<b>\$ --</b>

VIRGINIA  
 PREMIUM INCOME (NPV) D

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	YEAR ENDED 5/31/10		YEAR ENDED 5/31/09		YEAR ENDED 5/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
ARPS redeemed and/or noticed for redemption:						
Series T	499	\$12,475,000	--	\$ --	--	\$ --
Series W	--	--	--	--	780	--
Series TH	1,031	25,775,000	--	--	--	--
Total	1,530	\$38,250,000	--	\$ --	780	\$ --

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| Notes to  
| Financial Statements (continued)

	YEAR ENDED 5/31/10		YEAR ENDED 5/31/09		YEAR ENDED 5/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
ARPS redeemed and/or noticed for redemption:						
Series M					1,647	\$ --

Transactions in MTP shares were as follows:

	YEAR ENDED 5/31/10		YEAR ENDED 5/31/09		YEAR ENDED 5/31/08	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
MTP Shares issued:						
Series 2015	3,877,500	\$38,775,000	--	--	2,648,500	\$ --

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	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)				DIV
	YEAR ENDED 5/31/10		YEAR ENDED 5/31/09		YEAR ENDED 5/31/09
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES
MTP Shares issued: Series 2015	2,730,000	\$27,300,000	--	--	2,070,000

	VIRGINIA DIVIDEND ADVANTAGE (NGB)				PREMIUM
	YEAR ENDED 5/31/10		YEAR ENDED 5/31/09		YEAR ENDED 5/31/09
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES
MTP Shares issued: Series 2015					3,220,500

	VIRGINIA DIVIDEND ADVANTAGE (NGB)				DIVID
	YEAR ENDED 5/31/10		YEAR ENDED 5/31/09		YEAR ENDED 5/31/09
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES
MTP Shares issued: Series 2014	2,280,000	\$22,800,000	--	--	4,320,000

5. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments) during the fiscal year ended May 31, 2010, were as follows:

MARYLAND PREMIUM INCOME (NMY)	MARYL DIVID ADVANT (N
--	--------------------------------

Purchases	\$15,391,910	\$3,446,
Sales and maturities	4,364,000	4,889,

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PREMI  
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(N

Purchases		\$6,822,
Sales and maturities		5,132,

6. 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 as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset values of the Funds.

At May 31, 2010, the cost and unrealized appreciation (depreciation) of investments as determined on a federal income tax basis, were as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLA DIVIDE ADVANTA (NF
Cost of investments	\$217,023,979	\$ 81,247,9
Gross unrealized:		
Appreciation	\$ 12,851,251	\$ 3,015,7
Depreciation	(4,845,863)	(2,334,6
Net unrealized appreciation (depreciation) of investments	\$ 8,005,388	\$ 681,1

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PREMI



	INCO (NP)
-----	
Cost of investments	\$182,844,4
-----	
Gross unrealized:	
Appreciation	\$ 8,416,2
Depreciation	(4,167,1
-----	
Net unrealized appreciation (depreciation) of investments	\$ 4,249,0
=====	

Permanent differences, primarily due to federal taxes paid, taxable market discount and distribution character reclassifications, resulted in reclassifications among the Funds' components of Common share net assets at May 31, 2010, the Funds' tax year end, as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLA DIVIDE ADVANTA (NF
-----		
Paid-in-surplus	\$ (55,663)	\$ (16,5
Undistributed (Over-distribution of) net investment income	55,385	16,3
Accumulated net realized gain (loss)	278	1
=====		

		VIRGIN PREMI INCO (NP
-----		
Paid-in-surplus		\$ (51,0
Undistributed (Over-distribution of) net investment income		51,0
Accumulated net realized gain (loss)		
=====		

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| Notes to  
| Financial Statements (continued)

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at May 31, 2010, the Funds' tax year end, were as follows:

MARYLAND PREMIUM	MARYL DIVID
---------------------	----------------

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	INCOME (NMY)	ADVANT (N
Undistributed net tax-exempt income *	\$2,722,629	\$1,035,
Undistributed net ordinary income **	4,946	
Undistributed net long-term capital gains	--	

		VIRGI PREM INC (N
Undistributed net tax-exempt income *		\$2,226,
Undistributed net ordinary income **		1,
Undistributed net long-term capital gains		

\* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on May 3, 2010, paid on June 1, 2010.

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

The tax character of distributions paid during the Funds' tax years ended May 31, 2010 and May 31, 2009, was designated for purposes of the dividends paid deduction as follows:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)
2010		
Distributions from net tax-exempt income ***	\$8,270,687	\$3,267,495
Distributions from net ordinary income **	--	--
Distributions from net long-term capital gains ****	--	--

		VIRGINIA PREMIUM INCOME (NPV)
2010		
Distributions from net tax-exempt income ***		\$7,324,752
Distributions from net ordinary income **		294,161
Distributions from net long-term capital gains ****		--

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	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)
2009		
Distributions from net tax-exempt income	\$8,324,864	\$3,659,376
Distributions from net ordinary income **	77,563	--
Distributions from net long-term capital gains	320,091	--

		VIRGINIA PREMIUM INCOME (NPV)
2009		
Distributions from net tax-exempt income		\$7,136,962
Distributions from net ordinary income **		109,247
Distributions from net long-term capital gains		465,316

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

\*\*\* The Funds hereby designate these amounts paid during the fiscal year ended May 31, 2010, as Exempt Interest Dividends.

\*\*\*\* The Funds designate as a long-term capital gain dividend, pursuant to the Internal Revenue Code Section 852(b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax year ended May 31, 2010.

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At May 31, 2010, the Funds' tax year end, the 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:

	MARYLAND PREMIUM INCOME (NMY)	MARYLAND DIVIDEND ADVANTAGE (NFM)
Expiration:		
May 31, 2012	\$ --	\$ 78,
May 31, 2013	--	15,
May 31, 2014	--	62,
May 31, 2017	637,381	419,
May 31, 2018	--	

Total	\$637,381	\$576,

		VIRGI PREMI INCO (N
--	--	------------------------------

Expiration:

May 31, 2012		\$
May 31, 2013		
May 31, 2014		
May 31, 2017		14,
May 31, 2018		

Total		\$ 14,

During the tax year ended May 31, 2010, the following Funds utilized capital loss carryforwards as follows:

	MARYLAND PREMIUM INCOME (NMY)	MA DI ADV
		\$81,310

7. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Each Fund's management fee is separated into two components - a fund-level fee, based only on the amount of assets within each individual Fund, and a complex-level fee, based on the aggregate amount of all fund assets managed by the Adviser. This pricing structure enables each Fund's shareholders to benefit from growth in the assets within their respective Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

The annual fund-level fee for each Fund, payable monthly, is calculated according to the following schedule:

AVERAGE DAILY NET ASSETS*	MARYLAND PREMIUM INCOME (NMY) VIRGINIA PREMIUM INCOME (NPV) FUND-LEVEL FEE RATE
For the first \$125 million	.4500%
For the next \$125 million	.4375
For the next \$250 million	.4250
For the next \$500 million	.4125
For the next \$1 billion	.4000
For the next \$3 billion	.3875
For net assets over \$5 billion	.3750

| Notes to  
| Financial Statements (continued)

AVERAGE DAILY NET ASSETS*	FUND-LEVEL FEE RATE
	MARYLAND DIVIDEND ADVANTAGE (NFM)
	MARYLAND DIVIDEND ADVANTAGE 2 (NZR)
	MARYLAND DIVIDEND ADVANTAGE 3 (NWI)
	VIRGINIA DIVIDEND ADVANTAGE (NGB)
	VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)
For the first \$125 million	.4500%
For the next \$125 million	.4375
For the next \$250 million	.4250
For the next \$500 million	.4125
For the next \$1 billion	.4000
For net assets over \$2 billion	.3750

The annual complex-level for each Fund, payable monthly, is calculated according to the following schedule:

COMPLEX-LEVEL MANAGED NET ASSET BREAKPOINT LEVEL*	EFFECTIVE RATE AT BREAKPOINT LEVEL
\$55 billion	.2000%
\$56 billion	.1996
\$57 billion	.1989
\$60 billion	.1961
\$63 billion	.1931
\$66 billion	.1900
\$71 billion	.1851
\$76 billion	.1806
\$80 billion	.1773
\$91 billion	.1691
\$125 billion	.1599
\$200 billion	.1505
\$250 billion	.1469
\$300 billion	.1445

\* The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen funds, with such daily managed assets defined separately for each fund in its management agreement, but excluding assets attributable to investments in other Nuveen funds. For the complex-level and fund-level fees, daily net assets and managed assets include closed-end fund assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by

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the Adviser to limit the amount of such assets for determining managed assets in certain circumstances. As of May 31, 2010, the complex-level fee rate was .1855%.

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 trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised funds.

For the first ten years of Maryland Dividend Advantage's (NFM) and Virginia Dividend Advantage's (NGB) operations, the Adviser has agreed to reimburse the Funds, as a percentage of average daily net assets, for fees and expenses in the amounts and for the time periods set forth below:

YEAR ENDING JANUARY 31,		YEAR ENDING JANUARY 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 Maryland Dividend Advantage (NFM) and Virginia Dividend Advantage (NGB) for any portion of their fees and expenses beyond January 31, 2011.

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For the first ten years of Maryland Dividend Advantage 2's (NZR) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets, 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 Maryland Dividend Advantage 2 (NZR) for any portion of its fees and expenses beyond September 30, 2011.

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

YEAR ENDING SEPTEMBER 30,		YEAR ENDING SEPTEMBER 30,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		

\* From the commencement of operations.

The Adviser has not agreed to reimburse Maryland Dividend Advantage 3 (NWI) for any portion of its fees and expenses beyond September 30, 2010.

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

YEAR ENDING NOVEMBER 30,		YEAR ENDING NOVEMBER 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 Virginia Dividend Advantage 2 (NNB) for any portion of its fees and expenses beyond November 30, 2011.

8. NEW ACCOUNTING STANDARDS

FAIR VALUE MEASUREMENTS

On January 21, 2010, FASB issued changes to the authoritative guidance under U.S. GAAP for fair value measurements. The objective of this guidance is to provide guidance on how investment assets and liabilities are to be valued and disclosed. Specifically, the amendment requires reporting entities to disclose i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for both Level 2 and Level 3 positions, ii) transfers between all levels (including Level 1 and Level 2) on a gross basis (i.e., transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer and iii) purchases, sales, issuances and settlements in the Level 3 rollforward must be shown on a gross basis rather than as one net number. The effective date of the amendment is for interim and annual periods beginning after December 15, 2009, however, the requirement to provide the Level 3 activity for purchases, sales, issuances and settlements on a gross basis will be effective for interim and annual periods beginning after December 15, 2010. At this time, management is evaluating the implications of this guidance and the impact it will have to the financial statement amounts and footnote disclosures, if any.

| Financial  
| Highlights

Selected data for a Common share outstanding throughout each period:

	INVESTMENT OPERATIONS						LESS DI
	BEGINNING COMMON SHARE NET ASSET VALUE	NET INVESTMENT INCOME	NET REALIZED/ UNREALIZED GAIN (LOSS)	DISTRIBUTIONS FROM NET INVESTMENT INCOME TO AUCTION RATE PREFERRED SHARE-HOLDERS (a)	DISTRIBUTIONS FROM CAPITAL GAINS TO AUCTION RATE PREFERRED SHARE-HOLDERS (a)	TOTAL	
MARYLAND PREMIUM INCOME (NMY)							
Year Ended 5/31:							
2010	\$13.58	\$.84	\$1.10	\$(.02)	\$ --	\$1.92	\$(.73)
2009	14.19	.89	(.67)	(.16)	(.01)	.05	(.63)
2008	14.57	.88	(.41)	(.24)	--	.23	(.61)
2007	14.47	.88	.12	(.23)	--	.77	(.67)
2006	15.12	.89	(.56)	(.18)	--	.15	(.78)
MARYLAND DIVIDEND ADVANTAGE (NFM)							
Year Ended 5/31:							
2010	13.01	.89	1.26	(.02)	--	2.13	(.76)
2009	14.12	.95	(1.19)	(.17)	--	(.41)	(.70)
2008	14.65	.95	(.54)	(.24)	--	.17	(.70)
2007	14.57	.95	.12	(.24)	--	.83	(.75)
2006	15.13	.95	(.47)	(.19)	--	.29	(.85)

	AUCTION RATE PREFERRED SHARES AT END OF PERIOD			MUNIFUND TERM PREFERRED SHARES AT END OF PERIOD			
	AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION VALUE PER SHARE	ASSET COVERAGE PER SHARE	AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION VALUE PER SHARE	ENDING MARKET VALUE PER SHARE	AVERAGE MARKET VALUE PER SHARE
MARYLAND PREMIUM INCOME (NMY)							
Year Ended 5/31:							
2010	\$32,975	\$25,000	\$79,788	\$38,775	\$10.00	\$10.00	\$10.01*
2009	70,875	25,000	75,972	--	--	--	--



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2008	79,100	25,000	72,722	--	--	--	--
2007	79,100	25,000	73,990	--	--	--	--
2006	79,100	25,000	73,620	--	--	--	--

MARYLAND DIVIDEND ADVANTAGE (NFM)

Year Ended 5/31:							
2010	--	--	--	26,485	10.00	10.01	10.01**
2009	25,825	25,000	77,766	--	--	--	--
2008	32,000	25,000	71,172	--	--	--	--
2007	32,000	25,000	72,860	--	--	--	--
2006	32,000	25,000	72,470	--	--	--	--

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RATIOS/SUPPLEMENTAL DATA

TOTAL RETURNS			RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT (c)			RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES AFTER REIMBURSEMENT (d)	
BASED ON MARKET VALUE (b)	BASED ON COMMON SHARE NET ASSET VALUE (b)	ENDING NET ASSETS APPLICABLE TO COMMON SHARES (000)	EXPENSES INCLUDING INTEREST (e)	EXPENSES EXCLUDING INTEREST	NET INVESTMENT INCOME	EXPENSES INCLUDING INTEREST (e)	EXPENSES EXCLUDING INTEREST

MARYLAND PREMIUM INCOME (NMY)

Year Ended 5/31:							
2010	19.89%	14.44%	\$157,243	1.49%	1.20%	5.88%	N/A*
2009	2.57	.66	144,504	1.35	1.30	6.80	N/A
2008	(7.55)	1.63	150,994	1.25	1.24	6.13	N/A
2007	6.96	5.35	155,004	1.27	1.23	5.95	N/A
2016	(2.94)	1.08	153,834	1.23	1.23	6.05	N/A

MARYLAND DIVIDEND ADVANTAGE

(NFM) Year Ended 5/31:							
2010	15.78	16.68	60,308	1.43	1.21	6.27	1.31
2009	(2.48)	(2.52)	54,507	1.42	1.36	7.37	1.20
2008	(2.31)	1.25	59,100	1.30	1.28	6.39	1.01
2007	5.51	5.74	61,261	1.30	1.26	6.06	.95
2006	2.51	1.95	60,762	1.26	1.26	5.99	.83

(a) The amounts shown are based on Common share equivalents.

(b) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following

month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized. Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred shares and/or MuniFund Term Preferred shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.
- (e) The expense ratios in the above table reflect, among other things, payments to MuniFund Term Preferred shareholders and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, as described in Footnote 1 - MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively.

\* For the period January 29, 2010 (first issuance date of shares) through May 31, 2010.

\*\* For the period April 13, 2010 (first issuance date of shares) through May 31, 2010.

N/A Fund does not have a contractual reimbursement with the Adviser.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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| Financial  
| Highlights (continued)

Selected data for a Common share outstanding throughout each period:

				INVESTMENT OPERATIONS		LESS DI	
				DISTRIBUTIONS	DISTRIBUTIONS		
				FROM NET	FROM		
				INVESTMENT	CAPITAL	NET	
				INCOME TO	GAINS TO	INVESTMENT	
BEGINNING				AUCTION RATE	AUCTION RATE	INCOME TO	
COMMON	NET	REALIZED/	NET	PREFERRED	PREFERRED	COMMON	
SHARE	INVESTMENT	UNREALIZED		SHARE-	SHARE-	SHARE-	

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	VALUE	INCOME	GAIN (LOSS)	HOLDERS (a)	HOLDERS (a)	TOTAL	HOLDERS
MARYLAND DIVIDEND ADVANTAGE 2 (NZR)							
Year Ended 5/31:							
2010	\$13.15	\$.90	\$ 1.21	\$ (.03)	\$ --	\$2.08	\$ (.76)
2009	14.29	.95	(1.19)	(.16)	(.01)	(.41)	(.70)
2008	14.81	.94	(.48)	(.24)	(.01)	.21	(.70)
2007	14.76	.94	.10	(.23)	--	.81	(.76)
2006	15.45	.94	(.59)	(.18)	--	.17	(.83)
MARYLAND DIVIDEND ADVANTAGE 3 (NWI)							
Year Ended 5/31:							
2010	13.30	.84	1.22	(.03)	--	2.03	(.74)
2009	14.02	.89	(.78)	(.16)	(.01)	(.06)	(.64)
2008	14.48	.89	(.49)	(.23)	--	.17	(.63)
2007	14.33	.88	.16	(.22)	--	.82	(.67)
2006	14.82	.86	(.46)	(.18)	--	.22	(.71)

AUCTION RATE PREFERRED SHARES AT END OF PERIOD				MUNIFUND TERM PREFERRED SHARES AT END OF PERIOD			
AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION VALUE PER SHARE	ASSET COVERAGE PER SHARE		AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION VALUE PER SHARE	ENDING MARKET VALUE PER SHARE	AVERAGE MARKET VALUE PER SHARE
MARYLAND DIVIDEND ADVANTAGE 2 (NZR)							
Year Ended 5/31:							
2010	\$ --	\$ --	\$ --	\$27,300	\$10.00	\$9.97	\$9.96*
2009	26,625	25,000	76,817	--	--	--	--
2008	32,000	25,000	71,813	--	--	--	--
2007	32,000	25,000	73,488	--	--	--	--
2006	32,000	25,000	73,224	--	--	--	--
MARYLAND DIVIDEND ADVANTAGE 3 (NWI)							
Year Ended 5/31:							
2010	14,825	25,000	80,078	20,700	10.00	10.02	10.04**
2009	35,000	25,000	75,951	--	--	--	--
2008	39,000	25,000	73,208	--	--	--	--
2007	39,000	25,000	74,769	--	--	--	--
2006	39,000	25,000	74,237	--	--	--	--

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RATIOS/SUPPLEMENTAL DATA

TOTAL RETURNS	RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT (c)			RATIOS TO APPLICABLE AFTER RE			
	BASED ON MARKET VALUE (b)	BASED ON COMMON SHARE NET ASSET VALUE (b)	ENDING NET ASSETS APPLICABLE TO COMMON SHARES (000)	EXPENSES INCLUDING INTEREST (e)	EXPENSES EXCLUDING INTEREST	NET INVESTMENT INCOME	EXPENSES INCLUDING INTEREST (e)
MARYLAND DIVIDEND ADVANTAGE 2 (NZR)							
Year Ended 5/31:							
2010	24.89%	16.13%	\$60,749	1.47%	1.24%	6.21%	1.29%
2009	(5.21)	(2.43)	55,185	1.41	1.36	7.16	1.15
2008	(2.30)	1.54	59,921	1.29	1.28	6.18	.96
2007	9.32	5.56	62,064	1.32	1.28	5.86	.91
2006	1.13	1.14	61,726	1.25	1.25	5.76	.79
MARYLAND DIVIDEND ADVANTAGE 3 (NWI)							
Year Ended 5/31:							
2010	19.24	15.53	78,266	1.47	1.22	5.78	1.31
2009	2.35	(.05)	71,332	1.38	1.33	6.70	1.08
2008	(7.38)	1.24	75,205	1.26	1.25	5.86	.86
2007	11.47	5.75	77,640	1.28	1.24	5.52	.80
2006	1.09	1.55	76,809	1.23	1.23	5.41	.75

(a) The amounts shown are based on Common share equivalents.

(b) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

(c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred shares and/or MuniFund Term Preferred shares, where applicable.

