

NUVEEN SELECT TAX FREE INCOME PORTFOLIO 3  
Form N-Q  
August 29, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT  
COMPANY

Investment Company Act file number 811-6693

Nuveen Select Tax-Free Income Portfolio 3  
(Exact name of registrant as specified in charter)

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

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

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

Date of fiscal year end: 3/31

Date of reporting period: 6/30/11

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

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



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Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)  
 Nuveen Select Tax-Free Income Portfolio 3 (NXR)  
 June 30, 2011

Principal Amount	Description (1)	Optional Call Provisions	(2) Ratings (3)	Value
(000)	Municipal Bonds – 98.1%			
	Alabama – 0.3%			
\$ 500	Marshall County Healthcare Authority, Alabama, Revenue Bonds, Series 2002A, 6.250%, 1/01/22	1/12 at 101.00	A–	\$ 509,640
	Alaska – 1.1%			
2,675	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/32	6/14 at 100.00	Baa3	1,934,293
	California – 11.1%			
2,105	Azusa Unified School District, Los Angeles County, California, General Obligation Bonds, Series 2002, 5.375%, 7/01/21 – AGM Insured	7/12 at 100.00	AA+	2,188,358
1,000	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 5.600%, 6/01/36	12/18 at 100.00	Baa3	747,550
1,000	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 5.000%, 6/01/26	6/15 at 100.00	BBB	842,810
3,350	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 6.000%, 5/01/14 (Pre-refunded 5/01/12)	5/12 at 101.00	AA– (4)	3,546,042
2,595	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37	4/16 at 100.00	A+	2,407,096
1,000	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38	8/19 at 100.00	Aa2	1,112,360
315	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29	No Opt. Call	Baa3	296,884
1,605	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/28 – AMBAC Insured	No Opt. Call	A2	500,600
3,000	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 (Pre-refunded 6/01/13)	6/13 at 100.00	AAA	3,359,430

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Golden State Tobacco Securitization Corporation, California,  
Tobacco Settlement Asset-Backed  
Bonds, Series 2007A-1:

770	4.500%, 6/01/27	6/17 at 100.00	BBB-	641,449
1,885	5.000%, 6/01/33 Placer Union High School District, Placer County, California,	6/17 at 100.00	Baa3	1,389,716
1,500	General Obligation Bonds, Series 2004C, 0.000%, 8/01/32 – AGM Insured	No Opt. Call	AA+	384,585
3,940	Rancho Mirage Redevelopment Agency, California, Tax Allocation Bonds, Combined Whitewater and 1984 Project Areas, Series 2003A, 0.000%, 4/01/35 – NPFG Insured	No Opt. Call	A+	766,921
515	Riverside Public Financing Authority, California, University Corridor Tax Allocation Bonds, Series 2007C, 5.000%, 8/01/37 – NPFG Insured	8/17 at 100.00	Baa1	409,312
1,250	San Jose, California, Airport Revenue Bonds, Series 2004D, 5.000%, 3/01/28 – NPFG Insured	3/14 at 100.00	A	1,247,813
25,830	Total California Colorado – 7.1%			19,840,926
1,540	Arkansas River Power Authority, Colorado, Power Revenue Bonds, Series 2006, 5.250%, 10/01/40 – SYNCORA GTY Insured	10/16 at 100.00	BBB	1,318,625
400	Colorado Department of Transportation, Certificates of Participation, Series 2004, 5.000%, 6/15/34 – NPFG Insured	6/14 at 100.00	AA-	402,884
1,000	Colorado Health Facilities Authority, Health Facilities Revenue Bonds, Sisters of Charity of Leavenworth Health Services Corporation, Series 2010A, 5.000%, 1/01/40	No Opt. Call	AA	967,550
2,265	Colorado Health Facilities Authority, Revenue Bonds, Catholic Health Initiatives, Series 2002A: 5.500%, 3/01/22 (Pre-refunded 3/02/12)	3/12 at 100.00	AA (4)	2,343,822
1,735	5.500%, 3/01/22 (Pre-refunded 3/01/12)	3/12 at 100.00	Aa2 (4)	1,795,378
1,330	Denver City and County, Colorado, Airport System Revenue Bonds, Series 1991D, 7.750%, 11/15/13 (Alternative Minimum Tax)	No Opt. Call	A+	1,446,907
3,000	Denver Convention Center Hotel Authority, Colorado, Revenue Bonds, Convention Center Hotel, Senior Lien Series 2003A, 5.000%, 12/01/24 (Pre-refunded 12/01/13) – SYNCORA GTY Insured	12/13 at 100.00	N/R (4)	3,296,580
4,360	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B, 0.000%, 9/01/28 – NPFG Insured	9/20 at 63.98	Baa1	1,241,859
15,630	Total Colorado Connecticut – 0.1%			12,813,605
250	Connecticut Health and Educational Facilities Authority, Revenue Bonds, Bridgeport Hospital Issue, Series 1992A, 6.625%, 7/01/18 – NPFG Insured	1/12 at 100.00	Baa1	252,078

