

NUVEEN SELECT TAX FREE INCOME PORTFOLIO 3
Form N-Q
August 29, 2013

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: 6/30/13

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

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

Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)

Nuveen Select Tax-Free Income Portfolio 3
(NXR)
June 30, 2013

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Municipal Bonds – 92.8%			
	Alaska – 1.2%			
\$ 2,675	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/32	6/14 at 100.00	B+	\$ 2,254,383
12,500	California – 17.1% Anaheim Public Finance Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/35 – AGM Insured	No Opt. Call	AA–	3,472,750
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	BB–	893,430
1,125	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	B–	1,063,451
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+	2,609,740
890	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38	8/19 at 100.00	Aa2	1,050,618
290	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29	9/13 at 100.00	BBB	289,945
2,275	Folsom Cordova Unified School District, Sacramento County, California, General Obligation	No Opt. Call	A+	994,130

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	Bonds, School Facilities Improvement District 4, Series 2007A, 0.000%, 10/01/28 – NPMF Insured			
2,885	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement	No Opt. Call	A2	1,465,522
	Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/28 – AMBAC Insured			
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed			
750	Bonds, Series 2007A-1: 4.500%, 6/01/27	6/17 at 100.00	B	705,495
2,090	5.000%, 6/01/33	6/17 at 100.00	B	1,773,428
	Kern Community College District, California, General Obligation Bonds, Series 2003A, 0.000%, 3/01/28 – FGIC Insured	No Opt. Call	Aa2	1,995,668
11,985	Norwalk La Mirada Unified School District, Los Angeles County, California, General Obligation	No Opt. Call	AA–	4,309,446
	Bonds, Election of 2002, Series 2007C, 0.000%, 8/01/32 – AGM Insured			
3,000	Palomar Pomerado Health, California, General Obligation Bonds, Election of 2004, Series 2007A, 0.000%, 8/01/25 – NPMF Insured	No Opt. Call	A+	1,690,740
8,040	Placentia-Yorba Linda Unified School District, Orange County, California, Certificates of Participation, Series 2006, 0.000%, 10/01/34 – FGIC Insured	No Opt. Call	A+	2,419,236
1,500	Placer Union High School District, Placer County, California, General Obligation Bonds, Series 2004C, 0.000%, 8/01/32 – AGM Insured	No Opt. Call	AA	545,400
8,000	Poway Unified School District, San Diego County, California, School Facilities Improvement	No Opt. Call	Aa2	2,974,480
	District 2007-1 General Obligation Bonds, Series 2009A, 0.000%, 8/01/32			
3,940	Rancho Mirage Redevelopment Agency, California, Tax Allocation Bonds, Combined Whitewater and 1984 Project Areas, Series 2003A, 0.000%, 4/01/35 – NPMF Insured	No Opt. Call	A+	1,133,183
1,030	Riverside Public Financing Authority, California, Tax Allocation Bonds, University Corridor, Series 2007C, 5.000%, 8/01/37 – NPMF Insured	8/17 at 100.00	A	970,157

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1,250	San Jose, California, Airport Revenue Bonds, Series 2004D, 5.000%, 3/01/28 – NPFG Insured	3/14 at 100.00	A	1,273,150
69,200	Total California Colorado – 5.9%			31,629,969
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–	1,467,035
400	Colorado Department of Transportation, Certificates of Participation, Series 2004, 5.000%, 6/15/34 (Pre-refunded 6/15/14) – NPFG Insured	6/14 at 100.00	AA– (4)	418,100
2,000	Colorado Health Facilities Authority, Colorado, Revenue Bonds, Sisters of Charity of Leavenworth Health Services Corporation, Series 2010A, 5.000%, 1/01/40	1/20 at 100.00	AA	2,029,940
1,000	Colorado Health Facilities Authority, Colorado, Revenue Bonds, Valley View Hospital Association, Series 2007, 5.250%, 5/15/42	5/17 at 100.00	BBB+	987,490
475	Denver City and County, Colorado, Airport System Revenue Bonds, Series 1991D, 7.750%, 11/15/13 (Alternative Minimum Tax)	No Opt. Call	A+	487,649
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)	3,059,130
5,520	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B, 0.000%, 9/01/28 – NPFG Insured	9/20 at 63.98	A	2,413,178
13,935	Total Colorado District of Columbia – 0.1%			10,862,522
240	District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24 Florida – 2.4%	11/13 at 100.00	A1	242,388
2,340	Collier County, Florida, Special Obligation Revenue Bonds, Refunding Series 2012, 4.000%, 10/01/13	No Opt. Call	AA	2,362,768
1,000	Florida Department of Environmental Protection, Everglades Restoration Revenue Bonds, Refunding Series 2010A, 4.000%, 7/01/13	No Opt. Call	A1	1,000,310