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- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.
- (e) The expense ratios reflect, among other things, payments to MuniFund Term Preferred shareholders and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, as described in Footnote 1 -MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively.
- \* For the period April 9, 2010 (first issuance date of shares) through May 31, 2010.
- \*\* For the period February 23, 2010 (first issuance date of shares) through May 31, 2010.
- \*\*\* Rounds to less than 1%.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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| Highlights (continued)

Selected data for a Common share outstanding throughout each period:

INVESTMENT OPERATIONS							
BEGINNING COMMON SHARE NET ASSET VALUE	NET INVESTMENT INCOME	NET REALIZED/ UNREALIZED GAIN (LOSS)	DISTRIBUTIONS	DISTRIBUTIONS	SHARE- HOLDERS (a)	SHARE- HOLDERS (a)	TOTAL
			FROM NET INVESTMENT INCOME TO AUCTION RATE PREFERRED	FROM CAPITAL GAINS TO AUCTION RATE PREFERRED			
=====							
VIRGINIA PREMIUM INCOME (NPV)							
-----							
Year Ended 5/31:							
2010	\$13.76	\$.88	\$ .93	\$ (.03)	\$ --		\$1.7
2009	14.39	.90	(.66)	(.15)	(.02)		.0
2008	14.89	.88	(.40)	(.22)	(.03)		.2
2007	14.89	.88	.07	(.23)	--*		.7
2006	15.82	.88	(.59)	(.15)	(.03)		.1
=====							
VIRGINIA DIVIDEND ADVANTAGE (NGB)							
-----							
Year Ended 5/31:							
2010	13.04	.84	1.11	(.02)	--		1.9
2009	14.21	.93	(1.23)	(.17)	--*		(.4
2008	14.98	.95	(.67)	(.22)	(.03)		.0
2007	14.91	.96	.14	(.24)	--		.8
2006	15.52	.97	(.54)	(.17)	--		.2
=====							

LESS DISTRIBUTIONS					
	NET INVESTMENT INCOME TO COMMON SHARE-HOLDERS	CAPITAL GAINS TO COMMON SHARE-HOLDERS	TOTAL	ENDING COMMON SHARE NET ASSET VALUE	ENDING MARKET VALUE
VIRGINIA PREMIUM INCOME (NPV)					
Year Ended 5/31:					
2010	\$ (.81)	\$ --	\$ (.81)	\$14.73	\$15.85
2009	(.65)	(.05)	(.70)	13.76	14.36
2008	(.64)	(.09)	(.73)	14.39	14.04
2007	(.70)	(.02)	(.72)	14.89	15.24
2006	(.80)	(.24)	(1.04)	14.89	14.91
VIRGINIA DIVIDEND ADVANTAGE (NGB)					
Year Ended 5/31:					
2010	(.76)	--	(.76)	14.21	15.14
2009	(.69)	(.01)	(.70)	13.04	14.00
2008	(.70)	(.10)	(.80)	14.21	14.81
2007	(.79)	--	(.79)	14.98	17.51
2006	(.87)	--	(.87)	14.91	17.10

	AUCTION RATE PREFERRED SHARES AT END OF PERIOD			MUNIFUND TERM PREFERRED SHARES AT END OF PERIOD		
	AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION VALUE PER SHARE	ASSET COVERAGE PER SHARE	AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION VALUE PER SHARE	ENDING MARKET VALUE PER SHARE
VIRGINIA PREMIUM INCOME (NPV)						
Year Ended 5/31:						
2010	\$25,550	\$25,000	\$82,269	\$32,205	\$10.00	\$10.00
2009	63,800	25,000	73,244	--	--	--
2008	63,800	25,000	75,357	--	--	--
2007	63,800	25,000	77,077	--	--	--
2006	63,800	25,000	76,970	--	--	--
VIRGINIA DIVIDEND ADVANTAGE (NGB)						
Year Ended 5/31:						
2010	--	--	--	22,800	10.00	10.09
2009	21,750	25,000	71,989	--	--	--
2008	24,000	25,000	71,367	--	--	--

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2007	24,000	25,000	73,862	--	--	--
2006	24,000	25,000	73,568	--	--	--

-----  
 AUCTION RATE PREFERRED SHARES  
 AND MUNIFUND TERM PREFERRED SHARES  
 AT END OF PERIOD  
 -----

ASSET COVERAGE PER \$1  
 LIQUIDATION PREFERENCE  
 -----

VIRGINIA PREMIUM INCOME (NPV)  
 -----

Year Ended 5/31:

2010	\$3.29
2009	--
2008	--
2007	--
2006	--

VIRGINIA DIVIDEND ADVANTAGE (NGB)  
 -----

Year Ended 5/31:

2010	--
2009	--
2008	--
2007	--
2006	--

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RATIOS/SUPPLEMENTAL DATA  
 -----

TOTAL RETURNS			RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT (c)			
BASED ON MARKET VALUE (b)	BASED ON COMMON SHARE NET ASSET VALUE (b)	ENDING NET ASSETS APPLICABLE TO COMMON SHARES (000)	EXPENSES INCLUDING INTEREST (e)	EXPENSES EXCLUDING INTEREST	INVESTMENT INCOME	

VIRGINIA PREMIUM INCOME (NPV)  
 -----

Year Ended 5/31:

2010	16.60%	13.19%	\$132,302	1.45%	1.20%	6
2009	8.05	.88	123,119	1.36	1.28	6
2008	(2.94)	1.56	128,512	1.25	1.23	6

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2007	7.18	4.89	132,900	1.20	1.20	5
2006	(9.98)	0.71	132,626	1.19	1.19	5

VIRGINIA DIVIDEND ADVANTAGE (NGB)

-----						
Year Ended 5/31:						
2010	14.13	15.13	44,612	2.19	1.38	5
2009	(.01)	(2.92)	40,881	1.47	1.38	7
2008	(10.58)	.23	44,512	1.30	1.28	6
2007	7.24	5.82	46,908	1.27	1.27	5
2006	5.86	1.74	46,626	1.26	1.26	5
=====						

RATIOS/SUPPLEMENTAL DATA

-----  
RATIOS TO AVERAGE NET ASSETS  
APPLICABLE TO COMMON SHARES  
AFTER REIMBURSEMENT (c) (d)  
-----

EXPENSES INCLUDING INTEREST (e)	EXPENSES EXCLUDING INTEREST	NET INVESTMENT INCOME	PORTFOLIO TURNOVER RATE
---------------------------------------	-----------------------------------	-----------------------------	-------------------------------

VIRGINIA PREMIUM INCOME (NPV)

-----				
Year Ended 5/31:				
2010	N/A%	N/A%	N/A%	3%
2009	N/A	N/A	N/A	6
2008	N/A	N/A	N/A	14
2007	N/A	N/A	N/A	16
2006	N/A	N/A	N/A	16

VIRGINIA DIVIDEND ADVANTAGE (NGB)

-----				
Year Ended 5/31:				
2010	2.06	1.25	6.07	2
2009	1.26	1.18	7.38	4
2008	1.03	1.01	6.56	10
2007	.92	.92	6.34	23
2006	.84	.84	6.36	16
=====				

(a) The amounts shown are based on Common share equivalents.

(b) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.



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Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred shares and/or MuniFund Term Preferred shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.
- (e) The expense ratios reflect, among other things, payments to MuniFund Term Preferred shareholders and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, as described in Footnote 1 -MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively.

\* Rounds to less than \$.01 per share.

\*\* For the period January 26, 2010 (first issuance date of shares) through May 31, 2010.

\*\*\* For the period November 18, 2009 (first issuance date of shares) through May 31, 2010.

N/A Fund does not have a contractual reimbursement with the Adviser.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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| Highlights (continued)

Selected data for a Common share outstanding throughout each period:

INVESTMENT OPERATIONS							LESS DIS
BEGINNING COMMON SHARE NET ASSET VALUE	NET INVESTMENT INCOME	NET REALIZED/ UNREALIZED GAIN (LOSS)	DISTRIBUTIONS FROM NET INVESTMENT INCOME TO AUCTION RATE PREFERRED SHARE- HOLDERS (a)	DISTRIBUTIONS FROM CAPITAL GAINS TO AUCTION RATE PREFERRED SHARE- HOLDERS (a)	TOTAL	NET INVESTMENT INCOME TO COMMON SHARE- HOLDERS	
-----							

VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)

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Year Ended 5/31:							
2010	\$13.36	\$.84	\$ 1.15	\$ (.01)	\$ --	\$1.98	\$ (.78)
2009	14.39	.97	(1.11)	(.16)	--*	(.30)	(.72)
2008	15.08	.96	(.61)	(.24)	(.02)	.09	(.72)
2007	15.02	.96	.11	(.24)	--	.83	(.77)
2006	15.70	.95	(.52)	(.18)	(.01)	.24	(.85)

AUCTION RATE PREFERRED SHARES AT END OF PERIOD				MUNIFUND TERM PREFERRED AT END OF PERIOD		
AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION VALUE PER SHARE	ASSET COVERAGE PER SHARE	AGGREGATE AMOUNT OUTSTANDING (000)	LIQUIDATION VALUE PER SHARE	ENDING MARKET VALUE PER SHARE	

VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)

Year Ended 5/31:						
2010	\$ --	\$ --	\$ --	\$43,200	\$10.00	\$10.08
2009	41,175	25,000	71,586	--	--	--
2008	42,000	25,000	74,090	--	--	--
2007	42,000	25,000	76,418	--	--	--
2006	42,000	25,000	76,123	--	--	--

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RATIOS/SUPPLEMENTAL DATA						
TOTAL RETURNS			RATIOS TO AVERAGE NET ASSETS APPLICABLE TO COMMON SHARES BEFORE REIMBURSEMENT (c)		RATIOS TO APPLICABLE AFTER REIMBURSEMENT	
BASED ON MARKET VALUE (b)	BASED ON COMMON SHARE NET ASSET VALUE (b)	ENDING NET ASSETS APPLICABLE TO COMMON SHARES (000)	EXPENSES INCLUDING INTEREST (e)	EXPENSES EXCLUDING INTEREST	NET INVESTMENT INCOME	EXPENSES INCLUDING INTEREST (e)

VIRGINIA DIVIDEND ADVANTAGE 2 (NNB)

Year Ended 5/31:							
2010	14.48%	15.15%	\$83,765	2.15%	1.28%	5.77%	1.96%
2009	.96	(1.78)	76,726	1.39	1.31	7.21	1.11
2008	(7.58)	.63	82,472	1.24	1.22	6.21	.91
2007	6.96	5.60	86,382	1.21	1.21	5.89	.80
2006	3.45	1.53	85,887	1.19	1.19	5.75	.75

- =====
- (a) The amounts shown are based on Common share equivalents.
  - (b) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders; Net Investment Income ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred shares and/or MuniFund Term Preferred shares, where applicable.
- (d) After expense reimbursement from the Adviser, where applicable. Ratios do not reflect the effect of custodian fee credits earned on the Fund's net cash on deposit with the custodian bank, where applicable.
- (e) The expense ratios reflect, among other things, payments to MuniFund Term Preferred shareholders and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, as described in Footnote 1 -MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively.

\* Rounds to less than \$.01 per share.

\*\* For the period November 4, 2009 (first issuance date of shares) through May 31, 2010.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

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#### Board Members & Officers

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board Members of the Funds. The number of board members of the Fund is currently set at nine. None of the board members who are not "interested" persons of the Funds (referred to herein as "independent board members") has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the board members and officers of the Funds, their principal

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occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

NAME, BIRTHDATE & ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED AND TERM(1)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER	PRINCIPAL OCCUPATION(S) INCLUDING OTH DIRECTORSHIPS DURING PAST 5
INDEPENDENT BOARD MEMBERS:				
ROBERT P. BREMNER(2) 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Board Member	1996	200	Private Invest Treasurer and Washington, D
JACK B. EVANS 10/22/48 333 W. Wacker Drive Chicago, IL 60606	Board Member	1999	200	President, Th private phila Director and publicly held Board of Rege University Sy Life Trustee Foundation; f formerly, Dir Chicago; form Officer, SCI financial ser
WILLIAM C. HUNTER 3/6/48 333 W. Wacker Drive Chicago, IL 60606	Board Member	2004	200	Dean, Tippie Iowa (since 2 Xerox Corpora Gamma Sigma I formerly, Dea Finance, Scho Connecticut ( President and Federal Reser Director, SS& 2005-October (1997-2007), Georgetown Un
DAVID J. KUNDERT(2) 10/28/42 333 W. Wacker Drive Chicago, IL 60606	Board Member	2005	200	Director, Nor Company; reti JPMorgan Flem CEO, Banc One and President thereto, Exec Corporation a Investment Ma Regents, Luth Bar Associati Friends of Bo Board of Dire Committee, Gr
WILLIAM J. SCHNEIDER(2) 9/24/44				Chairman of M real estate i

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333 W. Wacker Drive  
Chicago, IL 60606

Board Member

1997

200

Partner and C  
2004) of Mill  
University of  
Council; membe  
formerly, mem  
Orchestra Ass  
Business Advi  
Reserve Bank;  
Development C

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NAME, BIRTHDATE & ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED AND TERM(1)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER	PRINCIPAL OCCUPATION(S) INCLUDING OTH DIRECTORSHIPS DURING PAST 5
INDEPENDENT BOARD MEMBERS:				
JUDITH M. STOCKDALE 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Board Member	1997	200	Executive Dir Donnelley Fou thereto, Exec Protection Fu
CAROLE E. STONE(2) 6/28/47 333 W. Wacker Drive Chicago, IL 60606	Board Member	2007	200	Director, Chi 2006); Direct Incorporated York State Co (since 2005); Association O
TERENCE J. TOTH(2) 9/29/59 333 W. Wacker Drive Chicago, IL 60606	Board Member	2008	200	Director, Leg America, Inc. Promus Capita President, No (2004-2007); Quantitative (2000-2004); with Northern member: Goodm Chicago Fello University of (since 2007) Board (since Trust Mutual Trust Global Northern Trus Trust Securit Northern Trus
INTERESTED BOARD MEMBER:				
JOHN P. AMBOIAN(3) 6/14/61 333 W. Wacker Drive	Board Member	2008	200	Chief Executi Director (sin of Nuveen Inv

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Chicago, IL 60606

Officer (since  
Nuveen Invest  
(since 2005)  
Management, L

Nuveen Investments 95

Board Members & Officers (continued)

NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER	PRINCIPAL OCCUPATION(S) DURING PAST 5
OFFICERS OF THE FUNDS:				
GIFFORD R. ZIMMERMAN 9/9/56 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	1988	200	Managing Dire Secretary and Nuveen Invest Associate Gen Secretary, of (2002) and of (since 2003); Secretary of LLC. (since 2 Inc. (since 2 LLC, and Sant (since 2006), Nuveen Invest Managing Dire Secretary (si Inc.; Managin Commodities A Financial Ana
WILLIAM ADAMS IV 6/9/55 333 W. Wacker Drive Chicago, IL 60606	Vice President	2007	125	Executive Vic Inc.; Executi Products of N 1999),; Execu of Nuveen Com
CEDRIC H. ANTOSIEWICZ 1/11/62 333 W. Wacker Drive Chicago, IL 60606	Vice President	2007	125	Managing Dire Vice Presiden Investments,
NIZIDA ARRIAGA 6/1/68 333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	200	Senior Vice P (since 2010); (2007-2010); Allstate Inve Financial Ana
MICHAEL T. ATKINSON 2/3/66 333 W. Wacker Drive	Vice President and Assistant	2000	200	Vice Presiden Investments, Asset Managem

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Chicago, IL 60606	Secretary			
MARGO L. COOK 4/11/64 333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	200	Executive Vice President Nuveen Investments Institutional Bear Stearns Institutional NY Mellon; Ch
LORNA C. FERGUSON 10/24/45 333 W. Wacker Drive Chicago, IL 60606	Vice President	1998	200	Managing Director Investments, 2005) of Nuve
STEPHEN D. FOY 5/31/54 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	1998	200	Senior Vice President Vice President (since 1998) President (20 Management; C
SCOTT S. GRACE 8/20/70 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	2009	200	Managing Director Development, Nuveen Investments Treasurer of 2009); former Vice President President (20 Inc.; formerl Stanley's Glo (2000-2003);

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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER	PRINCIPAL OCCUPATION(S) DURING PAST 5
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OFFICERS OF THE FUNDS:

WILLIAM T. HUFFMAN 5/7/69 333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	136	Chief Operating Officer (since 2008) previously, Chief Executive Officer Trust Global Officer (2007) Investments L Accountant.
WALTER M. KELLY 2/24/70 333 W. Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	2003	200	Senior Vice President President (20 President and (2003-2006) o Vice President

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					President (2008) (since 2008)
DAVID J. LAMB 3/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	2000	200		Senior Vice President Vice President Investments, Nuveen Asset Accountant.
TINA M. LAZAR 8/27/61 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	200		Senior Vice President Vice President (1999-2009); Management (s
LARRY W. MARTIN 7/27/51 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	1988	200		Senior Vice President Vice President and Assistant Investments, and Assistant Inc.; Vice Pr Secretary (si Management; V Secretary of (since 2002); LLC (since 20 (since 2003), Santa Barbara and of Nuveen Investment So
KEVIN J. MCCARTHY 3/26/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	2007	200		Managing Director President (2008) Managing Director President, an Management, a Inc.; Vice Pr Secretary, Nu Investment Ma Global Invest Symphony Asse Asset Managem and Nuveen In 2007); prior Lloyd LLP (19
JOHN V. MILLER 4/10/67 333 W. Wacker Drive Chicago, IL 60606	Vice President	2007	136		Chief Investment (since 2007), (2002-2007) o Managing Director President (2008) Chartered Fin

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Board Members & Officers (continued)



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NAME, BIRTHDATE AND ADDRESS	POSITION(S) HELD WITH THE FUNDS	YEAR FIRST ELECTED OR APPOINTED (4)	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER	PRINCIPAL OCCUPATION(S) DURING PAST 5
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OFFICERS OF THE FUNDS:				
GREGORY MINO 1/4/71 333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	200	Senior Vice P Investments, (2008-2010); and Executive Asset Managem (2000-2003) a Lynch Investm Analyst.
CHRISTOPHER M. ROHRBACHER 8/1/71 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2008	200	Vice Presiden 2008); Vice P Nuveen Asset thereto, ASSO Meagher & Flo
JAMES F. RUANE 7/3/62 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2007	200	Vice Presiden 2007); prior USA LLP (2005 manager (2002 Accountant.
MARK L. WINGET 12/21/68 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2008	200	Vice Presiden 2008); Vice P Nuveen Asset thereto, Coun

- (1) Board Members serve three year terms, except for two board members who are elected by the holders of Preferred Shares. The Board of Trustees is divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two board members are elected by the holders of Preferred Shares to serve until the next annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. The first year elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (2) Also serves as a trustee of the Nuveen Diversified Commodity Fund, a Nuveen-sponsored commodity pool that has filed a registration statement on Form S-1 with the SEC for a proposed initial public offering. The S-1 has not been declared effective, and the commodity pool has not commenced operations.
- (3) Mr. Amboian is an interested trustee because of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen Funds.
- (4) Officers serve one year terms through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

Annual Investment Management Agreement Approval Process

The Investment Company Act of 1940, as amended (the "1940 ACT"), provides, in substance, that each investment advisory agreement between a fund and its investment adviser will continue in effect from year to year only if its continuance is approved at least annually by the fund's board members, including by a vote of a majority of the board members who are not parties to the advisory agreement or "interested persons" of any parties (the "INDEPENDENT BOARD MEMBERS"), cast in person at a meeting called for the purpose of considering such approval. In connection with such approvals, the fund's board members must request and evaluate, and the investment adviser is required to furnish, such information as may be reasonably necessary to evaluate the terms of the advisory agreement. Accordingly, at a meeting held on May 25-26, 2010 (the "MAY MEETING"), the Boards of Trustees or Directors (as the case may be) (each a "BOARD" and each Trustee or Director, a "BOARD MEMBER") of the Funds, including a majority of the Independent Board Members, considered and approved the continuation of the advisory agreements (each an "ADVISORY AGREEMENT") between each Fund and Nuveen Asset Management ("NAM") for an additional one-year period. In preparation for their considerations at the May Meeting, the Board also held a separate meeting on April 21-22, 2010 (the "APRIL MEETING"). Accordingly, the factors considered and determinations made regarding the renewals by the Independent Board Members include those made at the April Meeting.