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	District of Columbia – 0.3%			
	District of Columbia Tobacco Settlement Corporation, Tobacco	11/11 at		
430	Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24	101.00	BBB	430,576
	District of Columbia, General Obligation Bonds, Series 1993E,	9/11 at		
15	6.000%, 6/01/13 – NPMG Insured (ETM)	100.00	AAA	15,070
445	Total District of Columbia			445,646
	Florida – 3.3%			
	Hillsborough County Industrial Development Authority, Florida,	10/16 at		
1,000	Hospital Revenue Bonds, Tampa General Hospital, Series 2006, 5.250%, 10/01/41	100.00	A3	874,510
	JEA St. John’s River Power Park System, Florida, Revenue	10/11 at		
5,020	Refunding Bonds, Issue 2, Series 2002-17, 5.000%, 10/01/18	100.00	Aa2	5,070,451
6,020	Total Florida			5,944,961
	Illinois – 18.2%			
	Chicago Metropolitan Housing Development Corporation, Illinois,	1/12 at		
55	FHA-Insured Section 8 Assisted Housing Development Revenue Refunding Bonds, Series 1992, 6.850%, 7/01/22	100.00	AA	55,103
	Illinois Finance Authority, Revenue Bonds, Loyola University of	No Opt.		
1,050	Chicago, Tender Option Bond Trust 1137, 9.316%, 7/01/15 (IF)	Call	AA+	1,054,200
	Illinois Finance Authority, Revenue Bonds, YMCA of Southwest	9/15 at		
2,185	Illinois, Series 2005, 5.000%, 9/01/31 – RAAI Insured	100.00	Aa3	1,708,473
	Illinois Finance Authority, Student Housing Revenue Bonds,	No Opt.		
750	Educational Advancement Fund Inc., University Center Project, Series 2006B, 5.000%, 5/01/25	Call	Baa3	668,423
	Illinois Health Facilities Authority, Remarketed Revenue Bonds,	8/11 at		
4,435	University of Chicago Project, Series 1985A, 5.500%, 8/01/20	103.00	Aa1	4,573,993
	Illinois Health Facilities Authority, Revenue Bonds, Evangelical	No Opt.		
1,500	Hospitals Corporation, Series 1992C, 6.250%, 4/15/22 (ETM)	Call	N/R (4)	1,876,755
	Illinois Health Facilities Authority, Revenue Bonds, Holy Family	9/11 at		
315	Medical Center, Series 1997, 5.125%, 8/15/17 – NPMG Insured	100.00	Baa1	310,996
	Illinois Health Facilities Authority, Revenue Refunding Bonds,	1/13 at		
2,255	Elmhurst Memorial Healthcare, Series 2002, 6.250%, 1/01/17	100.00	Baa1	2,324,634
	Illinois Health Facilities Authority, Revenue Refunding Bonds,	9/11 at		
780	Rockford Health System, Series 1997, 5.000%, 8/15/21 – AMBAC Insured	100.00	N/R	679,411
	Illinois Housing Development Authority, Homeowner Mortgage	2/16 at		
2,275	Revenue Bonds, Series 2006C2, 5.050%, 8/01/27 (Alternative Minimum Tax)	100.00	AA	2,275,819
	Illinois, Sales Tax Revenue Bonds, First Series 2002, 5.000%,	6/13 at		
5,700	6/15/22	100.00	AAA	5,835,261
1,000			Aa3	532,230