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1,000	Hillsborough County Industrial Development Authority, Florida, Hospital Revenue Bonds, Tampa General Hospital, Series 2006, 5.250%, 10/01/41	10/16 at 100.00	A3	1,014,700
4,340	Total Florida Illinois – 12.7%			4,377,778
15	Chicago Metropolitan Housing Development Corporation, Illinois, FHA-Insured Section 8 Assisted Housing Development Revenue Refunding Bonds, Series 1992, 6.850%, 7/01/22	1/14 at 100.00	AA	15,040
2,000	Chicago, Illinois, General Obligation Bonds, Project & Refunding Series 2006A, 4.625%, 1/01/31 – AGM Insured	1/16 at 100.00	AA–	2,009,160
1,050	Illinois Finance Authority, Revenue Bonds, Loyola University of Chicago, Tender Option Bond Trust 1137, 9.436%, 7/01/15 (IF)	No Opt. Call	Aa1	1,109,199
260	Illinois Finance Authority, Revenue Bonds, Rehabilitation Institute of Chicago, Series 2013A, 6.000%, 7/01/43 (WI/DD, Settling 7/11/13)	7/23 at 100.00	A–	268,588
2,185	Illinois Finance Authority, Revenue Bonds, YMCA of Southwest Illinois, Series 2005, 5.000%, 9/01/31 – RAAI Insured	9/15 at 100.00	Aa3	1,849,581
750	Illinois Finance Authority, Student Housing Revenue Bonds, Educational Advancement Fund Inc., University Center Project, Series 2006B, 5.000%, 5/01/25	11/16 at 100.00	BBB+	769,245
1,500	Illinois Health Facilities Authority, Revenue Bonds, Evangelical Hospitals Corporation, Series 1992C, 6.250%, 4/15/22 (ETM)	No Opt. Call	N/R (4)	1,879,680
310	Illinois Health Facilities Authority, Revenue Bonds, Holy Family Medical Center, Series 1997, 5.125%, 8/15/17 – NPFGE Insured	9/13 at 100.00	A	310,502
2,255	Illinois Health Facilities Authority, Revenue Refunding Bonds, Elmhurst Memorial Healthcare, Series 2002, 6.250%, 1/01/17	9/13 at 100.00	Baa2	2,263,862
1,725	Illinois Housing Development Authority, Homeowner Mortgage Revenue Bonds, Series 2006C2, 5.050%, 8/01/27 (Alternative Minimum Tax)	2/16 at 100.00	AA	1,772,955
2,190	Illinois State, General Obligation Bonds, Refunding Series 2012, 5.000%, 8/01/23	No Opt. Call	A–	2,361,192

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1,000	Kankakee & Will Counties Community Unit School District 5, Illinois, General Obligation Bonds, Series 2006, 0.000%, 5/01/23 – AGM Insured Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A:	No Opt. Call	Aa3	661,730
2,500	0.000%, 12/15/30 – NPMFG Insured	No Opt. Call	AAA	1,033,950
4,775	0.000%, 12/15/31 – NPMFG Insured	No Opt. Call	AAA	1,853,989
5,000	0.000%, 12/15/36 – NPMFG Insured	No Opt. Call	AAA	1,415,900
2,000	0.000%, 6/15/37 – NPMFG Insured	No Opt. Call	AAA	544,940
1,300	Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.250%, 12/01/34 (Pre-refunded 12/01/14) – FGIC Insured	12/14 at 100.00	AAA	1,392,170
2,000	Springfield, Illinois, Electric Revenue Bonds, Senior Lien Series 2007, 5.000%, 3/01/22 – NPMFG Insured	3/17 at 100.00	A	2,099,600
32,815	Total Illinois Indiana – 6.0%			23,611,283
1,000	Franklin Community Multi-School Building Corporation, Johnson 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)	1,049,470
3,520	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Methodist Hospitals Inc., Series 2001, 5.375%, 9/15/22	9/13 at 100.00	BBB	3,524,330
1,220	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–	1,291,114
2,440	Metropolitan School District Warren Township Vision 2005 School Building Corporation, Marion County, Indiana, First Mortgage Bonds, Series 2008, 5.000%, 7/10/13 – AGM Insured	No Opt. Call	AA+	2,443,758
2,295	Shelbyville Central Renovation School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 4.375%, 7/15/25 – NPMFG Insured	7/15 at 100.00	AA+	2,357,539
1,000	Zionsville Community Schools Building Corporation, Indiana, First Mortgage Bonds, Series 2005Z, 0.000%, 7/15/28 – AGM Insured	No Opt. Call	AA–	522,560
11,475	Total Indiana Iowa – 2.7%			11,188,771
2,745		7/16 at 100.00	BB+	2,827,570