In addition, in evaluating the Advisory Agreements, the Independent Board Members reviewed a broad range of information relating to the Funds and NAM, including absolute and comparative performance, fee and expense information for the Funds (as described in more detail below), the profitability of Nuveen for its advisory activities (which includes its wholly owned subsidiaries), and other information regarding the organization, personnel, and services provided by NAM. The Independent Board Members also met quarterly as well as at other times as the need arose during the year and took into account the information provided at such meetings and the knowledge gained therefrom. Prior to approving the renewal of the Advisory Agreements, the Independent Board Members reviewed the foregoing information with their independent legal counsel and with management, reviewed materials from independent legal counsel describing applicable law and their duties in reviewing advisory contracts, and met with independent legal counsel in private sessions without management present. The Independent Board Members considered the legal advice provided by independent legal counsel and relied upon their knowledge of NAM, its services and the Funds resulting from their meetings and other interactions throughout the year and their own business judgment in determining the factors to be considered in evaluating the Advisory Agreements. Each Board Member may have accorded different weight to the various factors in reaching his or her conclusions with respect to a Fund's Advisory Agreement. The Independent Board Members did not identify any single factor as

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Annual Investment Management Agreement Approval Process (continued)

all-important or controlling. The Independent Board Members' considerations were instead based on a comprehensive consideration of all the information presented. The principal factors considered by the Board and its conclusions are described below.

A. NATURE, EXTENT AND QUALITY OF SERVICES

In considering renewal of the Advisory Agreements, the Independent Board Members considered the nature, extent and quality of NAM's services, including advisory services and administrative services. The Independent Board Members reviewed materials outlining, among other things, NAM's organization and business; the types of services that NAM or its affiliates provide and are expected to provide to the Funds; the performance record of the applicable Fund (as described in further detail below); and any initiatives Nuveen had taken for the applicable fund product line, including continued activities to refinance auction rate preferred securities, manage leverage during periods of market turbulence and implement an enhanced leverage management process, modify investment mandates in light of market conditions and seek shareholder approval as necessary, maintain the fund share repurchase program and maintain shareholder communications to keep shareholders apprised of Nuveen's efforts in refinancing preferred shares. In addition to the foregoing, the Independent Board Members also noted the additional services that NAM or its affiliates provide to closed-end funds, including, in particular, Nuveen's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a variety of programs designed to raise investor and analyst awareness and understanding of closed-end funds. These efforts include maintaining an investor relations program to provide timely information and education to financial advisers and investors; providing marketing for the closed-end funds; maintaining and enhancing a closed-end fund website; participating in conferences and having direct communications with analysts and financial advisors.

As part of their review, the Independent Board Members also evaluated the background, experience and track record of NAM's investment personnel. In this regard, the Independent Board Members considered any changes in the personnel, and the impact on the level of services provided to the Funds, if any. The Independent Board Members also reviewed information regarding portfolio manager compensation arrangements to evaluate NAM's ability to attract and retain high quality investment personnel, preserve stability, and reward performance but not provide an incentive for taking undue risks.

In addition to advisory services, the Independent Board Members considered the quality of administrative services provided by NAM and its affiliates including product management, fund administration, oversight of service providers, shareholder services, administration of Board relations, regulatory and portfolio compliance and legal support. Given the importance of compliance, the Independent Board Members also considered NAM's compliance program, including the report of the chief compliance officer regarding the Funds' compliance policies and procedures.

Based on their review, the Independent Board Members found that, overall, the nature, extent and quality of services provided (and expected to be provided) to the respective Funds under the Advisory Agreements were satisfactory.

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#### B. THE INVESTMENT PERFORMANCE OF THE FUNDS AND NAM

The Board considered the performance results of each Fund over various time periods. The Board reviewed, among other things, each Fund's historic investment performance as well as information comparing the Fund's performance information with that of other funds (the "PERFORMANCE PEER GROUP") based on data provided by an independent provider of mutual fund data and with recognized and/or customized benchmarks. In this regard, the Board reviewed each Fund's total return information compared to its Performance Peer Group for the quarter, one-, three- and five-year periods ending December 31, 2009 and for the same periods ending March 31, 2010 (or for the periods available for Funds that did not exist

during part of the foregoing time frame). In addition, the Board reviewed each Fund's total return information compared to recognized and/or customized benchmarks for the quarter, one- and three-year periods ending December 31, 2009 and for the same periods ending March 31, 2010 (or for the periods available for Funds that did not exist during part of the foregoing time frame). Moreover, the Board reviewed the peer ranking of the Nuveen municipal funds advised by NAM in the aggregate. The Independent Board Members also reviewed historic premium and discount levels. This information supplemented the Fund performance information provided to the Board at each of its quarterly meetings.

In reviewing peer comparison information, the Independent Board Members recognized that the Performance Peer Group of certain funds may not adequately represent the objectives and strategies of the funds, thereby limiting the usefulness of comparing a fund's performance with that of its Performance Peer Group. In this regard, the Independent Board Members considered that the Performance Peer Groups of certain funds (including the Funds) were classified as having significant differences from such funds based on considerations such as special fund objectives, potential investable universe and the composition of the peer set (E.G., the number and size of competing funds and number of competing managers).

Based on their review, the Independent Board Members determined that each Fund's investment performance over time had been satisfactory. The Independent Board Members noted that although each Fund underperformed its respective benchmark in the three-year period, each Fund outperformed the performance of its respective benchmark in the one-year period.

C. FEES, EXPENSES AND PROFITABILITY

1. FEES AND EXPENSES

The Board evaluated the management fees and expenses of each Fund reviewing, among other things, such Fund's gross management fees, net management fees and net expense ratios in absolute terms as well as compared to the fee and expenses of a comparable universe of unaffiliated funds based on data provided by an independent fund data provider (the "PEER UNIVERSE") and in certain cases, to a more focused subset of funds in the Peer Universe (the "PEER GROUP") and any expense limitations.

The Independent Board Members further reviewed the methodology regarding the construction of the applicable Peer Universe and/or Peer Group. In reviewing the comparisons of fee and expense information, the Independent Board Members took into account that in certain instances various factors such as: the asset level of a fund

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Annual Investment Management Agreement Approval Process (continued)

relative to peers; the limited size and particular composition of the Peer Universe or Peer Group; the investment objectives of the peers; expense anomalies; changes in the funds comprising the Peer Universe or Peer Group from year to year; levels of reimbursement; the timing of information used; the differences in the type and use of leverage; and differences in the states reflected in the Peer Universe or Peer Group may impact the comparative data, thereby limiting the ability to make a meaningful comparison with peers.

In reviewing the fee schedule for a Fund, the Independent Board Members also considered the fund-level and complex-wide breakpoint schedules

(described in further detail below) and any fee waivers and reimbursements provided by Nuveen (applicable, in particular, for certain closed-end funds launched since 1999). Except as set forth in the following sentence, the Independent Board Members noted that the Funds had net management fees and/or net expense ratios below, at or near (within 5 basis points or less) the peer averages of their Peer Group or Peer Universe. The Nuveen Maryland Premium Income Municipal Fund and the Nuveen Virginia Premium Income Municipal Fund had net advisory fees above the peer average but net expense ratios below the peer expense ratio average.

Based on their review of the fee and expense information provided, the Independent Board Members determined that each Fund's management fees were reasonable in light of the nature, extent and quality of services provided to the Fund.

## 2. COMPARISONS WITH THE FEES OF OTHER CLIENTS

The Independent Board Members further reviewed information regarding the nature of services and fee rates offered by NAM to other clients, including municipal separately managed accounts and passively managed municipal bond exchange traded funds (ETFs) that are sub-advised by NAM. In evaluating the comparisons of fees, the Independent Board Members noted that the fee rates charged to the Funds and other clients vary, among other things, because of the different services involved and the additional regulatory and compliance requirements associated with registered investment companies, such as the Funds. Accordingly, the Independent Board Members considered the differences in the product types, including, but not limited to, the services provided, the structure and operations, product distribution and costs thereof, portfolio investment policies, investor profiles, account sizes and regulatory requirements. The Independent Board Members noted, in particular, that the range of services provided to the Funds (as discussed above) is much more extensive than that provided to separately managed accounts. Given the inherent differences in the products, particularly the extensive services provided to the Funds, the Independent Board Members believe such facts justify the different levels of fees.

## 3. PROFITABILITY OF NUVEEN

In conjunction with its review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities (which incorporated Nuveen's wholly-owned affiliated sub-advisers) and its financial condition. The Independent Board Members reviewed the revenues and expenses of Nuveen's advisory activities for the last two years, the allocation methodology used in preparing the profitability data and an analysis of the key drivers behind the changes in revenues and expenses that impacted profitability in 2009. The Independent Board Members

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noted this information supplemented the profitability information requested and received during the year to help keep them apprised of developments affecting profitability (such as changes in fee waivers and expense reimbursement commitments). In this regard, the Independent Board Members noted that they had also appointed an Independent Board Member as a point person to review and keep them apprised of changes to the profitability analysis and/or methodologies during the year. The Independent Board Members also considered Nuveen's revenues for advisory activities, expenses, and profit margin compared to that of various unaffiliated management firms with similar amounts of assets under

management and relatively comparable asset composition prepared by Nuveen.

In reviewing profitability, the Independent Board Members recognized the subjective nature of determining profitability which may be affected by numerous factors including the allocation of expenses. Further, the Independent Board Members recognized the difficulties in making comparisons as the profitability of other advisers generally is not publicly available and the profitability information that is available for certain advisers or management firms may not be representative of the industry and may be affected by, among other things, the adviser's particular business mix, capital costs, types of funds managed and expense allocations. Notwithstanding the foregoing, the Independent Board Members reviewed Nuveen's methodology and assumptions for allocating expenses across product lines to determine profitability. In reviewing profitability, the Independent Board Members recognized Nuveen's investment in its fund business. Based on their review, the Independent Board Members concluded that Nuveen's level of profitability for its advisory activities was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to NAM by the Funds as well as any indirect benefits (such as soft dollar arrangements, if any) NAM and its affiliates receive, or are expected to receive, that are directly attributable to the management of the Funds, if any. See Section E below for additional information on indirect benefits NAM may receive as a result of its relationship with the Funds. Based on their review of the overall fee arrangements of each Fund, the Independent Board Members determined that the advisory fees and expenses of the respective Fund were reasonable.

D. ECONOMIES OF SCALE AND WHETHER FEE LEVELS REFLECT THESE ECONOMIES OF SCALE

With respect to economies of scale, the Independent Board Members have recognized the potential benefits resulting from the costs of a fund being spread over a larger asset base, although economies of scale are difficult to measure and predict with precision, particularly on a fund-by-fund basis. One method to help ensure the shareholders share in these benefits is to include breakpoints in the advisory fee schedule. Generally, management fees for funds in the Nuveen complex are comprised of a fund-level component and a complex-level component, subject to certain exceptions. Accordingly, the Independent Board Members reviewed and considered the applicable fund-level breakpoints in the advisory fee schedules that reduce advisory fees as asset levels increase. Further, the Independent Board Members noted that although closed-end

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Annual Investment Management Agreement Approval Process (continued)

funds may from time-to-time make additional share offerings, the growth of their assets will occur primarily through the appreciation of such funds' investment portfolio.

In addition to fund-level advisory fee breakpoints, the Board also considered the Funds' complex-wide fee arrangement. Pursuant to the complex-wide fee arrangement, the fees of the funds in the Nuveen complex are generally reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement seeks to provide the benefits of economies of scale to fund shareholders when total fund complex assets increase, even if assets of a particular fund are unchanged or have decreased. The approach reflects the

notion that some of Nuveen's costs are attributable to services provided to all its funds in the complex and therefore all funds benefit if these costs are spread over a larger asset base.

Based on their review, the Independent Board Members concluded that the breakpoint schedules and complex-wide fee arrangement were acceptable and reflect economies of scale to be shared with shareholders when assets under management increase.

E. INDIRECT BENEFITS

In evaluating fees, the Independent Board Members received and considered information regarding potential "fall out" or ancillary benefits NAM or its affiliates may receive as a result of its relationship with each Fund. In this regard, the Independent Board Members considered any revenues received by affiliates of NAM for serving as agent at Nuveen's trading desk and as co-manager in initial public offerings of new closed-end funds.

In addition to the above, the Independent Board Members considered whether NAM received any benefits from soft dollar arrangements whereby a portion of the commissions paid by a Fund for brokerage may be used to acquire research that may be useful to NAM in managing the assets of the Funds and other clients. The Independent Board Members noted that NAM does not currently have any soft dollar arrangements; however, to the extent certain bona fide agency transactions that occur on markets that traditionally trade on a principal basis and riskless principal transactions are considered as generating "commissions," NAM intends to comply with the applicable safe harbor provisions.

Based on their review, the Independent Board Members concluded that any indirect benefits received by NAM as a result of its relationship with the Funds were reasonable and within acceptable parameters.

F. OTHER CONSIDERATIONS

The Independent Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, unanimously concluded that the terms of the Advisory Agreements are fair and reasonable, that NAM's fees are reasonable in light of the services provided to each Fund and that the Advisory Agreements be renewed.

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Reinvest Automatically  
Easily and Conveniently

NUVEEN MAKES REINVESTING EASY. A PHONE CALL IS ALL IT TAKES TO SET UP YOUR REINVESTMENT ACCOUNT.

NUVEEN CLOSED-END FUNDS AUTOMATIC REINVESTMENT PLAN

Your Nuveen Closed-End Fund allows you to conveniently reinvest 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 compounding. Just like distributions in cash, there may be times when income or capital gains taxes may be payable on 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 quarter you'll receive a statement showing your total 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 greater of the net asset value or 95% of 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. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Distributions received to purchase shares in the open market will normally be invested shortly after the distribution payment date. No interest will be paid on distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may

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Reinvest Automatically  
Easily and Conveniently (continued)

exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the 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.

FLEXIBLE

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change.

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 financial 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.

CALL TODAY TO START REINVESTING DISTRIBUTIONS

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.



Glossary of Terms  
Used in this Report

- o AUCTION RATE BOND: An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have "failed," with current holders receiving a formula-based interest rate until the next scheduled auction.
- o 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 expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.
- o AVERAGE EFFECTIVE MATURITY: The average of the number of years to maturity of the bonds in a Fund's portfolio, computed by weighting each bond's time to maturity (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 unless an escrow account has been established to redeem the bond before maturity. The market value weighting for an investment in an inverse floating rate security is the value of the portfolio's residual interest in the inverse floating rate trust, and does not include the value of the floating rate securities issued by the trust.
- o INVERSE FLOATERS: Inverse floating rate securities, also known as inverse floaters, are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an "inverse floater") to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

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Glossary of Terms  
Used in this Report (continued)

- o LEVERAGE-ADJUSTED DURATION: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's 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

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leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.

- o MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.
- o NET ASSET VALUE (NAV): A Fund's NAV per common share is calculated by subtracting the liabilities of the Fund (including any Preferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of common shares outstanding. Fund NAVs are calculated at the end of each business day.
- o PRE-REFUNDING: Pre-refunding, also known as advanced refundings or refinancings, is a procedure used by state and local governments to refinance municipal bonds to lower interest expenses. The issuer sells new bonds with a lower yield and uses the proceeds to buy U.S. Treasury securities, the interest from which is used to make payments on the higher-yielding bonds. Because of this collateral, pre-refunding generally raises a bond's credit rating and thus its value.
- o 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.
- o ZERO COUPON BOND: A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Tax-exempt income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pay interest periodically.

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### Other Useful Information

#### BOARD OF TRUSTEES

John P. Amboian  
Robert P. Bremner  
Jack B. Evans  
William C. Hunter  
David J. Kundert  
William J. Schneider  
Judith M. Stockdale  
Carole E. Stone  
Terence J. Toth

#### FUND MANAGER

Nuveen Asset Management  
333 West Wacker Drive  
Chicago, IL 60606

#### CUSTODIAN

State Street Bank & Trust  
Company  
Boston, MA

#### TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust

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Company  
Nuveen Funds  
P.O. Box 43071  
Providence, RI 02940-3071  
(800) 257-8787

LEGAL COUNSEL  
Chapman and Cutler LLP  
Chicago, IL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
Ernst & Young LLP  
Chicago, IL

## QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

You may obtain (i) each Fund's quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the twelve-month period ended June 30, 2009, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at [www.nuveen.com](http://www.nuveen.com).

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at (202) 942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to the SEC's Public References Section at 100 F Street NE, Washington, D.C. 20549.

## CEO CERTIFICATION DISCLOSURE

Each Fund's Chief Executive Officer has submitted to the New York Stock Exchange ("NYSE") the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

Each Fund has filed with the SEC the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

## COMMON AND PREFERRED SHARE INFORMATION

Each Fund intends to repurchase and/or redeem shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Funds repurchased and/or redeemed shares of their common and/or preferred stock as shown in the accompanying table.

FUND	COMMON SHARES REPURCHASED	PREFERRED SHARES REDEEMED
NMY	--	1,516
NFM	--	1,033
NZR	--	1,065
NWI	--	807
NPV	--	1,530
NGB	--	780
NNB	--	1,647

Any future repurchases and/or redemptions will be reported to shareholders in

the next annual or semi-annual report.

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Nuveen Investments:  
Serving Investors for Generations

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions through continued adherence to proven, longterm investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

FOCUSED ON MEETING INVESTOR NEEDS.

Nuveen Investments is a global investment management firm that seeks to help secure the long-term goals of institutions and high net worth investors as well as the consultants and financial advisors who serve them. We market our growing range of specialized investment solutions under the high-quality brands of HydePark, NWQ, Nuveen, Santa Barbara, Symphony, Tradewinds and Winslow Capital. In total, Nuveen Investments managed approximately \$150 billion of assets on March 31, 2010.

FIND OUT HOW WE CAN HELP YOU.

To learn more about the products and services of Nuveen Investments may be able to help you meet your financial goals, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain prospectus, which contains this and other relevant information. To obtain a prospectus, please contact your securities representative or NUVEEN INVESTMENTS, 333 W. WACKER DR., CHICAGO, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at: [WWW.NUVEEN.COM/CEF](http://WWW.NUVEEN.COM/CEF)

- o Share prices
- o Fund details
- o Daily financial news
- o Investor education
- o Interactive planning tools

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Nuveen Investments, LLC  
333 West Wacker Drive  
Chicago, IL 60606  
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EAN-A-0510D

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a

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code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at [www.nuveen.com/CEF/Info/Shareholder](http://www.nuveen.com/CEF/Info/Shareholder). (To view the code, click on Fund Governance and then click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees ("Board") determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial expert is Jack B. Evans, who is "independent" for purposes of Item 3 of Form N-CSR.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser ("SCI"). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the "CFO") and actively supervised the CFO's preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI's financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr. Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Nuveen Maryland Dividend Advantage Municipal Fund 3

The following tables show the amount of fees that Ernst & Young LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For engagements with Ernst & Young LLP the Audit Committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the "pre-approval exception"). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

FISCAL YEAR ENDED	AUDIT FEES BILLED TO FUND (1)	AUDIT-RELATED FEES BILLED TO FUND (2)	TAX FEE BILLED TO FUND (3)
May 31, 2010	\$ 11,036	\$ 15,000	\$ 0

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Percentage approved pursuant to pre-approval exception	0%	0%	0%
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May 31, 2009	\$ 10,899	\$ 0	\$ 0
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Percentage approved pursuant to pre-approval exception	0%	0%	0%
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- (1) "Audit Fees" are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under "Audit Fees".
- (3) "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.
- (4) "All Other Fees" are the aggregate fees billed for products and services for agreed upon procedures engagements performed for leveraged funds.