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	Kankakee & Will Counties Community Unit School District 5, Illinois, General Obligation Bonds, Series 2006, 0.000%, 5/01/23 – AGM Insured	No Opt. Call		
	Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A:			
2,500	0.000%, 12/15/30 – NPMG Insured	No Opt. Call	AAA	803,375
5,000	0.000%, 12/15/36 – NPMG Insured	No Opt. Call	AAA	1,008,150
2,000	0.000%, 6/15/37 – NPMG Insured	No Opt. Call	AAA	389,780
6,000	Metropolitan Pier and Exposition Authority, Illinois, Revenue Refunding Bonds, McCormick Place Expansion Project, Series 2002B, 5.000%, 6/15/21 – NPMG Insured	6/12 at 101.00	AAA	6,115,498
1,300	Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.250%, 12/01/34 – FGIC Insured	12/14 at 100.00	Aaa	1,327,638
1,000	Yorkville, Illinois, General Obligation Debt Certificates, Series 2003, 5.000%, 12/15/22 (Pre-refunded 12/15/11) – RAAI Insured	12/11 at 100.00	N/R (4)	1,022,100
40,100	Total Illinois Indiana – 6.3%			32,561,839
1,000	Franklin Community Multi-School Building Corporation, Marion County, Indiana, First Mortgage Revenue Bonds, Series 2004, 5.000%, 7/15/22 (Pre-refunded 7/15/14) – FGIC Insured	7/14 at 100.00	A+ (4)	1,130,150
3,500	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Methodist Hospitals Inc., Series 2001, 5.375%, 9/15/22	9/11 at 100.00	BBB	3,234,210
1,900	Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 – AGM Insured	No Opt. Call	AA+	2,112,515
2,000	Indianapolis Local Public Improvement Bond Bank, Indiana, Waterworks Project, Series 2002A, 5.250%, 7/01/33 (Pre-refunded 7/01/12) – NPMG Insured	7/12 at 100.00	AAA	2,100,200
2,295	Shelbyville Central Renovation School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 4.375%, 7/15/25 – NPMG Insured	7/15 at 100.00	AA+	2,321,668
1,000	Zionsville Community Schools Building Corporation, Indiana, First Mortgage Bonds, Series 2005Z, 0.000%, 7/15/28 – AGM Insured	No Opt. Call	AAA	411,840
11,695	Total Indiana Iowa – 1.7%			11,310,583
2,745	Iowa Finance Authority, Health Facility Revenue Bonds, Care Initiatives Project, Series 2006A, 5.000%, 7/01/20	7/16 at 100.00	BB+	2,362,210
750	Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34	6/17 at 100.00	BBB	633,945
3,495	Total Iowa Kansas – 1.2%			2,996,155

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Lawrence, Kansas, Hospital Revenue Bonds, Lawrence Memorial Hospital, Refunding Series 2006:

1,425	5.125%, 7/01/26	7/16 at 100.00	A2	1,435,930
700	4.875%, 7/01/36	7/16 at 100.00	A2	643,608
2,125	Total Kansas			2,079,538
	Maine – 0.1%			
90	Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Series 1999B, 6.000%, 7/01/19 – NPPG Insured	9/11 at 100.00	Aaa	90,347
	Massachusetts – 0.6%			
1,000	Massachusetts Development Finance Agency, Resource Recovery Revenue Bonds, Ogden Haverhill Associates, Series 1998B, 5.200%, 12/01/13 (Alternative Minimum Tax)	12/11 at 100.00	A–	1,000,620
15	Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Partners HealthCare System Inc., Series 2001C, 6.000%, 7/01/17	7/12 at 100.00	AA	15,204
1,015	Total Massachusetts			1,015,824
	Michigan – 2.5%			
1,500	Detroit, Michigan, Sewer Disposal System Revenue Bonds, Second Lien, Series 2006B, 4.625%, 7/01/34 – FGIC Insured	7/16 at 100.00	A	1,350,660
2,900	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Trinity Health Credit Group, Series 2002C, 5.375%, 12/01/30	12/12 at 100.00	AA	2,911,832
250	Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Refunding Series 2009V, 8.250%, 9/01/39	9/18 at 100.00	A1	288,333
4,650	Total Michigan			4,550,825
	Mississippi – 0.4%			
725	Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24	9/14 at 100.00	AA	743,734
3,500	Nebraska – 2.0%			
	Nebraska Public Power District, General Revenue Bonds, Series 2002B, 5.000%, 1/01/33 – AMBAC Insured	1/13 at 100.00	A1	3,522,365
1,000	Nevada – 3.7%			
	Clark County, Nevada, Passenger Facility Charge Revenue Bonds, Las Vegas-McCarran International Airport, Series 2010A, 5.250%, 7/01/42	1/20 at 100.00	Aa3	975,340
4,095	Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 5.375%, 1/01/40 – AMBAC Insured (5)	1/12 at 100.00	N/R	983,537
1,680	Reno, Nevada, Capital Improvement Revenue Bonds, Series 2002, 5.500%, 6/01/22 – FGIC Insured	6/12 at 100.00	A	1,692,214
2,830	Reno, Nevada, Capital Improvement Revenue Bonds, Series 2002, 5.500%, 6/01/22 (Pre-refunded)	6/12 at 100.00	A3 (4)	2,965,585