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	Iowa Finance Authority, Health Facility Revenue Bonds, Care Initiatives Project, Series 2006A, 5.000%, 7/01/20			
1,330	Iowa Finance Authority, Iowa, Midwestern Disaster Area Revenue Bonds, Iowa Fertilizer Company Project, Series 2013, 5.000%, 12/01/19	No Opt. Call	BB-	1,326,343
950	Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34	6/17 at 100.00	B+	857,917
5,025	Total Iowa Kansas – 1.2%			5,011,830
	Lawrence, Kansas, Hospital Revenue Bonds, Lawrence Memorial Hospital, Refunding Series 2006:			
1,425	5.125%, 7/01/26	7/16 at 100.00	A1	1,460,069
700	4.875%, 7/01/36	7/16 at 100.00	A1	702,520
2,125	Total Kansas Maine – 0.0%			2,162,589
	Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Series 1999B, 6.000%, 7/01/19 – NPFG Insured	9/13 at 100.00	Aaa	35,147
	Massachusetts – 0.9%			
1,600	Massachusetts Water Pollution Abatement Trust, Pooled Loan Program Bonds, Series 2003-9, 5.000%, 8/01/23 (Pre-refunded 8/01/13) Michigan – 1.7%	8/13 at 100.00	AAA	1,606,927
	Detroit Water and Sewerage Department, Michigan, Sewage Disposal System Revenue Bonds,			
355	Refunding Senior Lien Series 2012A, 5.250%, 7/01/39	7/22 at 100.00	A+	345,188
	Detroit, Michigan, Sewer Disposal System Revenue Bonds, Second Lien, Series 2006B, 4.625%, 7/01/34 – FGIC Insured	7/16 at 100.00	A	2,552,304
	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	305,923
3,335	Total Michigan Mississippi – 0.4%			3,203,415
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-	755,138
1,440	Montana – 0.8%	1/20 at 100.00	AA	1,464,984

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	Montana Facilities Finance Authority, Revenue Bonds, Sisters of Charity of Leavenworth Health Services Corporation, Composite Deal Series 2010A, 4.750%, 1/01/40 Nevada – 2.8%			
1,000	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	A+	1,055,170
1,625	Las Vegas Valley Water District, Nevada, General Obligation Bonds, Series 2005A, 5.000%, 6/01/18 – FGIC Insured	6/15 at 100.00	AA+	1,746,908
2,500	North Las Vegas, Nevada, General Obligation Bonds, Series 2006, 5.000%, 5/01/36 – NPFG Insured	5/16 at 100.00	A	2,469,650
5,125	Total Nevada New Jersey – 1.1%			5,271,728
4,570	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/28 – AMBAC Insured New Mexico – 2.7%	No Opt. Call	A+	2,091,186
1,000	New Mexico Mortgage Finance Authority, Multifamily Housing Revenue Bonds, St Anthony, Series 2007A, 5.250%, 9/01/42 (Alternative Minimum Tax)	9/17 at 100.00	N/R	1,010,740
4,000	University of New Mexico, FHA-Insured Hospital Mortgage Revenue Bonds, University of Mexico Hospital Project, Series 2004, 4.625%, 1/01/25 – AGM Insured	7/14 at 100.00	AA–	4,047,160
5,000	Total New Mexico New York – 4.2%			5,057,900
1,025	Dormitory Authority of the State of New York, FHA Insured Mortgage Hospital Revenue Bonds, Kaleida Health, Series 2006, 4.700%, 2/15/35	8/16 at 100.00	AAA	1,025,984
2,385	Long Island Power Authority, New York, Electric System Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/14	No Opt. Call	A	2,476,846
1,250	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Refunding Series 2012F, 5.000%, 11/15/26	11/22 at 100.00	A	1,376,200
2,500	New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal	5/17 at 100.00	AAA	2,669,150