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Asset Management ("NAM" or the "Adviser"), and any entity controlling, controlled by or under common control with NAM that provides ongoing services to the Fund ("Affiliated Fund Service Provider"), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

FISCAL YEAR ENDED	AUDIT-RELATED FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS	TAX FEES BILLED ADVISED AND AFFILIATED FUND SERVICE PROVIDERS
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May 31, 2010	\$ 0	\$ 0
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Percentage approved	0%	0%
---------------------	----	----

pursuant to  
pre-approval  
exception

May 31, 2009	\$ 0	\$ 0
Percentage approved pursuant to pre-approval exception	0%	0%

NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. The Audit Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the pre-approval exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP's independence.

FISCAL YEAR ENDED	TOTAL NON-AUDIT FEES BILLED TO FUND	TOTAL NON-AUDIT FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND)	TOTAL BILLED TO AFFILIATED PROVIDERS
May 31, 2010	\$ 850	\$ 0	
May 31, 2009	\$ 850	\$ 0	

"Non-Audit Fees billed to Fund" for both fiscal year ends represent "Tax Fees" and "All Other Fees" billed to Fund in their respective amounts from the previous table.

Audit Committee Pre-Approval Policies and Procedures. Generally, the Audit Committee must approve (i) all non-audit services to be performed for the Fund by the Fund's independent accountants and (ii) all audit and non-audit services to be performed by the Fund's independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the Audit Committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the Audit Committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the Audit Committee at the next Audit Committee meeting if they are expected to be for an amount under \$5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

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The registrant's Board has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Jack B. Evans, Terence J. Toth, William J. Schneider and David J. Kundert.

## ITEM 6. SCHEDULE OF INVESTMENTS.

- a) See Portfolio of Investments in Item 1.
- b) Not applicable.

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

The registrant invests its assets primarily in municipal bonds and cash management securities. On rare occasions the registrant may acquire, directly or through a special purpose vehicle, equity securities of a municipal bond issuer whose bonds the registrant already owns when such bonds have deteriorated or are expected shortly to deteriorate significantly in credit quality. The purpose of acquiring equity securities generally will be to acquire control of the municipal bond issuer and to seek to prevent the credit deterioration or facilitate the liquidation or other workout of the distressed issuer's credit problem. In the course of exercising control of a distressed municipal issuer, NAM may pursue the registrant's interests in a variety of ways, which may entail negotiating and executing consents, agreements and other arrangements, and otherwise influencing the management of the issuer. NAM does not consider such activities proxy voting for purposes of Rule 206(4)-6 under the 1940 Act, but nevertheless provides reports to the registrant's Board on its control activities on a quarterly basis.

In the rare event that a municipal issuer were to issue a proxy or that the registrant were to receive a proxy issued by a cash management security, NAM would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the registrant's Board or its representative. A member of NAM's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 206(4)-6, reports were filed with the SEC on Form N-PX, and the results provided to the registrant's Board and made available to shareholders as required by applicable rules.

## ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

### THE PORTFOLIO MANAGER

The following individual has primary responsibility for the day-to-day implementation of the registrant's investment strategies:

NAME	FUND
Cathryn P. Steeves	Nuveen Maryland Dividend Advantage Municipal Fund 3

Other Accounts Managed. In addition to managing the registrant, the portfolio manager is also primarily responsible for the day-to-day portfolio management of the following accounts:

PORTFOLIO MANAGER	TYPE OF ACCOUNT MANAGED	NUMBER OF ACCOUNTS	ASSETS*
Cathryn P. Steeves	Registered Investment Company	44	\$8.256 billion
	Other Pooled Investment Vehicles	0	\$0
	Other Accounts	0	\$0



\* Assets are as of May 31, 2010. None of the assets in these accounts are subject to an advisory fee based on performance.

Compensation. Each portfolio manager's compensation consists of three basic elements--base salary, cash bonus and long-term incentive compensation. The compensation strategy is to annually compare overall compensation to the market in order to create a compensation structure that is competitive and consistent with similar financial services companies. As discussed below, several factors are considered in determining each portfolio manager's total compensation. In any year these factors may include, among others, the effectiveness of the investment strategies recommended by the portfolio manager's investment team, the investment performance of the accounts managed by the portfolio manager, and the overall performance of Nuveen Investments, Inc. (the parent company of NAM). Although investment performance is a factor in determining the portfolio manager's compensation, it is not necessarily a decisive factor. The portfolio manager's performance is evaluated in part by comparing manager's performance against a specified investment benchmark. This fund-specific benchmark is a customized subset (limited to bonds in each Fund's specific state and with certain maturity parameters) of the S&P/Investortools Municipal Bond index, an index comprised of bonds held by managed municipal bond fund customers of Standard & Poor's Securities Pricing, Inc. that are priced daily and whose fund holdings aggregate at least \$2 million. As of May 31, 2010, the S&P/Investortools Municipal Bond index was comprised of 55,306 securities with an aggregate current market value of \$1,205 billion.

Base salary. Each portfolio manager is paid a base salary that is set at a level determined by NAM in accordance with its overall compensation strategy discussed above. NAM is not under any current contractual obligation to increase a portfolio manager's base salary.

Cash bonus. Each portfolio manager is also eligible to receive an annual cash bonus. The level of this bonus is based upon evaluations and determinations made by each portfolio manager's supervisors, along with reviews submitted by his peers. These reviews and evaluations often take into account a number of factors, including the effectiveness of the investment strategies recommended to the NAM's investment team, the performance of the accounts for which he serves as portfolio manager relative to any benchmarks established for those accounts, his effectiveness in communicating investment performance to stockholders and their representatives, and his contribution to the NAM's investment process and to the execution of investment strategies. The cash bonus component is also impacted by the overall performance of Nuveen Investments, Inc. in achieving its business objectives.

Long-term incentive compensation. In connection with the acquisition of Nuveen Investments, Inc., by a group of investors lead by Madison Dearborn Partners in November 2007, certain employees, including portfolio managers, received profit interests in Nuveen's parent. These profit interests entitle the holders to participate in the appreciation in the value of Nuveen beyond the issue date and vest over five to seven years, or earlier in the case of a liquidity event. In addition, in July 2009, Nuveen Investments created and funded a trust, as part of a newly-established incentive program, which purchased shares of certain Nuveen Mutual Funds and awarded such shares, subject to vesting, to certain employees, including portfolio managers.

Material Conflicts of Interest. Each portfolio manager's simultaneous management of the registrant and the other accounts noted above may present actual or apparent conflicts of interest with respect to the allocation and aggregation of securities orders placed on behalf of the Registrant and the other account. NAM, however, believes that such potential conflicts are mitigated by the fact that the NAM has adopted several policies that address potential conflicts of interest, including best execution and trade allocation policies that are

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designed to ensure (1) that portfolio management is seeking the best price for portfolio securities under the circumstances, (2) fair and equitable allocation of investment opportunities among accounts over time and (3) compliance with applicable regulatory requirements. All accounts are to be treated in a non-preferential manner, such that allocations are not based upon account performance, fee structure or preference of the portfolio manager, although the allocation procedures may provide allocation preferences to funds with special characteristics (such as favoring state funds versus national funds for allocations of in-state bonds). In addition, NAM has adopted a Code of Conduct that sets forth policies regarding conflicts of interest.

Beneficial Ownership of Securities. As of May 31, 2010, the portfolio manager beneficially owned the following dollar range of equity securities issued by the Registrant and other Nuveen Funds managed by NAM's municipal investment team.

NAME OF PORTFOLIO MANAGER	FUND	DOLLAR RANGE OF EQUITY SECURITIES BENEFICIALLY OWNED IN FUND
Cathryn P. Steeves	Nuveen Maryland Dividend Advantage Municipal Fund 3	\$0

PORTFOLIO MANAGER BIO:

Cathryn P. Steeves, PhD, Senior Vice President of NAM, is currently a portfolio manager for 45 state-specific municipal bond funds. She joined Nuveen in 1996 and worked as a senior analyst in the healthcare sector. Ms. Steeves has an undergraduate degree from Wake Forest University as well as an MA, an MPhil and a PhD from Columbia University.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this item.

ITEM 11. 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 Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (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 second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

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

(a)(1) 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 because the code is posted on registrant's website at [www.nuveen.com/CEF/Info/Shareholder](http://www.nuveen.com/CEF/Info/Shareholder) and there were no amendments during the period covered by this report. (To view the code, click on Fund Governance and then Code of Conduct.)

(a)(2) 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)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 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 Maryland Dividend Advantage Municipal Fund 3  
-----

By (Signature and Title) /s/ Kevin J. McCarthy  
-----

Kevin J. McCarthy  
Vice President and Secretary

Date: August 6, 2010  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the

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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: August 6, 2010

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

-----  
Stephen D. Foy  
Vice President and Controller  
(principal financial officer)

Date: August 6, 2010

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392.4

(11) COMMITMENTS AND CONTINGENCIES

Purchase Commitments

At December 31, 2014, the Company was contractually committed for \$128.9 of capital expenditures for construction materials and purchases of property and equipment. A majority of these purchase commitments are expected to be satisfied in the next twelve months. These purchase commitments are primarily success based; that is, the Company has executed customer contracts that support the future capital expenditures.

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 ZAYO GROUP HOLDINGS, INC. AND SUBSIDIARIES  
 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(in millions, except share and per share data)

Contingencies

In the normal course of business, the Company is party to various outstanding legal proceedings, asserted and unasserted claims, and carrier disputes. In the opinion of management, the ultimate disposition of these matters, both asserted and unasserted, will not have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

(12) RELATED PARTY TRANSACTIONS

The Company has ongoing contractual relationships with OVS, whereby the Company provides OVS and its subsidiaries with bandwidth capacity, and OVS provides the Company and its subsidiaries with voice services. The contractual relationships are based on agreements that were entered into at estimated market rates.

The following table represents the revenue and expense transactions we recorded with OVS for the periods presented:

	Three months ended		Six months ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Revenues	\$1.7	\$1.7	\$3.4	\$3.4
Operating costs	\$(0.4)	\$(0.4)	\$(0.7)	\$(0.8)

Prior to the June 13, 2014 spin-off date of OVS, the revenue and operating costs above were eliminated in consolidation. Subsequent to June 13, 2014, transactions with OVS are included in the Company's condensed consolidated statements of operations.

As of December 31, 2014 and June 30, 2014, the Company had a balance due from OVS in the amount of nil and \$0.1, respectively.

During the quarter ended December 31, 2013, the Board of CII authorized a non-liquidating distribution to certain common unit holders of up to \$10.0, and the Company advanced \$10.0 to CII, evidenced by an intercompany note

receivable. During the quarter ended March 31, 2014, the board of managers of CII authorized and paid a non-liquidating distribution to the Company's CEO of \$3.0 and amended the intercompany note receivable with CII for the incremental distribution. During the quarter ended June 30, 2014, the board of managers of CII authorized and redeemed for cash the vested common units held by a member of management for \$9.1 in full and final settlement of his outstanding common unit grants and further amended the intercompany note receivable with CII for the incremental distribution. The amount due to the Company from CII of \$22.0 was reflected as a reduction of stockholder's equity as of June 30, 2014. As discussed in Note 8 – Equity, the Company and CII entered into an agreement which relieved CII of its obligation to repay the outstanding intercompany note receivable balance. As of December 31, 2014, the Company does not have an outstanding receivable balance from CII.

Dan Caruso, the Company's Chief Executive Officer and Chairman of the Board of Directors, is a party to an aircraft charter (or membership) agreement through his affiliate, Bear Equity LLC, for business and personal travel. Under the terms of the charter agreement, all fees for the use of the aircraft are effectively variable in nature. For his business travel on behalf of the Company, Mr. Caruso is reimbursed for his use of the aircraft subject to quarterly and annual maximum reimbursement thresholds approved by the Company's Nominating and Governance Committee. During the three and six months ended December 31, 2014, the Company reimbursed Mr. Caruso \$0.2 and \$0.6, respectively, for his business use of the aircraft.

### (13) SEGMENT REPORTING

An operating segment is a component of an entity that has all of the following characteristics:

- It engages in business activities from which it may earn revenues and incur expenses.
- Its operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.
- Its discrete financial information is available.

The Company's chief operating decision maker is its Chief Executive Officer.

ZAYO GROUP HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(in millions, except share and per share data)

The Company uses the management approach to determine the segment financial information that should be disaggregated and presented separately in the Company's notes to its financial statements. The management approach is based on the manner by which management has organized the segments within the Company for making operating decisions, allocating resources, and assessing performance. The Company evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue and adjusted EBITDA (as defined below).

The Company's individual strategic product groups ("SPGs") are organized into three reportable segments based on the similarities of business activities: Physical Infrastructure, Lit Services and Other. The Physical Infrastructure reporting segment is comprised of the following SPGs: Dark Fiber, Mobile Infrastructure, and Zayo Colocation ("zColo"). The Lit Services reporting segment is comprised of the following SPGs: Wavelengths, Ethernet, IP and SONET. SPGs report directly to the segment managers who are responsible for the operations and financial results for the Physical Infrastructure, Lit Services and Other reportable segments. The segment managers for each of the Physical Infrastructure, Lit Services and Other reportable segments report directly to the CODM, and it is the financial results of those segments that are evaluated and drive the resource allocation decisions.

The Company's three reportable segments are described below:

**Physical Infrastructure.** Through the Physical Infrastructure segment, the Company provides raw bandwidth infrastructure to customers that require more control of their internal networks. These services include dark fiber, mobile infrastructure (fiber-to-the-tower and small cell), and colocation and interconnection. Dark fiber is a physically separate and secure, private platform for dedicated bandwidth. The Company leases dark fiber pairs (usually 2 to 12 total fibers) to its customers, who "light" the fiber using their own optronics. The Company's mobile infrastructure services provide direct fiber connections to cell towers, small cells, hub sites, and mobile switching centers. The Company's datacenters offer colocation and interconnection services to its customers, who then house and power the Company's computing and networking equipment for the purpose of aggregating and distributing data, voice, Internet, and video traffic. Physical Infrastructure customers include carriers and other communication service providers, Internet service providers, wireless service providers, major media and content companies, large enterprises, and other companies that have the expertise to run their own fiber optic networks or require interconnected technical space. The contract terms in the Physical Infrastructure segment generally tend to range from three to twenty years.

**Lit Services.** The Lit Services segment provides bandwidth infrastructure solutions over the Company's metro, regional, and long-haul fiber networks where it uses optronics to light the fiber and the Company's customers pay for access based on the amount and type of bandwidth they purchase. The Company's lit services include wavelength, Ethernet, IP, and SONET services with capacity ranging from 1.54Mb to 100G. The Company targets customers who require a minimum of 10G of bandwidth across their networks. Lit Services customers include carriers, financial services companies, healthcare, government institutions, education institutions and other enterprises. The contract terms in this segment tend to range from two to five years.

**Other.** The Other segment is primarily comprised of ZPS and Zayo France. ZPS provides network and technical resources to customers in designing, acquiring and maintaining their networks. Services are typically provided for a

term of one year for a fixed recurring monthly fee in the case of network and on an hourly basis for technical resources (usage revenue). Zayo France provides services using the Company's Paris and regional fiber network and nine colocation centers across France.

Revenues for all of the Company's products are included in one of the Company's three reportable segments. The results of operations for each reportable segment include an allocation of certain indirect costs and corporate related costs, including overhead and third party-financed debt. The allocation is based on a percentage that represents management's estimate of the relative burden each segment bears of indirect and corporate costs. Management has evaluated the allocation methods utilized to allocate these costs and determined they are systematic and rational. Identifiable assets for each reportable segment are reconciled to total consolidated assets including unallocated corporate assets and intersegment eliminations. Unallocated corporate assets consist primarily of cash and deferred taxes. The following tables summarize financial information of each of the segments:

#### Segment Adjusted EBITDA

Segment Adjusted EBITDA is the primary measure used by the Company's CODM to evaluate segment operating performance.

The Company defines Segment Adjusted EBITDA as earnings from continuing operations before interest, income taxes, depreciation and amortization ("EBITDA") adjusted to exclude acquisition or disposal-related transaction costs, losses on extinguishment of debt, stock-based compensation, unrealized foreign currency gains (losses) on an intercompany loan, and non-cash income (loss) on equity and cost method investments. The Company uses Segment Adjusted EBITDA to evaluate operating



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(in millions, except share and per share data)

performance, and this financial measure is among the primary measures used by management for planning and forecasting of future periods. The Company believes that the presentation of Segment Adjusted EBITDA is relevant and useful for investors because it allows investors to view results in a manner similar to the method used by management and facilitates comparison of the Company's results with the results of other companies that have different financing and capital structures.

Segment Adjusted EBITDA results, along with other quantitative and qualitative information, are also utilized by the Company and its Compensation Committee for purposes of determining bonus payouts to employees.

Segment Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of the Company's results from operations and operating cash flows as reported under GAAP. For example, Segment Adjusted EBITDA:

- does not reflect capital expenditures, or future requirements for capital and major maintenance expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, working capital needs;
- does not reflect the significant interest expense, or the cash requirements necessary to service the interest payments, on the Company's debt; and
- does not reflect cash required to pay income taxes.

The Company's computation of Segment Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies because all companies do not calculate segment Adjusted EBITDA in the same fashion.

	As of and for the three months ended December 31, 2014				
	Physical	Lit		Corp/	Total
		Infrastructure	Services	Other elimination	
Revenue from external customers	\$152.7	\$157.4	\$13.8	\$ —	\$323.9
Segment Adjusted EBITDA	\$102.1	\$84.2	\$3.4	\$ —	\$189.7
Total assets	\$2,878.5	\$1,781.8	\$123.1	\$ 280.5	\$5,063.9
Capital expenditures	\$76.6	\$52.5	\$0.4	\$ —	\$129.5

	As of and for the six months ended December 31, 2014				
	Physical	Lit		Corp/	Total
		Infrastructure	Services	Other elimination	
Revenue from external customers	\$302.4	\$313.5	\$28.6	\$ —	\$644.5

Segment Adjusted EBITDA	\$ 199.4	\$ 166.4	\$ 6.9	\$	—	\$ 372.7
Capital expenditures	\$ 144.6	\$ 98.5	\$ 1.7	\$	—	\$ 244.8

As of and for the three months ended December 31, 2013

	Physical	Lit		Corp/		
	Infrastruc	Services	Other	elimination	Total	
Revenue from external customers	\$ 120.9	\$ 151.3	\$ 6.5	\$ (1.7	)	\$ 277.0
Segment Adjusted EBITDA	\$ 80.2	\$ 81.1	\$ 1.8	\$ (1.4	)	\$ 161.7
Capital expenditures	\$ 46.7	\$ 41.6	\$ —	\$ —		\$ 88.3

As of and for the six months ended December 31, 2013

	Physical	Lit		Corp/		
	Infrastruc	Services	Other	elimination	Total	
Revenue from external customers	\$ 234.5	\$ 300.7	\$ 13.3	\$ (3.4	)	\$ 545.1
Segment Adjusted EBITDA	\$ 154.5	\$ 161.9	\$ 3.6	\$ (2.7	)	\$ 317.3
Capital expenditures	\$ 91.9	\$ 83.1	\$ —	\$ —		\$ 175.0

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(in millions, except share and per share data)

	As of June 30, 2014				
	Physical	Lit	Other	Corp/ elimination	Total
	Infrastructure	Services			
Total assets	\$2,851.8	\$1,739.1	\$43.1	\$ 416.4	\$5,050.4

Reconciliation from Segment Adjusted EBITDA to net earnings/(loss) from continuing operations

	Three months ended December 31,	
	2014	2013
Segment Adjusted EBITDA	\$ 189.7	\$ 161.7
Interest expense	(53.4 )	(50.3 )
Benefit/(provision) for income taxes	4.4	(8.4 )
Depreciation and amortization expense	(96.9 )	(81.7 )
Transaction costs	(1.3 )	(0.2 )
Stock-based compensation	6.0	(57.0 )
Loss on extinguishment of debt	(30.9 )	(1.9 )
Foreign currency loss on intercompany loans	(13.3 )	0.2
Non-cash loss on investments	(0.5 )	—
Net earnings/(loss) from continuing operations	\$ 3.8	\$ (37.6 )

	Six months ended December 31,	
	2014	2013
Segment Adjusted EBITDA	\$ 372.7	\$ 317.3
Interest expense	(100.3 )	(101.8 )
Provision for income taxes	(5.0 )	(17.7 )
Depreciation and amortization expense	(192.9 )	(162.7 )
Transaction costs	(4.8 )	(0.8 )
Stock-based compensation	(117.1 )	(99.9 )
Loss on extinguishment of debt	(30.9 )	(1.9 )
Foreign currency loss on intercompany loans	(27.9 )	0.8
Non-cash loss on investments	(0.5 )	—
Net loss from continuing operations	\$ (106.7 )	\$ (66.7 )

(14) SUBSEQUENT EVENTS

Recently Closed and Pending Acquisitions

Acquisition of IdeaTek

On December 3, 2014, the Company entered into a stock purchase agreement with the shareholders of IdeaTek Systems, Inc. ("IdeaTek"). The acquisition of IdeaTek closed on January 1, 2015. Upon the close of the IdeaTek acquisition, the Company acquired all of the equity interest in IdeaTek. The purchase price, subject to certain post-closing adjustments, was \$52.0 and was paid with cash on hand.