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	6/01/12) – FGIC Insured			
9,605	Total Nevada			6,616,676
	New Hampshire – 0.2%			
	New Hampshire Housing Finance Authority, Single Family	11/11 at		
415	Mortgage Acquisition Bonds, Series	100.00	Aa2	430,177
	2001A, 5.600%, 7/01/21 (Alternative Minimum Tax)			
	New Jersey – 2.3%			
	New Jersey Transportation Trust Fund Authority, Transportation	No Opt.		
4,570	System Bonds, Series 2006C,	Call	A+	1,573,862
	0.000%, 12/15/28 – AMBAC Insured			
	Tobacco Settlement Financing Corporation, New Jersey, Tobacco			
	Settlement Asset-Backed Bonds,			
	Series 2003:			
		6/13 at		
1,000	6.750%, 6/01/39 (Pre-refunded 6/01/13)	100.00	AAA	1,120,980
		6/13 at		
1,355	6.250%, 6/01/43 (Pre-refunded 6/01/13)	100.00	AAA	1,506,001
6,925	Total New Jersey			4,200,843
	New Mexico – 2.8%			
	New Mexico Mortgage Finance Authority, Multifamily Housing	9/17 at		
1,000	Revenue Bonds, St Anthony, Series	100.00	N/R	920,100
	2007A, 5.250%, 9/01/42 (Alternative Minimum Tax)			
	University of New Mexico, FHA-Insured Mortgage Hospital	7/14 at		
4,000	Revenue Bonds, Series 2004, 4.625%,	100.00	AA+	4,051,440
	1/01/25 – AGM Insured			
5,000	Total New Mexico			4,971,540
	New York – 3.0%			
	Dormitory Authority of the State of New York, FHA Insured	8/16 at		
1,000	Mortgage Hospital Revenue Bonds,	100.00	AAA	943,410
	Kaleida Health, Series 2006, 4.700%, 2/15/35			
	Long Island Power Authority, New York, Electric System General	9/11 at		
2,335	Revenue Bonds, Series 2001A,	100.00	AAA	2,355,595
	5.375%, 9/01/21 (Pre-refunded 9/01/11)			
	New York City, New York, General Obligation Bonds, Series	2/18 at		
35	1991B, 7.000%, 2/01/18	100.00	AA	35,188
	New York State Tobacco Settlement Financing Corporation,	9/11 at		
1,850	Tobacco Settlement Asset-Backed and	100.00	AA–	1,856,919
	State Contingency Contract-Backed Bonds, Series 2003B-1C,			
	5.500%, 6/01/15			
	Port Authority of New York and New Jersey, Special Project Bonds,	12/20 at		
265	JFK International Air	100.00	BBB–	268,752
	Terminal LLC Project, Eighth Series 2010, 6.000%, 12/01/42			
5,485	Total New York			5,459,864
	North Carolina – 3.0%			
	North Carolina Municipal Power Agency 1, Catawba Electric	1/13 at		
5,000	Revenue Bonds, Series 2003A, 5.250%,	100.00	A	5,285,250
	1/01/18 – NPPG Insured			
	Ohio – 2.1%			
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco			
	Settlement Asset-Backed Revenue			
	Bonds, Senior Lien, Series 2007A-2:			