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	Series 2007B, 4.750%, 11/01/27			
265	Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Eighth Series 2010, 6.000%, 12/01/42	12/20 at 100.00	BBB-	296,042
7,425	Total New York Ohio – 3.3%			7,844,222
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:			
1,345	5.375%, 6/01/24	6/17 at 100.00	B-	1,232,800
1,465	6.000%, 6/01/42	6/17 at 100.00	BB+	1,229,164
435	5.875%, 6/01/47	6/17 at 100.00	B	352,946
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-3, 6.250%, 6/01/37			
3,720		6/22 at 100.00	B	3,224,645
6,965	Total Ohio Oklahoma – 1.7%			6,039,555
	Oklahoma Development Finance Authority, Revenue Bonds, St. John Health System, Series 2004, 5.000%, 2/15/24 (Pre-refunded 2/15/14) Pennsylvania – 2.3%			
3,000		2/14 at 100.00	A (4)	3,088,260
	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-	2,823,163
500	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Widener University, Series 2003, 5.250%, 7/15/24	7/13 at 100.00	A-	501,505
1,000	Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2010B, 0.000%, 12/01/30	12/20 at 100.00	AA	906,780
3,935	Total Pennsylvania Puerto Rico – 2.7%			4,231,448
	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/31 – AMBAC Insured	No Opt. Call	BBB	852,210
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+	1,040,200

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	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A:			
1,170	0.000%, 8/01/40 – NPFPG Insured	No Opt. Call	AA–	233,029
12,000	0.000%, 8/01/41 – NPFPG Insured	No Opt. Call	AA–	2,247,480
9,015	0.000%, 8/01/54 – AMBAC Insured	No Opt. Call	AA–	683,968
24,130	Total Puerto Rico			5,056,887
	Rhode Island – 0.6%			
	Rhode Island Economic Development Corporation, Airport Revenue Bonds, Refunding Series 2005A,			
1,150	4.625%, 7/01/26 – NPFPG Insured (Alternative Minimum Tax)	7/15 at 100.00	A	1,136,729
	South Carolina – 1.7%			
	Lexington County Health Service District, South Carolina, Hospital Revenue Refunding and			
1,500	Improvement Bonds, Series 2003, 6.000%, 11/01/18 (Pre-refunded 11/01/13)	11/13 at 100.00	AA– (4)	1,529,190
	Medical University Hospital Authority, South Carolina, FHA-Insured Mortgage Revenue Bonds,			
1,500	Series 2004A, 5.250%, 8/15/20 (Pre-refunded 8/15/14) – NPFPG Insured	8/14 at 100.00	A (4)	1,565,655
3,000	Total South Carolina			3,094,845
	South Dakota – 0.5%			
	South Dakota Health and Educational Facilities Authority, Revenue Bonds, Sioux Valley			
1,000	Hospitals, Series 2004A, 5.250%, 11/01/34	11/14 at 100.00	A+	1,010,830
	Texas – 8.9%			
	Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2005, 5.000%,			
1,500	1/01/45 (Pre-refunded 1/01/15) – FGIC Insured	1/15 at 100.00	A (4)	1,600,245
	Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2011, 6.000%, 1/01/41			
250	Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds,	11/13 at 100.00	AA (4)	2,544,400
	TECO Project, Series 2003, 5.000%, 11/15/30 (Pre-refunded 11/15/13) – NPFPG Insured			
	Harris County-Houston Sports Authority, Texas, Revenue Bonds, Junior Lien Series 2001H:			
1,095	0.000%, 11/15/32 – NPFPG Insured	11/31 at 94.05	A	341,892
2,510	0.000%, 11/15/36 – NPFPG Insured	11/31 at 73.51	A	596,401
	Harris County-Houston Sports Authority, Texas, Revenue Bonds, Third Lien Series 2004A-3,			
1,885	0.000%, 11/15/32 – NPFPG Insured	11/24 at 62.70	A	589,345

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4,095	Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Refunding Bonds, Series 2001A, 0.000%, 11/15/38 – NPFPG Insured	11/30 at 61.17	A	904,053
1,275	Kerrville Health Facilities Development Corporation, Texas, Revenue Bonds, Sid Peterson Memorial Hospital Project, Series 2005, 5.375%, 8/15/35	2/16 at 100.00	BBB–	1,282,357
2,255	Love Field Airport Modernization Corporation, Texas, Special Facilities Revenue Bonds, Southwest Airlines Company, Series 2010, 5.250%, 11/01/40	11/20 at 100.00	BBB–	2,238,651
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–	305,901
3,000	Texas State, Public Finance Authority Revenue Bonds, Unemployment Compensation Obligation Assessment, Series 2010A, 5.000%, 7/01/13	No Opt. Call	Aaa	3,001,200
1,000	Texas Water Development Board, State Revolving Fund Revenue Bonds, Subordinate Lien Series 2009A-1, 5.000%, 7/15/13	No Opt. Call	AAA	1,002,290
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	1,750,700
23,405	Total Texas Utah – 0.8%			16,427,140
5,465	Utah Transit Authority, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 6/15/36	6/17 at 38.77	A1	1,523,697
1,000	Virginia – 2.1% Henrico County Economic Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of Richmond, Series 2006, 5.000%, 10/01/35	9/13 at 102.500	BBB	1,003,540
1,000	Virginia Public Building Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 8/01/13	No Opt. Call	AA+	1,004,440
500	Virginia Small Business Financing Authority, Senior Lien Revenue Bonds, Elizabeth River Crossing, Opco LLC Project, Series 2012: 6.000%, 1/01/37 (Alternative Minimum Tax)	7/22 at 100.00	BBB–	511,160
1,510	5.500%, 1/01/42 (Alternative Minimum Tax)	7/22 at 100.00	BBB–	1,449,223
4,010	Total Virginia Washington – 2.8%			3,968,363
990		1/21 at 100.00	A	1,034,946