The IdeaTek acquisition added 1,800 route miles to the Company's network in Kansas, and includes a dense metro footprint in Wichita, Kansas. The network spans across Kansas and connects to approximately 600 cellular towers and over 100 additional buildings.

Pending Acquisition of Latisys

On January 13, 2015, the Company entered into an acquisition agreement to acquire the operating units of Latisys Holdings, LLC ("Latisys"), a colocation and infrastructure as a service ("IaaS") provider for a price of \$675.0. The Latisys acquisition will be

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(in millions, except share and per share data)

funded with the proceeds of our Notes Offering (as defined below) and is expected to close in the quarter ending March 31, 2015, subject to customary closing conditions.

The Latisys acquisition will add colocation and IaaS services through eight datacenters across five markets in Northern Virginia, Chicago, Denver, Orange County and London. The acquired datacenters currently total over 185,000 square feet of billable space and 33 megawatts of critical power.

#### Senior Unsecured Notes Offering

On January 23, 2015, ZGL and Zayo Capital (the “Issuers”) completed a private offering (the “Notes Offering”) exempt from registration under the Securities Act of 1933, as amended, of \$700.0 aggregate principal amount of 6.00% senior unsecured notes due 2023 (the “Notes”). The net proceeds from the Notes Offering will be used to fund the purchase price to be paid in connection with the Company’s pending acquisition of the operating units of Latisys. Any excess net proceeds will be used for general corporate purposes, which may include repayment of indebtedness, acquisitions, working capital and/or capital expenditures.

The Notes were issued under an indenture (the “Indenture”) among the Issuers, the guarantors party thereto, and The Bank of New York Mellon Trust Company N.A., as trustee. Interest on the Notes is payable on April 1 and October 1 of each year, beginning on October 1, 2015. The Notes will mature on April 1, 2023. At any time on or after April 1, 2018, the Notes may be redeemed, in whole or in part, at the applicable redemption prices set forth in the Indenture, plus accrued interest. Before April 1, 2018, the Notes may be redeemed, in whole or in part, at a redemption price equal to 100% of their principal amount, plus accrued interest and a “make-whole” premium. In addition, before April 1, 2018, up to 40% of the Notes may be redeemed at a redemption price equal to 106.00% of their principal amount, plus accrued interest, using the proceeds of certain equity offerings. In the event the Latisys Acquisition Agreement is terminated or the Latisys acquisition is not consummated on or prior to May 4, 2015, the Notes will be required to be redeemed pursuant to a special mandatory redemption at a redemption price equal to the offering price of the Notes, plus accrued and unpaid interest to, but not including, the redemption date.

The Indenture contains covenants that, among other things, restrict the ability of the Issuers and their restricted subsidiaries to incur additional indebtedness and issue preferred stock; pay dividends or make other distributions with respect to any equity interests, make certain investments or other restricted payments, create liens, sell assets, incur restrictions on the ability of the Issuers’ restricted subsidiaries to pay dividends or make other payments to the Issuers, consolidate or merge with or into other companies or transfer all or substantially all of their assets, engage in transactions with affiliates, and enter into sale and leaseback transactions. The terms of the Indentures include customary events of default.

The Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by all of the Issuers’ current and future domestic restricted subsidiaries and any other restricted subsidiaries of the Issuers that guarantee any indebtedness of the Issuers or any guarantor.



## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Certain Factors That May Affect Future Results

Information contained or incorporated by reference in this Quarterly Report on Form 10-Q (this "Report") and in other filings by Zayo Group Holdings, Inc. ("we" or "us"), with the Securities and Exchange Commission (the "SEC") that is not historical by nature constitutes "forward-looking statements," and can be identified by the use of forward-looking terminology such as "believes," "expects," "plans," "intends," "estimates," "projects," "could," "may," "will," "should," or "an" the negatives thereof, other variations thereon or comparable terminology, or by discussions of strategy. No assurance can be given that future results expressed or implied by the forward-looking statements will be achieved, and actual results may differ materially from those contemplated by the forward-looking statements. Such statements are based on our current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, those relating to our financial and operating prospects, current economic trends, future opportunities, ability to retain existing customers and attract new ones, our acquisition strategy and ability to integrate acquired companies and assets, outlook of customers, reception of new products and technologies, and strength of competition and pricing. Other factors and risks that may affect our business and future financial results are detailed in our SEC filings, including, but not limited to, those described under "Risk Factors" in our final prospectus filed with the SEC on October 17, 2014 and in this "Management's Discussion and Analysis of Financial Condition and Results of Operations." We caution you not to place undue reliance on these forward-looking statements, which speak only as of their respective dates. We undertake no obligation to publicly update or revise forward-looking statements to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events, except as may be required by law.

The following discussion and analysis should be read together with our unaudited condensed consolidated financial statements and the related notes appearing in this Report and in our audited annual consolidated financial statements as of and for the year ended June 30, 2014, included in our final prospectus filed with the SEC on October 17, 2014.

Amounts presented in this Item 2 are rounded. As such, rounding differences could occur in period over period changes and percentages reported throughout this Item 2.

#### Overview

We are a large and fast growing provider of bandwidth infrastructure in the United States and Europe. Our products and services enable mission-critical, high-bandwidth applications, such as cloud-based computing, video, mobile, social media, machine-to-machine connectivity, and other bandwidth-intensive applications. Key products include leased dark fiber, fiber to cellular towers and small cell sites, dedicated wavelength connections, Ethernet and IP connectivity and other high-bandwidth offerings. We provide our services over a unique set of dense metro, regional, and long-haul fiber networks and through our interconnect-oriented datacenter facilities. Our fiber networks and datacenter facilities are critical components of the overall physical network architecture of the Internet and private networks. Our customer base includes some of the largest and most sophisticated consumers of bandwidth infrastructure services, such as wireless service providers; telecommunications service providers; financial services companies; social networking, media, and web content companies; education, research, and healthcare institutions; and governmental agencies. We typically provide our bandwidth infrastructure services for a fixed monthly recurring fee under contracts that vary between one and twenty years in length. As of December 31, 2014, we had \$5.2 billion in revenue under contract with a weighted average remaining contract term of approximately 45 months. We operate our business with a unique focus on capital allocation and financial performance with the ultimate goal of maximizing

equity value for our stockholders. Our core values center on partnership, alignment, and transparency with our three primary constituent groups—employees, customers, and stockholders.

On October 22, 2014, we completed an initial public offering (“IPO”) of shares of our common stock, which were listed on the New York Stock Exchange (“NYSE”) under the ticker symbol “ZAYO”. Prior to the IPO, we were wholly owned by Communications Infrastructure Investments, LLC (“CII”). Our primary operating subsidiary is Zayo Group, LLC, a Delaware limited liability company (“ZGL”), and we are headquartered in Boulder, Colorado.

Our fiscal year ends June 30 each year, and we refer to the fiscal year ended June 30, 2014 as “Fiscal 2014,” and the fiscal year ended June 30, 2015 as “Fiscal 2015.”



## Our Segments

We use the management approach to determine the segment financial information that should be disaggregated and presented. The management approach is based on the manner by which management has organized the segments within the Company for making operating decisions, allocating resources, and assessing performance. As of December 31, 2014, we have three reportable segments as described below:

**Physical Infrastructure.** Through our Physical Infrastructure segment, we provide raw bandwidth infrastructure to customers that require more control of their internal networks. These services include dark fiber, mobile infrastructure (fiber-to-the-tower and small cell), and colocation and interconnection. Dark fiber is a physically separate and secure, private platform for dedicated bandwidth. We lease dark fiber pairs (usually two to 12 total fibers) to our customers, who “light” the fiber using their own optronics. Our mobile infrastructure services provide direct fiber connections to cell towers, small cells, hub sites, and mobile switching centers. Our datacenters offer colocation and interconnection services to our customers, who then house and power computing and networking equipment for the purpose of aggregating and distributing data, voice, Internet, and video traffic. The contract terms in our Physical Infrastructure segment generally range from three to twenty years.

**Lit Services.** Our Lit Services segment provides bandwidth infrastructure solutions over our metro, regional, and long-haul fiber networks where we use optronics to light the fiber and our customers pay us for access based on the amount and type of bandwidth they purchase. Our lit services include wavelength, Ethernet, IP, and SONET services. We target customers who require a minimum of 10G of bandwidth across their networks. The contract terms in this segment typically range from two to five years.

**Other.** We also have an Other segment, which is primarily comprised of Zayo Professional Services (“ZPS”) and Zayo France. ZPS is our professional services business that provides network management and technical resources to our customers. Zayo France provides services using our Paris and regional fiber networks and nine colocation centers located across France.

## Factors Affecting Our Results of Operations

### Business Acquisitions

We were founded in 2007 with the investment thesis of building a bandwidth infrastructure platform to take advantage of the favorable Internet, data, and wireless growth trends driving the demand for bandwidth infrastructure, and to be an active participant in the consolidation of the industry. These trends have continued in the years since our founding, despite volatile economic conditions, and we believe that we are well positioned to continue to capitalize on those trends. We have acquired a significant portion of our network and service offerings through 33 acquisitions to date.

As a result of the growth of our business from these acquisitions, and capital expenditures and the increased debt used to fund those investing activities, our results of operations for the respective periods presented and discussed herein are not comparable.

### Significant Acquisitions

AboveNet, Inc. (“AboveNet”)

On July 2, 2012, we acquired 100% of the outstanding capital stock of AboveNet, a public company listed on the New York Stock Exchange, for total consideration of approximately \$2,210.0 million in cash, net of \$141.6 million of cash acquired. At the closing, each outstanding share of AboveNet common stock was converted into the right to receive \$84 in cash.

AboveNet was a provider of bandwidth infrastructure and network-neutral colocation and interconnection services, primarily to large corporate enterprise clients and communication carriers, including Fortune 1000 and FTSE 500 companies in the United States and Europe. AboveNet's commercial strategy was consistent with ours, which was to focus on leveraging its infrastructure assets to provide bandwidth infrastructure services to a select set of customers with high-bandwidth demands. AboveNet provided physical infrastructure and lit services over its dense metropolitan, regional, national, and international fiber networks. It also operated a Tier 1 IP network with direct and indirect (through peering arrangements) connectivity in many of the most important bandwidth centers and peering exchanges in the U.S. and Europe. Its product set was highly aligned with our own, consisting primarily of dark fiber, wavelengths, Ethernet, IP, and colocation services. AboveNet had also built a very strong base of business with enterprise clients, particularly within the financial services sector.

The acquisition of AboveNet added approximately 20,600 new route miles and approximately 2,500,000 fiber miles to our network and added connections to approximately 4,000 on-net buildings, including more than 2,600 enterprise locations, many of which housed some of the largest corporate users of network services in the world. AboveNet's metropolitan networks typically contained 432, and in some cases 864, fiber strands in each cable. This high fiber count allowed AboveNet to add new customers in a timely and cost-effective manner by focusing incremental construction and capital expenditures on the laterals that connect to the customer

premises. AboveNet's metropolitan networks served 17 markets in the U.S., with strong network footprints in a number of the largest metro markets, including Boston, Chicago, Los Angeles, New York, Philadelphia, San Francisco, Seattle, and Washington, D.C. It also served four metro markets in Europe: London, Amsterdam, Frankfurt, and Paris. These locations also included many private datacenters and hub locations that were important for AboveNet's customers. AboveNet used under-sea capacity on the Trans-Atlantic undersea telecommunications network and other trans-Atlantic cables to provide connectivity from the U.S. to Europe.

The results of the acquired AboveNet business are included in our operating results beginning July 2, 2012.

#### 360networks Holdings (USA) Inc. ("360networks")

On December 1, 2011, we acquired 100% of the equity of 360networks. We paid the purchase consideration of approximately \$317.9 million, net of approximately \$0.7 million in cash acquired and net of an assumed working capital deficiency of approximately \$26.4 million.

The acquired 360networks business operated approximately 19,800 route miles of intercity and metropolitan fiber network across 21 states and British Columbia. 360networks' intercity network interconnected over 70 markets across the central and western United States. In addition to its intercity network, 360networks operated over 800 route miles of metropolitan fiber networks across 25 markets, including Seattle, Denver, Colorado Springs, Omaha, Sacramento, and Salt Lake City.

The results of the acquired 360networks business are included in our operating results beginning December 1, 2011.

#### Geo Networks Limited ("Geo")

On May 16, 2014, we acquired all of the outstanding shares of Geo, which is a London-based dark fiber provider. The purchase consideration of £174 million (\$292.3 million), net of approximately £8.2 million (\$13.7 million) in cash acquired, was paid with a combination of cash on hand and available funds drawn on our \$250.0 million revolving credit facility.

Geo owns and operates a high capacity fiber network in the United Kingdom, providing dark fiber and co-location services to a variety of high-bandwidth sectors including media companies, service providers, financial services, datacenters, and gaming organizations. The acquisition added over 2,100 route miles to our European network and additional connectivity to 587 on-net buildings.

The results of the acquired Geo business are included in our operating results beginning May 16, 2014.

#### Fiscal 2015 Acquisitions

On July 1, 2014, we acquired a 96% equity interest in Neo Telecoms ("Neo"), a Paris-based bandwidth infrastructure company, for purchase consideration of €54.1 million (\$73.9 million, net of cash acquired, based on the foreign currency exchange rate on that date). The purchase consideration was funded with cash on hand available from the proceeds of the Sixth Amendment to our term loan facility. The acquisition of Neo added over 300 route miles of owned Paris metro fiber and approximately 540 on-net buildings to our network. Neo also operates nine colocation centers across France, offering more than 36,000 square feet of datacenter space. The Paris and regional network throughout France will be integrated into our existing European network connecting London, Frankfurt, and Amsterdam and the U.S.

The results of the acquired Neo business are included in our operating results beginning July 1, 2014.

On July 1, 2014, we acquired Colo Facilities Atlanta (“AtlantaNAP”), a data center and managed services provider in Atlanta, for purchase consideration of \$52.5 million. The purchase consideration was paid with cash on hand. The acquisition of AtlantaNAP added approximately 72,000 square feet of total data center space, including 42,000 square feet of conditioned colocation space.

The results of the acquired AtlantaNAP business are included in our operating results beginning July 1, 2014.

#### Recently Closed and Pending Acquisitions

##### Acquisition of IdeaTek

On December 3, 2014, we entered into a stock purchase agreement with the shareholders of IdeaTek Systems, Inc. (“IdeaTek”). The acquisition of IdeaTek closed on January 1, 2015. Upon the close of the IdeaTek acquisition, we acquired all of the equity interest in IdeaTek. The purchase price, subject to certain post-closing adjustments, was \$52.0 million and was paid with cash on hand.

The IdeaTek acquisition added 1,800 route miles to our network in Kansas, and includes a dense metro footprint in Wichita, Kansas. The network spans across Kansas and connects to approximately 600 cellular towers and over 100 additional buildings.

#### Pending Acquisition of Latisys

On January 13, 2015, we entered into an acquisition agreement to acquire the operating units of Latisys Holdings, LLC (“Latisys”), a colocation and infrastructure as a service (“IaaS”) provider for a price of \$675.0 million. The Latisys acquisition will be funded with the proceeds of our Notes Offering (as defined below) and is expected to close in the quarter ending March 31, 2015, subject to customary closing conditions.

The Latisys acquisition will add colocation and IaaS services through eight datacenters across five markets in Northern Virginia, Chicago, Denver, Orange County and London. The acquired datacenters currently total over 185,000 square feet of billable space and 33 megawatts of critical power.

#### Spin-Off of Business

In connection with certain business combinations, we have acquired assets and liabilities that support products outside of our primary focus of providing bandwidth infrastructure services. On June 13, 2014, we spun off all of our equity interest in Onvoy, LLC (“OVS”), a business that provides voice and managed services, by a non-cash distribution to CII. The results of operations of OVS are presented as discontinued operations. See Note 3—Spin-off of Business to our condensed consolidated financial statements.

During Fiscal 2014, the results of the operations of OVS are presented in a single caption entitled, “Earnings from discontinued operations, net of income taxes” on our condensed consolidated statements of operations. All discussions contained in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” relate only to our results of operations from continuing operations.

#### Substantial Capital Expenditures

During the six months ended December 31, 2014 and 2013, we invested \$244.8 million and \$175.0 million, respectively, in capital expenditures primarily to expand our fiber network to support new customer contracts. We expect to continue to make significant capital expenditures in future periods.

#### Debt and Equity Financing

On November 26, 2013, we entered into a Fifth Amendment (the “Fifth Amendment”) to the credit agreement (“the Credit Agreement”) governing our senior secured term loan facility (the “Term Loan Facility”) and our senior secured revolving credit facility (the “Revolver”). The Fifth Amendment increased the Term Loan Facility by \$150.0 million to \$1,749.8 million, and reduced the interest rate on the Term Loan Facility to LIBOR plus 3.0%, with a minimum LIBOR rate of 1.0%. The interest rate on the Revolver was also amended to LIBOR plus 2.75% (based on the current leverage ratio of ZGL). We recognized debt extinguishment expense in November 2013 of \$1.9 million related to the Fifth Amendment and incurred an additional \$1.5 million in debt issuance costs. We did not incur a re-pricing premium.

On May 16, 2014, we entered into the Sixth Amendment to the Credit Agreement that increased the Term Loan Facility by \$275.0 million to \$2,015.9 million. The \$275.0 million add-on was priced at 99.5%, and we incurred debt issuance costs of \$3.2 million. No other terms of the Credit Agreement were amended.

On December 15, 2014, we redeemed \$75.0 million of our outstanding 8.125% Senior Secured Notes at a price of 108.125% of the principal amount and \$174.4 million of our outstanding 10.125% Senior Unsecured Notes at a price of 110.125% (collectively, the “Note Redemption”). As part of the Note Redemption, we paid an early redemption call premium of \$23.8 million. The call premium has been recorded as a loss on extinguishment of debt on our consolidated statements of operations for the three and six months ended December 31, 2014. In connection with the Note Redemption, net unamortized debt issuance costs of \$7.1 million were recorded as part of the loss on extinguishment of debt during the three and six months ended December 31, 2014.

On January 23, 2015, ZGL and Zayo Capital (together, the “Issuers”) completed a private offering (the “Notes Offering”) exempt from registration under the Securities Act of 1933, as amended, of \$700.0 million aggregate principal amount of 6.00% senior unsecured notes due 2023 (the “Notes”). The net proceeds from the Notes Offering will be used to fund the purchase price to be paid in connection with our pending acquisition of the operating units of Latisys. Any excess net proceeds will be used for general corporate purposes, which may include repayment of indebtedness, acquisitions, working capital and capital expenditures.