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1,345	5.375%, 6/01/24	6/17 at 100.00	Baa3	1,134,682
1,355	6.000%, 6/01/42 Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco	6/17 at 100.00	Baa3	1,014,502
2,280	Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-3, 0.000%, 6/01/37	6/22 at 100.00	Baa3	1,592,534
4,980	Total Ohio Oklahoma – 1.7%			3,741,718
3,000	Oklahoma Development Finance Authority, Revenue Bonds, St. John Health System, Series 2004, 5.000%, 2/15/24 Pennsylvania – 2.9%	2/14 at 100.00	A	3,049,590
2,435	Dauphin County Industrial Development Authority, Pennsylvania, Water Development Revenue Refunding Bonds, Dauphin Consolidated Water Supply Company, Series 1992B, 6.700%, 6/01/17	No Opt. Call	A–	2,840,038
500	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Widener University, Series 2003, 5.250%, 7/15/24	7/13 at 100.00	BBB+	507,715
1,000	Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2010B-2, 0.000%, 12/01/30	No Opt. Call	AA	766,790
1,000	Philadelphia Authority for Industrial Development, Pennsylvania, Airport Revenue Bonds, Philadelphia Airport System Project, Series 2001A, 5.500%, 7/01/17 – FGIC Insured (Alternative Minimum Tax)	1/12 at 101.00	A+	1,012,810
4,935	Total Pennsylvania Puerto Rico – 0.9%			5,127,353
1,000	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 6.000%, 8/01/42	8/19 at 100.00	A+	1,043,490
1,170	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A: 0.000%, 8/01/40 – NPMG Insured	No Opt. Call	Aa2	176,483
8,430	0.000%, 8/01/54 – AMBAC Insured	No Opt. Call	Aa2	457,159
10,600	Total Puerto Rico South Carolina – 3.2%			1,677,132
1,500	Lexington County Health Service District, South Carolina, Hospital Revenue Refunding and Improvement Bonds, Series 2003, 6.000%, 11/01/18 (Pre-refunded 11/01/13)	11/13 at 100.00	AA– (4)	1,692,900
1,500	Medical University Hospital Authority, South Carolina, FHA-Insured Mortgage Revenue Bonds, Series 2004A, 5.250%, 8/15/20 – NPMG Insured	8/14 at 100.00	Baa1	1,569,300
520	South Carolina JOBS Economic Development Authority, Economic Development Revenue Bonds, Bon	11/12 at 100.00	A3 (4)	557,851

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	Secours Health System Inc., Series 2002A, 5.625%, 11/15/30 (Pre-refunded 11/15/12)			
1,980	South Carolina JOBS Economic Development Authority, Economic Development Revenue Bonds, Bon	11/12 at 100.00	A-	1,978,693
5,500	Secours Health System Inc., Series 2002B, 5.625%, 11/15/30 Total South Carolina South Dakota – 1.1%			5,798,744
1,010	South Dakota Health and Educational Facilities Authority, Revenue Bonds, Avera Health, Series 2002, 5.125%, 7/01/27 – AMBAC Insured	7/12 at 101.00	A+	1,011,111
1,000	South Dakota Health and Educational Facilities Authority, Revenue Bonds, Sioux Valley Hospitals, Series 2004A, 5.250%, 11/01/34	11/14 at 100.00	AA-	995,930
2,010	Total South Dakota Tennessee – 1.2%			2,007,041
2,000	Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Bonds, Baptist Health System of East Tennessee Inc., Series 2002, 6.375%, 4/15/22 Texas – 10.3%	4/12 at 101.00	A1	2,084,080
250	Central Texas Regional Mobility Authority, Senior Lien Revenue Bonds, Series 2011, 6.000%, 1/01/41	1/21 at 100.00	BBB-	247,950
1,500	Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/45 – FGIC Insured	1/15 at 100.00	BBB	1,236,360
2,500	Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 – NPFG Insured	11/13 at 100.00	AA	2,518,500
1,525	Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Bonds, Series 2001H, 0.000%, 11/15/36 – NPFG Insured	11/31 at 73.51	Baa1	231,434
370	Harris County-Houston Sports Authority, Texas, Revenue Bonds, Third Lien Series 2004-A3, 0.000%, 11/15/32 – NPFG Insured	11/24 at 62.71	Baa1	78,766
4,005	Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/38 – NPFG Insured	11/30 at 61.17	Baa1	574,597
3,000	Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2002B, 5.500%, 7/01/18 (Pre-refunded 7/01/12) – AGM Insured	7/12 at 100.00	AA+ (4)	3,140,850
3,125	Katy Independent School District, Harris, Fort Bend and Waller Counties, Texas, General Obligation Bonds, Series 2002A, 5.000%, 2/15/32 (Pre-refunded 2/15/12)	2/12 at 100.00	AAA	3,216,844
290	North Texas Tollway Authority, First Tier System Revenue Refunding Bonds, Capital Appreciation Series 2008I, 0.000%, 1/01/42 – AGC Insured	1/25 at 100.00	AA+	240,074
4,750	Sam Rayburn Municipal Power Agency, Texas, Power Supply System Revenue Refunding Bonds, Series 2002A, 5.500%, 10/01/17 – RAAI Insured	10/12 at 100.00	BBB	4,871,078