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	Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research Center, Series 2011A, 5.625%, 1/01/35				
4,000	Washington Health Care Facilities Authority, Revenue Bonds, Providence Health & Services, Series 2012A, 5.000%, 10/01/32	10/22 at 100.00	AA	4,119,240	
4,990	Total Washington			5,154,186	
	Wisconsin – 1.5%				
1,250	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2012B, 5.000%, 2/15/32	2/22 at 100.00	A-	1,265,225	
1,440	Wisconsin, General Obligation Refunding Bonds, Series 2003-3, 5.000%, 11/01/26	11/13 at 100.00	AA	1,461,917	
2,690	Total Wisconsin			2,727,142	
\$ 254,825	Total Municipal Bonds (cost \$164,623,008)			172,131,242	

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (3)	Value
	Corporate Bonds – 0.0%				
	Transportation – 0.0%				
\$ 84	Las Vegas Monorail Company, Senior Interest Bonds (5), (6)	5.500%	7/15/19	N/R	\$ 21,019
25	Las Vegas Monorail Company, Senior Interest Bonds (5), (6)	3.000%	7/15/55	N/R	4,920
\$ 109	Total Corporate Bonds (cost \$2,067)				25,939

Principal Amount (000)	Description (1)	Optional Call		Ratings (3)	Value
		Provisions (2)			
	Short-Term Investments – 1.9%				
	Texas – 1.9%				
\$ 3,520	Texas State, Tax and Revenue Anticipation Notes, Series 2012, 2.500%, 8/30/13 (7)	No Opt. Call		SP-1+	\$ 3,534,538
	Total Short-Term Investments (cost \$3,533,560)				3,534,538
	Total Investments (cost \$168,158,635) – 94.7%				175,691,719
	Other Assets Less Liabilities – 5.3%				9,850,457
	Net Assets – 100%				\$ 185,542,176

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 following is a summary of the three-tiered hierarchy of valuation input levels.

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

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

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

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

	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Municipal Bonds	\$ —	\$172,131,242	\$ —	\$172,131,242
Corporate Bonds	—	—	25,939	25,939
Short-Term Investments:				
Municipal Bonds	—	3,534,538	—	3,534,538
Total	\$ —	\$175,665,780	\$25,939	\$175,691,719

Income Tax Information

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

As of June 30, 2013, the cost of investments was \$167,384,857.

Gross unrealized appreciation and gross unrealized depreciation of investments as of June 30, 2013, were as follows:

Gross unrealized:	
Appreciation	\$10,209,565
Depreciation	(1,902,703)

Net unrealized appreciation (depreciation) of investments

\$ 8,306,862

- (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 Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities,
 - (4) which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
 - (5) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees. For fair value measurement disclosure purposes, investment classified as Level 3.
 - (6) During January 2010, Las Vegas Monorail Company ("Las Vegas Monorail") filed for federal bankruptcy protection. During March 2012, Las Vegas Monorail emerged from federal bankruptcy with the acceptance of a reorganization plan assigned by the Federal Bankruptcy Court. Under the reorganization plan, the Fund surrendered its Las Vegas Monorail Project Revenue Bonds, First Tier, Series 2000 and in turn received two senior interest corporate bonds: the first with an annual coupon rate of 5.500% maturing on July 15, 2019 and the second with an annual coupon rate of 3.000% (5.500% after December 31, 2015) maturing on July 15, 2055. The Fund's custodian is not accruing income on the Fund's records for either senior interest corporate bond.
 - (7) Investment has a maturity of more than a year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.
- N/R Not rated.
- WI/DD Investment, or portion of investment purchased on a when-issued or delayed delivery basis.
- (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.

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, 2013

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, 2013

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

Date: August 29, 2013