The Notes were issued under an indenture (the “Indenture”) among the Issuers, the guarantors party thereto, and The Bank of New York Mellon Trust Company N.A., as trustee. Interest on the Notes is payable on April 1 and October 1 of each year, beginning on October 1, 2015. The Notes will mature on April 1, 2023. At any time on or after April 1, 2018, the Notes may be redeemed, in whole or in part, at the applicable redemption prices set forth in the Indenture, plus accrued interest. Before April 1, 2018, the Notes may be redeemed, in whole or in part, at a redemption price equal to 100% of their principal amount, plus accrued interest and a “make-whole” premium. In addition, before April 1, 2018, up to 40% of the Notes may be redeemed at a redemption price equal to 106.00% of their principal amount, plus accrued interest, using the proceeds of certain equity offerings. In the event the Latisys Acquisition Agreement is terminated or the Latisys acquisition is not consummated on or prior to May 4, 2015, the Notes will be required to be redeemed pursuant to a special mandatory redemption at a redemption price equal to the offering price of the Notes, plus accrued and unpaid interest to, but not including, the redemption date.

The Indenture contains covenants that, among other things, restricts the Issuers’ ability to incur additional indebtedness and issue preferred stock, pay dividends or make other distributions with respect to any equity interests, make certain investments or other restricted payments, create liens, sell assets, incur restrictions on the ability of the Issuers’ restricted subsidiaries to pay dividends or make other payments to the Issuers, consolidate or merge with or into other companies or transfer all or substantially all of their assets, engage in transactions with affiliates, and enter into sale and leaseback transactions. The terms of the Indentures include customary events of default.

The Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by all of the Issuers’ current and future domestic restricted subsidiaries and any other restricted subsidiaries of the Issuers that guarantee any of their indebtedness.

#### Critical Accounting Policies and Estimates

For a description of our critical accounting policies and estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our final prospectus filed with the SEC on October 17, 2014.

#### Background for Review of Our Results of Operations

##### Revenue

Our revenue is comprised predominately of monthly recurring revenue (“MRR”). MRR is related to an ongoing service that is generally fixed in price and paid by the customer on a monthly basis. We also report monthly amortized revenue (“MAR”), which represents the amortization of previously collected upfront charges to customers. Upfront charges are typically related to IRUs structured as pre-payments rather than monthly recurring payments (though we structure IRUs as both prepaid and recurring, largely dependent on the customers’ preference) and installation fees. The last category of revenue we report is other revenue. Other revenue includes credits and adjustments, termination revenue, construction services, and equipment sales.

Our consolidated reported revenue in any given period is a function of our beginning revenue under contract and the impact of organic growth and acquisition activity. Our organic activity is driven by net new sales (“bookings”), gross installed revenue (“installs”) and churn processed (“churn”) as further described below.

**Net New Sales.** Net new sales (“Bookings”) represent the dollar amount of orders, to be recorded as MRR and MAR upon installation, in a period that have been signed by the customer and accepted by our service delivery organization. The dollar value of bookings is equal to the monthly recurring price that the customer will pay for the services and/or the monthly amortized amount of the revenue that we will recognize for those services. To the extent a booking is cancelled by the customer prior to it being installed, it is subtracted from the total bookings number in the period that it is cancelled. Bookings do not immediately impact revenue until they are installed (gross installed revenue).

**Gross Installed Revenue.** Installs are the amount of MRR and MAR for services that have been installed, tested, accepted by the customer, and have been recognized in revenue during a given period. Installs include new services, price increases, and upgrades.

**Churn Processed.** Churn is any negative change to MRR and MAR. Churn includes disconnects, negative price changes, and disconnects associated with upgrades or replacement services. For each period presented, disconnects associated with attrition and upgrades are the drivers of churn, accounting for more than 80% of negative changes in MRR and MAR while price changes account for less than 20%. Monthly churn is also presented as a percentage of MRR and MAR (“churn percentage”).

Given the size and amount of acquisitions we have completed, we have estimated the revenue growth rate associated with our organic activity in each period reported. Our estimated organic growth rate is calculated by adding an estimate of the acquired companies’ revenue for the reporting period prior to the date of inclusion in our results of operations, and then calculating the growth rate between the two reported periods. The estimate of acquired annual revenue is based on the acquired companies’ revenues for the



most recent quarter prior to close (including estimated purchase accounting adjustments) multiplied by four. If, in calculating our estimated organic growth rates, we were to use the actual revenue results for the four quarters preceding the closing of each of our acquisitions, our estimated organic growth rates would be higher than the estimated organic growth rates presented. If we were to use acquired annualized revenue, calculated by taking each acquired company's revenues for the most recent quarter prior to the closing of such acquisition and multiplying by four, our estimated organic growth rates would be lower than the estimated organic growth rates presented.

We have foreign subsidiaries that enter into contracts with customers and vendors in currencies other than the United States Dollar ("USD") – principally the Great British Pound ("GBP") and to a lesser extent the Euro. Changes in foreign currency exchange rates impact our revenue and expenses each period. The comparisons excluding the impact of foreign currency exchange rates assume exchange rates remained constant at the comparative period rate.

### Operating Costs

Our operating costs and expenses consist of network expense ("Netex"), compensation and benefits, network operations expense ("Netops"), stock-based compensation expense, other expenses, and depreciation and amortization.

Netex consists of third-party network service costs resulting from our leasing of certain network facilities, primarily leases of circuits and dark fiber, from carriers to augment our owned infrastructure, for which we are generally billed a fixed monthly fee. Netex also includes colocation facility costs for rent and license fees paid to the landlords of the buildings in which our colocation business operates, along with the utility costs to power those facilities. While increases in demand for our services will drive additional operating costs in our business, consistent with our strategy of leveraging our owned infrastructure assets, we expect to primarily utilize our existing network infrastructure or build new network infrastructure to meet the demand. In limited circumstances, we will augment our network with additional circuits or services from third-party providers. Third-party network service costs include the upfront cost of the initial installation of such circuits. Such costs are included in operating costs in our consolidated statements of operations over the respective service period.

Compensation and benefits expenses include salaries, wages, incentive compensation and benefits. Employee-related costs that are directly associated with network construction, service installations (and development of business support systems) are capitalized and amortized to operating costs and expenses. Compensation and benefits expenses related to the departments attributed to generating revenue are included in our operating costs line item while compensation and benefits expenses related to the sales, product, and corporate departments are included in our selling, general and administrative expenses line item of our consolidated statements of operations.

Netops expense includes all of the non-personnel related expenses of operating and maintaining our network infrastructure, including contracted maintenance fees, right-of-way costs, rent for cellular towers and other places where fiber is located, pole attachment fees, and relocation expenses. Such costs are included in operating costs in our consolidated statements of operations.

Prior to our IPO during the second quarter of Fiscal 2015, our stock-based compensation expense contained two components, CII common unit awards classified as liabilities and, to a lesser extent, CII preferred unit awards classified as equity. For the CII common units granted to employees and directors, we recognized an expense equal to the fair value of all of those common units that vest during the period plus the change in fair value of previously vested units, and recorded a liability in respect of those amounts. Following the IPO, our stock-based compensation expense contains three components: previously granted CII common unit awards, CII preferred unit awards and restricted stock unit awards made under our new compensation program. For previously granted CII common unit awards, following the IPO, we amortize the offering date fair value of those units (including unvested units) over the vesting period based on expected settlement behavior with a corresponding adjustment to equity, as the awards no

longer have cash settlement features. For previously granted CII preferred units, we use the straight line method, over the vesting period, to amortize the fair value of those units, as determined on the date of grant. We recognize stock-based compensation expense for restricted stock unit awards granted to employees, members of management, and directors based on their estimated grant date fair value on a straight line basis over the requisite service period, as adjusted for an estimate of forfeitures. These restricted stock unit awards are primarily equity classified, except certain awards that have not yet been granted to employees. Following our IPO, subsequent changes in the fair value of the CII preferred and common units and restricted stock unit awards granted generally do not affect the amount of expense we recognize.

Stock-based compensation expense is included, based on the responsibilities of the awarded recipient, in either our operating costs or sales, general and administrative expenses in our consolidated statements of operations.

Other expenses include expenses such as property tax, franchise fees, colocation facility maintenance, travel, office expense and other administrative costs. Other expenses are included in both operating costs and selling, general and administrative expenses depending on their relationship to generating revenue or association with sales and administration. Transaction costs include expenses

associated with professional services (i.e. legal, accounting, regulatory, etc.) rendered in connection with acquisitions or disposals (including spin-offs), travel expense, severance expense incurred on the date of acquisition or disposal, and other direct expenses incurred that are associated with signed and/or closed acquisitions or disposals. Transaction costs are included in sales, general and administrative expenses in our consolidated statements of operations.

### Three Months Ended December 31, 2014 Compared to the Three Months Ended December 31, 2013

#### Revenue

	For the Three Months Ended December 31,			
	2014	2013	\$ Variance	% Variance
	(in millions)			
<b>Segment and consolidated revenue:</b>				
Physical Infrastructure	\$152.7	\$120.9	\$ 31.8	26 %
Lit Services	157.4	151.3	6.1	4 %
Other	13.8	6.5	7.3	112 %
Eliminations	—	(1.7 )	1.7	100 %
Consolidated	\$323.9	\$277.0	\$ 46.9	17 %

Our total revenue increased by \$46.9 million, or 17%, from \$277.0 million for the three months ended December 31, 2013 to \$323.9 million for the three months ended December 31, 2014. The increase in revenue was driven by our organic growth as well as Fiscal 2014 and 2015 acquisitions.

We estimate that the period-over-period organic growth was approximately 7%. Our organic growth was driven by installs that exceeded churn over the course of both periods, resulting from continued strong demand for bandwidth infrastructure services broadly across our service territory and customer verticals. Additional underlying revenue drivers included:

- Bookings decreased period over period from \$5.7 million to \$5.2 million in combined MRR and MAR. The total contract value associated with bookings, for the three months ended December 31, 2014, was approximately \$227 million.
- Since December 31, 2013, we have recognized net installs of approximately \$6.4 million in combined MRR and MAR. During the three months ended December 31, 2014, the Company recognized net installs of \$1.8 million as compared to \$1.1 million during the three months ended December 31, 2013.
- Monthly churn percentage decreased between the two periods from 1.4% to 1.2%;

We estimate that the period-over-period acquisition-related revenue growth was approximately 10%. Multiple Fiscal 2014 and Fiscal 2015 acquisitions impacted revenue growth between the two periods. The five Fiscal 2014 acquisitions (Corelink Data Centers, LLC (“Corelink”), Access Communications, Inc. (“Access”), FiberLink, LLC, (“FiberLink”), CoreXchange, Inc. (“CoreXchange”), and Geo) were completed at various times throughout the year. The Fiscal 2014 acquisitions were completed on August 1, 2013, October 1, 2013, October 2, 2013, March 4, 2014, and May 16, 2014, and were therefore not fully included in our results of operations for the quarter ended December 31, 2013. The Fiscal 2014 acquisitions represented smaller acquisitions of dark fiber and colocation-only providers, with

the exception of Geo, which was a larger acquisition of a European-based dark fiber and wavelength services provider completed in the fourth quarter of Fiscal 2014. The Fiscal 2015 acquisitions (Neo and AtlantaNAP) are fully included in our results of operations for the quarter ended December 31, 2014, as these acquisitions closed on July 1, 2014. Neo is a European-based dark fiber and colocation services provider and AtlantaNAP is a colocation-only provider.

The average exchange rate between the USD and GBP during the three months ended December 31, 2014 and 2013 strengthened by 2.2%. Normalizing our revenue to exclude the impact of foreign currency exchange rate fluctuations, we estimate that revenue would have increased between the three months ended December 31, 2014 and December 31, 2013 by an additional \$0.3 million for a total period-over-period increase of \$47.2 million.

**Physical Infrastructure.** Revenue from our Physical Infrastructure segment increased by \$31.8 million, or 26%, from \$120.9 million to \$152.7 million for the three months ended December 31, 2013 and 2014, respectively.

We estimate that organic revenue growth for the Physical Infrastructure segment was approximately 13% between the two comparative periods. Dark Fiber is the largest SPG within the segment and benefited from continued growth in infrastructure demand. Our FTT and zColo products also contributed to the segment's growth. Bookings of MRR and MAR for the quarter ended December 31, 2014 were \$1.9 million (with a total contract value of approximately \$117 million), a decrease from the \$3.0 million in bookings for the same period in the prior year. Gross installs were \$2.3 million for the second quarter of Fiscal 2015, compared to \$2.0 million

for the same period in the prior year. The monthly churn percentage decreased between the two periods from 0.8% to 0.7%. All of the Fiscal 2014 and Fiscal 2015 acquisitions impacted the Physical Infrastructure segment revenues as Access and FiberLink (dark fiber only) and Corelink, CoreXchange, AtlantaNAP (colocation only) were Physical Infrastructure-only businesses and Geo was primarily Physical Infrastructure (dark fiber).

**Lit Services.** Revenue from our Lit Services segment increased by \$6.1 million, or 4%, from \$151.3 million to \$157.4 million for the three months ended December 31, 2013 and 2014, respectively.

We estimate that organic revenue growth for the Lit Services segment was approximately 3%. Growth was strongest in the segment's Ethernet and IP SPGs, driven by customer demand and increased effectiveness in marketing these products. Wavelength revenue growth was dampened by churn, including price concessions that were proactively offered in exchange for customer contract extensions. SONET is a legacy product, and its revenue declined between the two periods, consistent with our expectations. Bookings of MRR and MAR increased from \$2.7 million to \$3.1 million between the two comparative periods, with a total contract value of approximately \$104 million for the quarter ended December 31, 2014. Gross installs were \$3.0 million for the quarter ended December 31, 2014, compared to \$2.7 million for the same period in the prior year. The monthly churn percentage decreased slightly from 1.7% to 1.6%, resulting in total churn processed of \$2.5 million compared to \$2.6 million in the same period in the prior year.

**Other.** Revenue from our Other segment increased by \$7.3 million, or 112%, from \$6.5 million to \$13.8 million for the three months ended December 31, 2013 and 2014, respectively. The increase was primarily due to our acquisition of Neo. The Other segment represented approximately 4% of our total revenue during the three months ended December 31, 2014.

The following table reflects the stratification of our revenues during the three months ended December 31, 2014 and 2013:

	Three months ended December 31,			
	2014		2013	
	(in millions)			
Monthly recurring revenue	\$292.0	90 %	\$254.7	92 %
Monthly amortized revenue	17.3	5 %	13.6	5 %
Other revenue	14.6	5 %	8.7	3 %
Total revenue	\$323.9	100%	\$277.0	100%

#### Operating Costs and Expenses

	Three Months Ended December 31,			
	2014		2013	
	(in millions)			
	\$	%	\$	%
	2014	2013	Variance	Variance
Segment and consolidated operating costs and expenses				
Physical Infrastructure	\$107.5	\$118.8	\$ (11.3 )	(10 %)
Lit Services	104.2	130.5	(26.3 )	(20 %)

Other	15.1	5.1	10.0	196	%
Consolidated	\$226.8	\$254.4	\$ (27.6 )	(11	%)

Physical Infrastructure. Our Physical Infrastructure operating costs decreased by \$11.3 million, or 10%, from \$118.8 million to \$107.5 million for the three months ended December 31, 2013 and 2014, respectively. The decrease in operating costs and expenses was primarily a result of a decrease in our stock-based compensation expense offset by additional expenses associated with our acquisitions of Access, FiberLink, CoreXchange, Geo, and AtlantaNAP in Fiscal 2014 and Fiscal 2015.

Lit Services. Our Lit Services operating costs decreased by \$26.3 million, or 20%, from \$130.5 million to \$104.2 million for the three months ended December 31, 2013 and 2014, respectively. The decrease in operating costs and expenses was primarily a result of a decrease in our stock-based compensation expense offset by additional expenses associated with our acquisitions of Access, FiberLink and Geo in Fiscal 2014 and Fiscal 2015.

Other. Other operating costs and expenses increased by \$10.0 million, or 196%, from \$5.1 million to \$15.1 million for the three months ended December 31, 2013 and 2014, respectively. The increase primarily relates to the acquisition of Neo.

The table below sets forth the components of our operating costs and expenses during the three months ended December 31, 2014 and 2013.

	Three months ended December 31,			
	2014	2013	\$	%
	(in millions)			
Netex	\$42.9	\$36.8	\$ 6.1	17 %
Compensation and benefits expenses	38.1	30.9	7.2	23 %
Network operations expense	37.4	34.9	2.5	7 %
Other selling, general and administrative	16.2	12.9	3.3	26 %
Transaction costs	1.3	0.2	1.1	550 %
Stock-based compensation	(6.0 )	57.0	(63.0 )	(111 %)
Depreciation and amortization	96.9	81.7	15.2	19 %
Total operating costs and expenses	\$226.8	\$254.4	\$ (27.6 )	(11 %)

Netex. Our Netex increased by \$6.1 million, or 17%, from \$36.8 million for the second quarter of Fiscal 2014 to \$42.9 million for the second quarter of Fiscal 2015. The increase in Netex primarily related to our Fiscal 2014 and Fiscal 2015 acquisitions. Netex as a percentage of total revenue remained at 13%.

Compensation and Benefits Expenses. Compensation and benefits expenses increased by \$7.2 million, or 23%, from \$30.9 million to \$38.1 million for the three months ended December 31, 2013 and 2014, respectively. The increase reflects an increase in headcount since December 31, 2013 to support our growing business, including certain employees retained from acquired businesses. At December 31, 2014, we had 1,645 full time employees compared to 1,404 full time employees at December 31, 2013.

Network Operations Expenses. Network operations expenses increased by \$2.5 million, or 7%, from \$34.9 million to \$37.4 million for the three months ended December 31, 2013 and 2014, respectively. The increase principally reflects the growth of our network assets (organic and acquisition) and the related expenses of operating that expanded network.

Other Selling, General and Administrative Expenses. Other expenses, which include expenses such as property tax, franchise fees, travel, office expense, and maintenance expense on colocation facilities, increased by \$3.3 million, or 26%, from \$12.9 million to \$16.2 million for the three months ended December 31, 2013 and 2014, respectively. The increase is principally a result of additional expenses attributable to our Fiscal 2015 and Fiscal 2014 acquisitions. Also contributing to the increase was a reduction to Other expenses of \$3.8 million during the three months ended December 31, 2013 related to an escrow settlement reached in connection with our acquisition of 360networks. Offsetting this increase is a reduction to other expenses of \$2.5 million during the three months ended December 31, 2014 related to an escrow settlement reached in connection with our acquisition of Fibergate.

Transaction Costs. Transaction costs increased by \$1.1 million, or 550%, from \$0.2 million to \$1.3 million for the three months ended December 31, 2013 and 2014, respectively. The increase was due to higher transaction-related costs in the second quarter of Fiscal 2015 associated with our recent and pending acquisitions of Latisys, IdeaTek, Neo and Geo.

Stock-Based Compensation. Stock-based compensation expenses decreased by \$63.0 million, or 111%, from \$57.0 million to a credit of \$(6.0) million during the three months ended December 31, 2013 and 2014, respectively.

Prior to our IPO, we recognized changes in the fair value of the common units through increases or decreases in stock-based compensation expense and adjustments to the related stock-based compensation liability. This liability was impacted by changes in the estimated value of the common units, number of vested common units, and distributions made to holders of the common units. In connection with the IPO, we re-measured the fair value of the common units at the offering date based on various projections involving future stock performance, vesting and forfeitures. The fair value of unvested common units on the offering date is recognized as stock-based compensation expense ratably over the remaining vesting period. For restricted stock unit awards, expense is recognized based on the estimated fair value of the units awarded over the requisite service period. The estimated fair value of the restricted stock unit awards is impacted by various factors, including market and performance-based targets, expectations regarding future stock performance, the measurement or performance period, and forfeiture rates.

**Depreciation and Amortization.** Depreciation and amortization expense increased by \$15.2 million, or 19%, from \$81.7 million to \$96.9 million for the three months ended December 31, 2014 and 2013, respectively. The increase is primarily the result of depreciation related to capital expenditures since December 31, 2013 and acquisition-related increases in property and equipment and amortizable intangible assets from Fiscal 2014 and 2015 acquisitions.



## Total Other Expense, Net

The table below sets forth the components of our total other expense, net for the three months ended December 31, 2014 and 2013, respectively.