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1,750	Texas, General Obligation Bonds, Water Financial Assistance Program, Series 2003A, 5.125%, 8/01/42 (Alternative Minimum Tax)	8/13 at 100.00	Aaa	1,689,293
500	Victoria, Texas, General Obligation Bonds, Series 2001, 5.000%, 8/15/23 (Pre-refunded 8/15/11) – FGIC Insured	8/11 at 100.00	AA (4)	503,020
23,565	Total Texas Utah – 0.7%			18,548,766
5,465	Utah Transit Authority, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 6/15/36	6/17 at 38.77	Aa3	1,256,349
1,000	Virginia – 0.5% 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	BBB	879,920
510	Washington – 0.8% Port of Seattle, Washington, Revenue Bonds, Series 2001A, 5.000%, 4/01/31 – FGIC Insured	10/11 at 100.00	Aa2	510,495
990	Washington State Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research Center, Series 2011A, 5.625%, 1/01/35	1/21 at 100.00	A	974,150
1,500	Total Washington Wisconsin – 1.4%			1,484,645
2,500	Wisconsin, General Obligation Refunding Bonds, Series 2003-3, 5.000%, 11/01/26	11/13 at 100.00	AA	2,570,550
\$				
218,230	Total Municipal Bonds (cost \$176,859,582)			175,802,597

Shares	Description	Value
	Common Stocks – 0.0%	
	Airlines – 0.0%	
		\$
34	United Continental Holdings Inc. (6), (7)	769
	Total Common Stocks (cost \$0)	769
	Total Investments (Cost \$176,859,582) – 98.1%	175,803,366
	Other Assets Less Liabilities – 1.9%	3,491,415
		\$
	Net Assets – 100%	179,294,781

Fair Value Measurements

Fair value is defined as the price that the Fund would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The three-tier hierarchy of inputs is 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 the Fund’s fair value measurements as of June 30, 2011:

	Level 1	Level 2	Level 3	Total
Investments:				
Municipal Bonds	\$—	\$ 175,802,597	\$—	\$ 175,802,597
Common stocks	769	—	—	769
Total	\$769	\$ 175,802,597	\$—	\$ 175,803,366

During the period ended June 30, 2011, the Fund recognized no significant transfers to or from Level 1, Level 2 or Level 3.

#### Income Tax Information

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

At June 30, 2011, the cost of investments was \$176,638,475.

Gross unrealized appreciation and gross unrealized depreciation of investments at June 30, 2011, were as follows:\

Gross unrealized:	
Appreciation	\$5,781,168
Depreciation	(6,616,277)
Net unrealized appreciation (depreciation) of investments	\$(835,109 )

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: 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. Holdings designated N/R are not rated by any of

these national rating agencies.

- (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) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing security, in the case of a bond, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has directed the Fund's custodian to cease accruing additional income on the Fund's records.
- (6) On December 9, 2002, UAL Corporation ("UAL"), the holding company of United Air Lines, Inc. ("United") filed for federal bankruptcy protection. The Adviser determined that it was likely that United would not remain current on their interest payment obligations with respect to the bonds previously held and thus the Fund had stopped accruing interest on its UAL bonds. On February 1, 2006, UAL emerged from federal bankruptcy with the acceptance of its reorganization plan by the bankruptcy court. Under the settlement agreement established to meet UAL's unsecured bond obligations, the bondholders, including the Fund, received three distributions of UAL common stock over the subsequent months, and the bankruptcy court dismissed all unsecured claims of bondholders, including those of the Fund. On May 5, 2006, the Fund liquidated such UAL common stock holdings. On September 29, 2006 and May 30, 2007, the Fund received additional distributions of 532 and 172 shares, respectively, of UAL common stock as a result of its earlier ownership of the UAL bonds. The Fund liquidated the 532 shares of such UAL common stock holdings on November 15, 2006. The Fund received an additional distribution of 48 UAL common stock shares on November 14, 2007. The remaining 220 shares of UAL common stock were liquidated by the Fund on March 30, 2010. The Fund received an additional distribution of 34 UAL common stock shares on July 20, 2010, which are still held by the Fund as of June 30, 2011. On October 1, 2010, UAL Corporation was renamed United Continental Holdings, Inc.
- (7) Non-income producing; issuer has not declared a dividend within the past twelve months.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

Item 2. Controls and Procedures.

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

Item 3. Exhibits.

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

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SIGNATURES

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

(Registrant) Nuveen Select Tax-Free Income Portfolio 3

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

Date August 29, 2011

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

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

Date August 29, 2011

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

Date August 29, 2011