	Three months ended December 31,			
	2014	2013	\$	%
	(in millions)			
			Variance	Variance
Interest expense	\$ (53.4)	\$ (50.3)	\$ (3.1 )	(6 %)
Loss on extinguishment of debt	(30.9)	(1.9 )	(29.0 )	*
Foreign currency (loss)/gain on intercompany loans	(13.3)	0.2	(13.5 )	*
Other (expense)/income, net	(0.1 )	0.2	(0.3 )	*
Total other expenses, net	\$ (97.7)	\$ (51.8)	\$ (45.9 )	89 %

\* not meaningful

Interest expense. Interest expense increased by \$3.1 million, or 6%, from \$50.3 million to \$53.4 million for the three months ended December 31, 2014 and 2013, respectively. The increase was primarily a result of changes in the fair value of our interest rate swaps and additional indebtedness.

Loss on extinguishment of debt. As part of our Note Redemption, we paid an early redemption call premium of \$23.8 million and recorded an expense of \$7.1 million related to unamortized debt issuance costs associated with the notes redeemed. These expenses were recorded as a loss on extinguishment of debt during the three and six months ended December 31, 2014.

Foreign currency (loss)/gain on intercompany loans. Foreign currency (loss)/gain on intercompany loans decreased from a gain of \$0.2 million for the three months ended December 31, 2013 to a loss of \$13.3 million for the three months ended December 31, 2014. This non-cash loss was driven by the strengthening of the USD against the GBP and the Euro and the related impact on intercompany loans entered into by foreign subsidiaries in their functional currency.

## Provision for Income Taxes

We recorded a (benefit)/provision for income taxes of (\$4.4) million and \$8.4 million during the three months ended December 31, 2014 and 2013, respectively. Our benefit and provision for income taxes included both the current and deferred provision for income tax expense resulting from timing differences between tax and financial reporting accounting bases. We are unable to combine our net operating losses for application to the income of our subsidiaries in some states and thus our state income tax expense is higher than the expected blended rate. In addition, as a result of our stock-based compensation and certain transaction costs not being deductible for income tax purposes, our effective tax rate was higher than the statutory rate.

The following table reconciles our expected tax provision based on the statutory federal tax rate applied to our earnings before income taxes to our actual (benefit)/provision for income taxes:

	Three months ended December 31, 2014 2013 (in millions)	
Expected provision/(benefit) at the statutory rate	\$ (0.3 )	\$ (10.1 )
Increase/(decrease) due to:		
Non-deductible stock-based compensation	(5.1 )	22.5
State income taxes (benefit)/provision, net		
of federal benefit	—	(1.6 )
Transactions costs not deductible for tax purposes	0.1	(0.1 )
Foreign tax rate differential	(0.3 )	(0.4 )
Release of accrual for uncertain tax position	—	(2.6 )
Other, net	1.2	0.7
(Benefit)/provision for income taxes	\$ (4.4 )	\$ 8.4

## Discontinued Operations

Our earnings from discontinued operation, net of taxes, of \$0.8 million during the three months ended December 31, 2013 relates to the operations of OVS, which we spun off on June 13, 2014. See Note 3-Spin-off of Business to our condensed consolidated financial statements.

## Six Months Ended December 31, 2014 Compared to the Six Months Ended December 31, 2013

	For the Six Months Ended December 31,			
	2014	2013	\$ Variance	% Variance
	(in millions)			
Segment and consolidated revenue:				
Physical Infrastructure	\$302.4	\$234.5	\$ 67.9	29 %
Lit Services	313.5	300.7	12.8	4 %
Other	28.6	13.3	15.3	115 %
Eliminations	—	(3.4 )	3.4	100 %
Consolidated	\$644.5	\$545.1	\$ 99.4	18 %

Our total revenue increased by \$99.4 million, or 18%, from \$545.1 million for the six months ended December 31, 2013 to \$644.5 million for the six months ended December 31, 2014. The increase in revenue was driven by our organic growth as well as Fiscal 2014 and 2015 acquisitions.

We estimate that the period-over-period organic growth was approximately 7%. Our organic growth was driven by installs that exceeded churn over the course of both periods, resulting from continued strong demand for bandwidth infrastructure services broadly across our service territory and customer verticals. Additional underlying revenue drivers included:

- Bookings increased period over period from \$10.6 million to \$11.0 million in combined MRR and MAR. The total contract value associated with bookings, for the six months ended December 31, 2014, was approximately \$772 million.
- Since December 31, 2013, we have recognized net installs of approximately \$6.4 million in combined MRR and MAR. During the six months ended December 31, 2014, we recognized net installs of \$3.3 million as compared to \$2.0 million during the six months ended December 31, 2013.
- Monthly churn percentage decreased between the two periods from 1.4% to 1.2%.

We estimate that the period-over-period acquisition-related revenue growth was approximately 11%. Multiple Fiscal 2014 and Fiscal 2015 acquisitions impacted revenue growth between the two periods. The five Fiscal 2014 acquisitions (Corelink, Access, FiberLink, CoreXchange, and Geo) were completed at various times throughout the year. The Fiscal 2014 acquisitions were completed on August 1, 2013, October 1, 2013, October 2, 2013, March 4, 2014, and May 16, 2014, and were therefore not fully included in our results of operations for the six months ended December 31, 2013. The Fiscal 2014 acquisitions represented smaller acquisitions of dark fiber and colocation-only providers, with the exception of Geo, which was a larger acquisition of a European-based dark fiber and wavelength services provider completed in the fourth quarter of Fiscal 2014. The Fiscal 2015 acquisitions (Neo and AtlantaNAP) are fully included in our results of operations for the six months ended December 31, 2014, as these acquisitions closed on July 1, 2014. Neo was a European-based dark fiber and colocation services provider and AtlantaNAP is a colocation-only provider.

The average exchange rate between the USD and GBP during the six months ended December 31, 2014 and 2013 weakened by 2.7%. Normalizing our revenue to exclude the impact of foreign currency exchange rate fluctuations, we estimate that revenue would have decreased between the six months ended December 31, 2014 and December 31, 2013 by \$0.8 million for a total period-over-period increase of \$98.6 million.

**Physical Infrastructure.** Revenue from our Physical Infrastructure segment increased by \$67.9 million, or 29%, from \$234.5 million to \$302.4 million for the six months ended December 31, 2013 and 2014, respectively.

We estimate that organic revenue growth for the Physical Infrastructure segment was approximately 13% between the two comparative periods. Dark Fiber is the largest SPG within the segment and benefited from continued growth in infrastructure demand. Our FTT and zColo products also contributed to the segment's growth. Bookings of MRR and MAR for the six months ended December 31, 2014 were \$4.8 million (with a total contract value of approximately \$568 million), a decrease from the \$5.3 million in bookings for the same period in the prior year. Installs were \$4.7 million for the six months ended of Fiscal 2015, compared to \$3.8 million for the same period in the prior year. The monthly churn percentage decreased between the two periods from 1.0% to 0.8%.

All of the Fiscal 2014 and Fiscal 2015 acquisitions impacted the Physical Infrastructure segment revenues as Access and FiberLink (dark fiber only) and Corelink, CoreXchange, AtlantaNAP (colocation only) were Physical Infrastructure-only businesses and Geo was primarily Physical Infrastructure (dark fiber).

Lit Services. Revenue from our Lit Services segment increased by \$12.8 million, or 4%, from \$300.7 million to \$313.5 million for the six months ended December 31, 2013 and 2014, respectively.

We estimate that organic revenue growth for the Lit Services segment was approximately 3%. Growth was strongest in the segment's Ethernet and IP SPGs, driven by customer demand and increased effectiveness in marketing these products. Wavelength revenue growth was dampened by churn, including price concessions that were proactively offered in exchange for customer contract extensions. SONET is a legacy product, and its revenue declined between the two periods, consistent with our expectations. Bookings of MRR and MAR increased from \$5.2 million to \$5.8 million between the two comparative periods, with a total contract value of approximately \$192 million for the six months ended December 31, 2014. Installs were \$5.9 million for the six months December 31, 2014, compared to \$5.6 million for the same period in the prior year. The monthly churn percentage decreased slightly from 1.7% to 1.6%, resulting in total churn processed of \$5.0 million compared to \$5.1 million in the same period in the prior year.

Other. Revenue from our Other segment increased by \$15.3 million, or 115%, from \$13.3 million to \$28.6 million for the six months ended December 31, 2013 and 2014, respectively. The increase was primarily to our acquisition of Neo. The Other segment represented approximately 4% of our total revenue during the six months ended December 31, 2014.

The following table reflects the stratification of our revenues during the six months ended December 31, 2014 and 2013:

	Six months ended December 31,			
	2014		2013	
	(in millions)			
Monthly recurring revenue	\$581.4	90 %	\$503.6	92 %
Monthly amortized revenue	34.6	5 %	26.1	5 %
Other revenue	28.5	4 %	15.4	3 %
Total revenue	\$644.5	100%	\$545.1	100%

#### Operating Costs and Expenses

	Six Months Ended December 31,			
	2014	2013	\$ Variance	% Variance
	(in millions)			
Segment and consolidated operating costs and expenses				
Physical Infrastructure	\$290.2	\$225.7	\$ 64.5	29 %
Lit Services	265.3	255.4	9.9	4 %
Other	31.4	11.1	20.3	183 %
Eliminations	—	(0.7 )	0.7	(100 %)
Consolidated	\$586.9	\$491.5	\$ 95.4	19 %

Physical Infrastructure. Our Physical Infrastructure operating costs increased by \$64.5 million, or 29%, from \$225.7 million to \$290.2 million for the six months ended December 31, 2013 and 2014, respectively. The increase in operating costs and expenses was primarily a result of the acquisitions of Access, FiberLink, CoreXchange, Geo, and AtlantaNAP in Fiscal 2014 and Fiscal 2015 and the increase in stock-based compensation.

Lit Services. Our Lit Services operating costs increased by \$9.9 million, or 4%, from \$255.4 million to \$265.3 million for the six months ended December 31, 2013 and 2014, respectively. The increase in operating costs and expenses was primarily a result of the acquisition of Geo in Fiscal 2014 and the increase in stock-based compensation.

Other. Other operating costs and expenses increased by \$20.3 million, or 183%, from \$11.1 million to \$31.4 million for the six months ended December 31, 2013 and 2014, respectively. The increase primarily relates to the acquisition of Neo.

The table below sets forth the components of our operating costs and expenses during the six months ended December 31, 2014 and 2013.

	Six months ended December 31,				
	2014	2013	\$	%	
	(in millions)				
			Variance	Variance	
Netex	\$85.2	\$73.7	\$ 11.5	16	%
Compensation and benefits expenses	76.0	60.9	15.1	25	%
Network operations expense	74.9	65.2	9.7	15	%
Other selling, general and administrative	36.0	28.3	7.7	27	%
Transaction costs	4.8	0.8	4.0	500	%
Stock-based compensation	117.1	99.9	17.2	17	%
Depreciation and amortization	192.9	162.7	30.2	19	%
Total operating costs and expenses	\$586.9	\$491.5	\$ 95.4	19	%

**Netex.** Our Netex increased by \$11.5 million, or 16%, from \$73.7 million for the six months ended December 31, 2013 to \$85.2 million for the six months ended December 31, 2014. The increase in consolidated operating costs primarily related to our Fiscal 2014 and Fiscal 2015 acquisitions. Netex as a percentage of total revenue decreased from 14% to 13% as a result of cost reductions and because our incremental revenue typically has less third-party network service costs associated with it than the existing base of revenue.

**Compensation and Benefits Expenses.** Compensation and benefits expense increased by \$15.1 million, or 25%, from \$60.9 million to \$76.0 million for the six months ended December 31, 2013 and 2014, respectively. The increase reflects an increase in headcount during the last two quarters of Fiscal 2014 and the first two quarters of Fiscal 2015 to support our growing business, including certain employees retained from acquired businesses. At December 31, 2014, we had 1,645 full time employees compared to 1,404 full time employees at December 31, 2013.

**Network Operations Expenses.** Network operations expenses increased by \$9.7 million, or 15%, from \$65.2 million to \$74.9 million for the six months ended December 31, 2013 and 2014, respectively. The increase principally reflects the growth of our network assets (organic and acquisition growth) and the related expenses of operating that expanded network.

**Other Selling, General and Administrative Expenses.** Other expenses, which include expenses such as property tax, franchise fees, travel, office expense, and maintenance expense on colocation facilities, increased by \$7.7 million, or 27%, from \$28.3 million to \$36.0 million for the six months ended December 31, 2013 and 2014, respectively. The increase is principally a result of additional expenses attributable to our Fiscal 2015 and Fiscal 2014 acquisitions. Also contributing to the increase was a reduction to other expenses of \$3.8 million during the six months ended December 31, 2013 related to an escrow settlement reached in connection with our acquisition of 360networks. Partially offsetting this increase is a reduction to other expenses of \$2.5 million during the six months ended December 31, 2014 related to an escrow settlement reached in connection with our acquisition of Fibergate.

**Transaction Costs.** Transaction costs increased by \$4.0 million, or 500%, from \$0.8 million to \$4.8 million for the six months ended December 31, 2013 and 2014, respectively. The increase was due to higher transaction-related costs in the second quarter of Fiscal 2015 associated with the Geo, AtlantaNAP and Neo acquisitions.

**Stock-Based Compensation.** Stock-based compensation expenses increased by \$17.2 million, or 17%, from \$99.9 million to \$117.1 million during the six months ended December 31, 2013 and 2014, respectively.

Prior to our IPO, we recognized changes in the fair value of the common units through increases or decreases in stock-based compensation expense and adjustments to the related stock-based compensation liability. This liability was impacted by changes in the estimated value of the common units, number of vested common units, and distributions made to holders of the common units. In connection with the IPO, we re-measured the fair value of the common units at the offering date based on various projections involving future stock performance, vesting and forfeitures. The fair value of unvested common units on the offering date is recognized as stock-based compensation expense ratably over the remaining vesting period. For restricted stock unit awards, expense is recognized based on the estimated fair value of the units awarded over the requisite service period. The estimated fair value of the restricted stock unit awards is impacted by various factors, including market and performance-based targets, expectations regarding future stock performance, the measurement or performance period, and forfeiture rates.

**Depreciation and Amortization.** Depreciation and amortization expense increased by \$30.2 million, or 19%, from \$162.7 million to \$192.9 million for the six months ended December 31, 2014 and 2013, respectively. The increase is primarily the result of



depreciation related to capital expenditures since December 31, 2013 and acquisition-related increases in property and equipment and amortizable intangible assets from Fiscal 2013 and 2014 acquisitions.

#### Total Other Expense, Net

The table below sets forth the components of our total other expense, net for the six months ended December 31, 2014 and 2013, respectively.

	Six months ended December 31,		\$ Variance	% Variance
	2014	2013		
	(in millions)			
Interest expense	\$ (100.3 )	\$ (101.8 )	\$ 1.5	1 %
Loss on extinguishment of debt	(30.9 )	(1.9 )	(29.0 )	*
Foreign currency (loss)/gain on intercompany loans	(27.9 )	0.8	(28.7 )	*
Other (expense)/income, net	(0.2 )	0.3	(0.5 )	*
Total other expenses, net	\$ (159.3 )	\$ (102.6 )	\$ (56.7 )	(55 %)

\* not meaningful

**Interest expense.** Interest expense decreased by \$1.5 million, or 1%, from \$101.8 million to \$100.3 million for the six months ended December 31, 2014 and 2013, respectively. The decrease was primarily a result of changes in the fair value of our interest rate swaps offset in part by additional indebtedness.

**Loss on extinguishment of debt.** As part of our Note Redemption, we paid an early redemption call premium of \$23.8 million and recorded an expense of \$7.1 million related to the net unamortized debt issuance costs associated with the notes redeemed. These expenses were recorded as a loss on extinguishment of debt during the three and six months ended December 31, 2014

**Foreign currency (loss)/gain on intercompany loans.** Foreign currency (loss)/gain on intercompany loans decreased from a gain of \$0.8 million for the six months ended December 31, 2013 to a loss of \$27.9 million for the six months ended December 31, 2014. This non-cash loss was driven by the strengthening of the USD against the GBP and the Euro and the related impact on intercompany loans issued by foreign subsidiaries in functional currency.

#### Provision for Income Taxes

We recorded a provision for income taxes of \$5.0 million and \$17.7 million during the six months ended December 31, 2014 and 2013, respectively. Our provision for income taxes included both the current and deferred provision for income tax expense resulting from timing differences between tax and financial reporting accounting bases. We are unable to combine our net operating losses for application to the income of our subsidiaries in some states and thus our state income tax expense is higher than the expected blended rate. In addition, as a result of our stock-based compensation and certain transaction costs not being deductible for income tax purposes, our effective tax rate was higher than the statutory rate.

The following table reconciles our expected tax provision based on the statutory federal tax rate applied to our earnings before income taxes to our actual provision for income taxes:

	Six months ended December 31,	
	2014	2013
	(in millions)	
Expected provision/(benefit) at statutory rate	\$ (35.6 )	\$ (17.0 )
Increase due to:		
Non-deductible stock-based compensation	42.1	39.5
State income taxes (benefit)/provision, net		
of federal benefit	(4.5 )	(2.8 )
Transactions costs not deductible for tax purposes	0.4	0.1
Foreign tax rate differential	0.8	(1.0 )
Release of accrual for uncertain tax position	—	(2.6 )
Other, net	1.8	1.5
Provision for income taxes	\$ 5.0	\$ 17.7

## Discontinued Operations

Our earnings from discontinued operation, net of taxes, of \$2.5 million during the six months ended December 31, 2013 related to the operations of OVS, which we spun off on June 13, 2014. See Note 3-Spin-off of Business to our condensed consolidated financial statements.

## Adjusted EBITDA

We define Adjusted EBITDA as earnings/(loss) from continuing operations before interest, income taxes, depreciation and amortization (“EBITDA”) adjusted to exclude acquisition or disposal-related transaction costs, losses on extinguishment of debt, stock-based compensation, unrealized foreign currency gains (losses) on an intercompany loan, and non-cash income (loss) on equity and cost method investments. We use Adjusted EBITDA to evaluate operating performance, and this financial measure is among the primary measures used by management for planning and forecasting for future periods. We believe that the presentation of Adjusted EBITDA is relevant and useful for investors because it allows investors to view results in a manner similar to the method used by management and facilitates comparison of our results with the results of other companies that have different financing and capital structures.

We also monitor Adjusted EBITDA because our subsidiaries have debt covenants that restrict their borrowing capacity that are based on a leverage ratio, which utilizes a modified EBITDA, as defined in our Credit Agreement and the Indenture governing our outstanding notes. The modified EBITDA is consistent with our definition of Adjusted EBITDA; however, it includes the pro forma Adjusted EBITDA of and expected cost synergies from the companies acquired by us during the quarter for which the debt compliance certification is due.

Adjusted EBITDA results, along with other quantitative and qualitative information, are also utilized by management and our compensation committee for purposes of determining bonus payouts to employees.

Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of our results as reported under GAAP. For example, Adjusted EBITDA:

- does not reflect capital expenditures, or future requirements for capital and major maintenance expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs;
- does not reflect the significant interest expense, or the cash requirements necessary to service the interest payments, on our debt; and
- does not reflect cash required to pay income taxes.

Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies because all companies do not calculate Adjusted EBITDA in the same fashion.

Reconciliations from segment and consolidated Adjusted EBITDA to net (loss)/earnings from continuing operations are as follows:

Reconciliation from (loss)/earnings from continuing operations to Adjusted EBITDA

	Three months ended December 31, 2014				
	Physical	Lit	Other	elimination	Total
	Infrastructure	Services			
	(in millions)				
Adjusted EBITDA	\$102.1	\$ 84.2	\$3.4	\$ —	\$189.7
Interest expense	(33.0 )	(19.9 )	—	(0.5 )	(53.4 )
Benefit for income taxes	—	—	0.8	3.6	4.4
Depreciation and amortization expense	(58.4 )	(33.7 )	(4.8 )	—	(96.9 )
Transaction costs	(1.1 )	(0.2 )	—	—	(1.3 )
Stock-based compensation	2.5	3.3	0.2	—	6.0
Loss on extinguishment of debt	(18.1 )	(12.8 )	—	—	(30.9 )
Foreign currency loss on intercompany loans	—	(0.2 )	—	(13.1 )	(13.3 )
Non-cash loss on investments	(0.5 )	—	—	—	(0.5 )
Earnings/(loss) from continuing operations	\$(6.5 )	\$ 20.7	\$(0.4 )	\$(10.0 )	\$3.8

	Six months ended December 31, 2014				
	Physical	Lit			Corp./
	Infrastructure	Services	Other	elimination	Total
	(in millions)				
Adjusted EBITDA	\$199.4	\$166.4	\$6.9	\$—	\$372.7
Interest expense	(62.0 )	(37.3 )	—	(1.0 )	(100.3 )
Provision for income taxes	—	—	0.6	(5.6 )	(5.0 )
Depreciation and amortization expense	(118.0)	(67.1 )	(7.8)	—	(192.9)
Transaction costs	(1.9 )	(0.4 )	(0.2)	(2.3 )	(4.8 )
Stock-based compensation	(67.5 )	(50.2 )	0.6	—	(117.1)
Loss on extinguishment of debt	(18.1 )	(12.8 )	—	—	(30.9 )
Foreign currency loss on intercompany loans	—	(0.2 )	—	(27.7 )	(27.9 )
Non-cash loss on investments	(0.5 )	—	—	—	(0.5 )
(Loss)/earnings from continuing operations	\$(68.6 )	\$(1.6 )	\$0.1	\$(36.6 )	\$(106.7)

	Three months ended December 31, 2013				
	Physical	Lit			Corp./
	Infrastructure	Services	Other	elimination	Total
	(in millions)				
Adjusted EBITDA	\$80.2	\$81.1	\$1.8	\$(1.4 )	\$161.7
Interest expense	(29.9)	(20.4 )	—	—	(50.3 )
Provision for income taxes	—	—	(0.7)	(7.7 )	(8.4 )
Depreciation and amortization expense	(49.8)	(31.5 )	(0.5)	0.1	(81.7 )
Transaction costs	(0.1 )	(0.1 )	—	—	(0.2 )
Stock-based compensation	(28.1)	(28.6 )	(0.3)	—	(57.0 )
Loss on extinguishment of debt	(1.1 )	(0.8 )	—	—	(1.9 )
Foreign currency loss on intercompany loans	—	—	—	0.2	0.2
Non-cash loss on investments	—	—	—	—	—
(Loss)/earnings from continuing operations	\$(28.8)	\$(0.3 )	\$0.3	\$(8.8 )	\$(37.6 )

	Six months ended December 31, 2013				
	Physical	Lit			Corp./
	Infrastructure	Services	Other	elimination	Total
	(in millions)				
Adjusted EBITDA	\$154.5	\$161.9	\$3.6	\$(2.7 )	\$317.3
Interest expense	(60.4 )	(41.4 )	—	—	(101.8)
Provision for income taxes	—	—	(1.4)	(16.3 )	(17.7 )
Depreciation and amortization expense	(98.1 )	(63.6 )	(1.0)	—	(162.7)
Transaction costs	(0.6 )	(0.2 )	—	—	(0.8 )
Stock-based compensation	(46.8 )	(52.6 )	(0.5)	—	(99.9 )
Loss on extinguishment of debt	(1.1 )	(0.8 )	—	—	(1.9 )
Foreign currency loss on intercompany loans	—	—	—	0.8	0.8

Non-cash loss on investments	—	—	—	—	—
(Loss)/earnings from continuing operations	\$(52.5 )	\$ 3.3	\$0.7	\$ (18.2 )	\$(66.7 )

### Liquidity and Capital Resources

Our primary sources of liquidity have been cash provided by operations, equity contributions, and borrowings. Our principal uses of cash have been for acquisitions, capital expenditures, and debt service requirements. We anticipate that our principal uses of cash in the future will be for acquisitions, capital expenditures, working capital, and debt service.

On July 2, 2012, ZGL and Zayo Capital issued \$750.0 million aggregate principal amount of 8.125% senior secured first-priority notes due 2020 (the “Senior Secured Notes”) and \$500.0 million aggregate principal amount of 10.125% senior unsecured notes due 2020 (the “Senior Unsecured Notes”, and together with the Senior Secured Notes, the “Existing Notes”). We have financial covenants under the Indentures governing our Existing Notes and our Credit Agreement that, under certain circumstances, restrict ZGL’s ability to incur additional indebtedness. The Indentures governing our Existing Notes limit any increase in ZGL’s secured indebtedness (other than certain forms of secured indebtedness expressly permitted under the Indentures) to a pro forma secured debt ratio of 4.5 times its

previous quarter's annualized modified EBITDA and limit ZGL's incurrence of additional indebtedness to a total indebtedness ratio of 5.25 times our previous quarter's annualized modified EBITDA. The Credit Agreement similarly limits ZGL's incurrence of additional indebtedness. See Note 6—Long Term Debt—Debt Covenants to our condensed consolidated financial statements for more information on our financial covenants.

On December 15, 2014, we redeemed \$75.0 million of our outstanding 8.125% Senior Secured Notes at a price of 108.125% of the principal amount and \$174.4 million of our outstanding 10.125% Senior Unsecured Notes at a price of 110.125%.

As of December 31, 2014, we had \$163.6 million in cash and cash equivalents and a working capital surplus of \$136.3 million. Cash and cash equivalents consist of amounts held in bank accounts and highly-liquid U.S. treasury money market funds. Additionally, as of December 31, 2014, we had \$241.4 million available under our Revolver.

Our capital expenditures increased by \$69.8 million, or 40%, during the six months ended December 31, 2014, as compared to the six months ended December 31, 2013, from \$175.0 million to \$244.8 million, respectively. The increase in capital expenditures is a result of meeting the needs of our larger customer base resulting from our acquisitions and organic growth. We expect to continue to invest in our network for the foreseeable future. These capital expenditures, however, are expected to primarily be success-based; that is, in most situations, we will not invest the capital until we have an executed customer contract that supports the investment.

As part of our corporate strategy, we continue to be regularly involved in discussions regarding potential acquisitions of companies and assets, some of which may be quite large. We expect to fund such acquisitions with cash from operations, debt (including available borrowings under our \$250.0 million Revolver), equity offerings, and available cash on hand.

On December 3, 2014, we entered into a stock purchase agreement with the shareholders of IdeaTek. On January 1, 2015, we closed the IdeaTek acquisition, acquiring all of the equity interest in IdeaTek. The purchase price, subject to certain post-closing adjustments, was \$52.0 million and was paid with cash on hand.

On January 13, 2015, we entered into an acquisition agreement to acquire the operating units of Latisys Holdings, LLC ("Latisys"), a colocation and infrastructure as a service ("IaaS") provider for a price of \$675.0 million. The Latisys acquisition will be funded with senior unsecured indebtedness (see below) and is expected to close within the quarter ending March 31, 2015, subject to customary closing conditions.

On January 23, 2015, ZGL and Zayo Capital completed a private offering exempt from registration under the Securities Act of 1933, as amended, of \$700.0 million aggregate principal amount of 6.00% senior unsecured notes due 2023. The net proceeds from this notes offering will be used to fund the purchase price to be paid in connection with our pending acquisition of Latisys. Any excess net proceeds will be used for general corporate purposes, which may include repayment of indebtedness, acquisitions, working capital and capital expenditures.

## Cash Flows

We believe that our cash flow from operating activities, in addition to cash and cash equivalents currently on-hand, will be sufficient to fund our operating activities for the foreseeable future, and in any event for at least the next 12 to 18 months. Given the generally volatile global economic climate, no assurance can be given that this will be the case.

The following table sets forth components of our cash flow for the six months ended December 31, 2014 and 2013.

	Six months ended December 31, 2014    2013 (in millions)	
Net cash provided by operating activities of continued operations	\$241.9	\$239.4
Net cash used in investing activities of continued operations	\$(371.3)	\$(258.5)
Net cash used in financing activities of continued operations	\$(2.8 )	\$132.7

#### Net Cash Flows from Operating Activities

Net cash flows from operating activities increased by \$2.5 million, or 1%, from \$239.4 million to \$241.9 million during the six months ended December 31, 2014 and 2013, respectively. Net cash flows from operating activities during the six months ended December 31, 2014 include the loss from continuing operations of \$106.7 million, plus the add backs of non-cash items deducted in the determination of net loss, principally depreciation and amortization of \$192.9 million, stock-based compensation expense of



\$117.1 million, foreign currency loss on intercompany loans of \$27.9 million and non-cash cash interest expense of \$9.4 million plus an add back for \$30.9 million associated with a loss on extinguishment of debt. Also contributing to the cash provided by operating activities were additions to deferred revenue of \$84.1 million, less amortization of deferred revenue of \$34.6 million. Cash flow during the period was reduced by the net change in working capital components of \$79.3 million. The \$79.3 million cash outflow associated with the change in working capital components was primarily driven by \$144.7 million in interest payments made during the period and \$10.8 million in income tax payments.

Net cash flows from operating activities during the six months ended December 31, 2013 represents our net loss from continuing operations of \$66.7 million, plus the add back to our net loss of non-cash items deducted in the determination of net loss, principally depreciation and amortization of \$162.7 million, non-cash interest expense of \$10.5 million, the deferred tax provision of \$15.6 million, stock-based compensation expense of \$99.9 million and loss on extinguishment of debt of \$1.9 million. Also contributing to the cash provided by operating activities were additions to deferred revenue of \$47.4 million, less amortization of deferred revenue of \$26.2 million. Cash flow during the period was reduced by the net change in working capital components of \$5.7.

The increase in net cash flows from operating activities during the six months ended December 31, 2014 as compared to the six months ended December 31, 2013 is primarily a result of additional earnings from synergies realized from our Fiscal 2014 and Fiscal 2015 acquisitions, a higher volume of upfront IRU payments and organic growth, offset in part by our early payment in December 2014 of interest on our Existing Notes, due January 1, 2015 of approximately \$56 million.

#### Cash Flows Used in Investing Activities

We used cash in investing activities of \$371.3 million and \$258.5 million during the six months ended December 31, 2014 and 2013, respectively. During the six months ended December 31, 2014, our principal uses of cash for investing activities were \$244.8 million in additions to property and equipment, \$73.9 million for the acquisition of Neo and \$52.5 million for the acquisition of AtlantaNAP.

During the six months ended December 31, 2013, our principal uses of cash for investing activities were \$175.0 million in additions to property and equipment, \$43.1 million for the acquisition of FiberLink, LLC and \$40.1 million for the acquisition of Access Communications, Inc.

#### Cash Flows (Used in)/Provided By Financing Activities

Our net cash (used in)/provided by financing activities was net cash used of (\$2.8) million during the six months ended December 31, 2014 as compared to net cash provided by financing activities of \$132.7 million during the six months ended December 31, 2013.

Our cash flows used in financing activities during the six months ended December 31, 2014 are primarily comprised of our net \$282.0 million proceeds from our IPO in October, offset by our \$249.4 million Note Redemption, \$23.8 million early redemption fees paid on our Note Redemption, \$10.3 million of principal payments on long-term borrowings and \$1.3 million in principal payments on capital lease obligations.

Our net cash provided by financing activities during the six months ended December 31, 2013 was primarily comprised of \$195.0 million in debt proceeds, offset in part by \$53.5 million in principal payments on long-term debt, \$5.9 million in principal payments on capital leases and \$1.7 million in debt issuance costs.

#### Off-Balance Sheet Arrangements

We do not have any special purpose or limited purpose entities that provide off-balance sheet financing, liquidity, or market or credit risk support and we do not engage in leasing, hedging, or other similar activities that expose us to any significant liabilities that are not (i) reflected on the face of the consolidated financial statements, (ii) disclosed in Note 11 - Commitments and Contingencies to the condensed consolidated financial statements, or in the Future Contractual Obligations table included in Management's Discussion and Analysis of Financial Condition and Results of Operations of our final prospectus filed with the SEC on October 17, 2014 or (iii) discussed under "Item 3: Quantitative and Qualitative Disclosures About Market Risk" below.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk consists of changes in interest rates from time to time and market risk arising from changes in foreign currency exchange rates that could impact our cash flows and earnings.

As of December 31, 2014, we had outstanding approximately \$675.0 million Senior Secured Notes, \$325.6 million Senior Unsecured Notes, a balance of \$1,981.8 million on our Term Loan Facility and \$29.6 million of capital lease obligations. As of December 31, 2014, we had \$241.4 million available for borrowing under our Revolver. On January 23, 2015, ZGL, our primary operating subsidiary and Zayo Capital, completed a private offering of \$700.00 million aggregate principal amount of 6.00% senior unsecured notes due 2023.

Based on current market interest rates for debt of similar terms and average maturities and based on recent transactions, we estimate the fair value of our Existing Notes to be \$1,083.1 million as of December 31, 2014. Our Senior Secured Notes and Senior Unsecured Notes accrue interest at fixed rates of 8.125% and 10.125%, respectively.

Both our Revolver and our Term Loan Facility accrue interest at floating rates subject to certain conditions. As of December 31, 2014, the applicable interest rate on our Revolver was 3.0% and the rate on our Term Loan Facility was 4.0%. A hypothetical increase in the applicable interest rate on our Term Loan Facility of one percentage point would increase our annual interest expense by only 0.235% or \$4.7 million, which is limited as a result of the applicable interest rate as of December 31, 2014 being below the Credit Agreement's 1.0% LIBOR floor. A hypothetical increase of one percentage point above the LIBOR floor would increase the Company's annual interest expense by approximately \$20.0 million before considering the offsetting effects of our interest rate swaps.

In August 2012, we entered into interest rate swap agreements with an aggregate notional value of \$750.0 million and a maturity date of June 30, 2017. The contract states that we pay a 1.67% fixed rate of interest for the term of the agreement, beginning June 30, 2013. The counterparties pay to us the greater of actual LIBOR or 1.25%. We entered into the swap arrangements to reduce the risk of increased interest costs associated with potential future increases in LIBOR rates. A hypothetical increase in LIBOR rates of 100 basis points would increase the fair value of our interest rate swaps by approximately \$14.0 million.

We are exposed to the risk of changes in interest rates if it is necessary to seek additional funding to support the expansion of our business and to support acquisitions. The interest rate that we may be able to obtain on future debt financings will be dependent on market conditions.

We have exposure to market risk arising from foreign currency exchange rates. During the three and six months ended December 31, 2014, our foreign activities accounted for 12% of our consolidated revenue, respectively. We monitor foreign markets and our commitments in such markets to assess currency and other risks. To date, we have not entered into any hedging arrangement designed to limit exposure to foreign currencies.

We do not have any material commodity price risk.

#### ITEM 4. CONTROLS AND PROCEDURES

##### Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 15d-15. Based on our evaluation under the framework in Internal Control-Integrated Framework, our management concluded that our disclosure controls and procedures were effective as of December 31, 2014.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of business, we are from time to time party to various litigation matters that we believe are incidental to the operation of our business. We record an appropriate provision when the occurrence of loss is probable and can be reasonably estimated. We cannot estimate with certainty our ultimate legal and financial liability with respect to any such pending litigation matters and it is possible one or more of them could have a material adverse effect on us. However, we believe that the outcome of such pending litigation matters will not have a material adverse effect upon our results of operations, our consolidated financial condition or our liquidity.

### ITEM 1A. RISK FACTORS

The risk factors disclosed in our final prospectus in addition to the other information set forth in this report, could materially affect our business, financial condition or results.

There has been no material changes in our risk factors from those disclosed in our final prospectus filed with the SEC on October 17, 2014.

ITEM 6. EXHIBITS

Exhibit No. Description of Exhibit

- 3.1\*\* Amended and Restated Certificate of Incorporation of Zayo Group Holdings, Inc. (incorporated by reference to Exhibit 4.1 of our Registration Statement on Form S-8 filed with the SEC on November 4, 2014, File No. 333-199856).
- 3.2\*\* Amended and Restated Bylaws of Zayo Group Holdings, Inc. (incorporated by reference to Exhibit 3.2 of our Registration Statement on Form S-8 filed with the SEC on November 4, 2014, File No. 333-199856).
- 4.1\*\* Secured Notes Indenture, dated as of June 28, 2012 between Zayo Escrow Corporation and The Bank of New York Mellon Trust Company N.A., as trustee (incorporated by reference to Exhibit 4.1 of Zayo Group, LLC's Current Report on Form 8-K filed with the SEC on July 2, 2012, File No. 333-169979).
- 4.2\*\* Unsecured Notes Indenture, dated as of June 28, 2012 between Zayo Escrow Corporation and The Bank of New York Mellon Trust Company N.A., as trustee (incorporated by reference to Exhibit 4.2 of Zayo Group, LLC's Current Report on Form 8-K filed with the SEC on July 2, 2012, File No. 333-169979).
- 4.3\*\* Secured Notes First Supplemental Indenture, dated as of July 2, 2012, between Zayo Group, LLC, Zayo Capital, Inc., Zayo Escrow Corporation, the guarantors party thereto, and The Bank of New York Mellon Trust Company N.A., as trustee (incorporated by reference to Exhibit 4.3 of Zayo Group, LLC's Current Report on Form 8-K filed with the SEC on July 2, 2012, File No. 333-169979).
- 4.4\*\* Unsecured Notes First Supplemental Indenture, dated as of July 2, 2012, among Zayo Group, LLC, Zayo Capital, Inc., Zayo Escrow Corp, the guarantors party thereto, and The Bank of New York Mellon Trust Company N.A., as trustee (incorporated by reference to Exhibit 4.4 of Zayo Group, LLC's Current Report on Form 8-K filed with the SEC on July 2, 2012, File No. 333-169979).
- 4.5\*\* Indenture, dated as of January 23, 2015, among Zayo Group, LLC, Zayo Capital, Inc., the guarantors party thereto and The Bank of New York Mellon Trust Company N.A., as trustee (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed with the SEC on January 23, 2015, File No. 333-169979).
- 10.1†\*\* First Amendment to Employment Agreement, dated as of October 2, 2014, among Communications Infrastructure Investments, LLC, Zayo Group Holdings, Inc. and Daniel P. Caruso (incorporated by reference to Exhibit 10.19 of our Registration Statement on Form S1/A filed with the SEC on October 6, 2014, File No. 333-197215).
- 10.2\*\* Stockholders Agreement, dated as of October 22, 2014, between Zayo Group Holdings, Inc., on the one hand, and each Sponsor listed on the signature pages thereto and each stockholder listed on the signature pages thereto, on the other hand, and any other Person that may become a party to such Agreement after the date and pursuant to the terms thereof (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K filed with the SEC on October 22, 2014, File No. 001-36690).
- 10.3\*\* Registration Rights Agreement, dated as of October 22, 2014, among Zayo Group Holdings, Inc. and those Persons listed on Schedule A thereto (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on October 22, 2014, File No. 001-36690).

- 10.4\* Stock Purchase Agreement By and Among Zayo Group, LLC, Latisys Holdings Corp., Latisys-Ashburn Holdings Corp. and Latisys Holdings, LLC dated January 13, 2015
- 10.5\*\* Registration Rights Agreement, dated as of January 23, 2015, among Zayo Group, LLC, Zayo Capital, Inc., the guarantors party thereto, and Goldman Sachs & Co., as representative of the several initial purchasers listed therein (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed with the SEC on January 23, 2015, File No. 333-169979).
- 31.1\* Certification of Chief Executive Officer of the Registrant, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
- 31.2\* Certification of Chief Financial Officer of the Registrant, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
- 32.1\* Certification of Chief Executive Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2\* Certification of Chief Financial Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit No. Description of Exhibit

101\* Financial Statements from the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2014, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Loss, (iv) Consolidated Statement of Stockholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

\* Filed/furnished herewith.

\*\* Previously filed and incorporated herein by reference.

Management contract or compensatory plan arrangement.



SIGNATURES

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

Zayo Group Holdings, Inc.

Date: February 11, 2015 By: /s/ Dan Caruso  
Dan Caruso  
Chief Executive Officer

Date: February 11, 2015 By: /s/ Ken desGarenes  
Ken desGarenes  
Chief Financial Officer