

NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form N-CSR
August 08, 2005

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

Nuveen Maryland Dividend Advantage Municipal Fund 3

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

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

Date of fiscal year end: May 31

Date of reporting period: May 31, 2005

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.

ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT MAY 31, 2005

Nuveen Investments
Municipal Closed-End
Exchange-Traded
Funds

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

NUVEEN VIRGINIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
NNB

Photo of: Man, woman and child at the beach.
Photo of: A child.

DEPENDABLE, TAX-FREE INCOME BECAUSE IT'S NOT WHAT YOU EARN, IT'S WHAT YOU
KEEP. (R)

LOGO: NUVEEN INVESTMENTS

Photo of: Woman
Photo of: Man and child
Photo of: Woman

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and statements from your financial
advisor or brokerage account.

OR

WWW.NUVEEN.COM/ACCOUNTACCESS

if you get your Nuveen Fund dividends
and statements directly from Nuveen.

(Be sure to have the address sheet that accompanied this report handy. You'll
need it to complete the enrollment process.)

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

CHAIRMAN'S

LETTER TO SHAREHOLDERS

Once again, I am pleased to report that over the 12-month period covered by this report your Fund continued to provide you with monthly tax-free income and an attractive total return. For more details about the management strategy and performance of your Fund, please see the Portfolio Manager's Comments and Performance Overview sections of this report.

As I noted in my last letter to you, many market observers are wondering whether longer-term interest rates will soon begin to rise substantially, mirroring the rise that has taken place over the past year in shorter-term rates. If longer-term rates do begin to rise significantly, some have suggested that this would be a signal to begin adjusting your holdings of fixed-income investments.

Nobody knows what the market will do in the future. But from our experience, we do know that a well-balanced portfolio, structured and carefully monitored with the help of a trusted investment professional, can be an important component in helping you achieve your long-term financial goals. In fact, a well-diversified portfolio may actually help to reduce your overall

"IN FACT, A WELL-DIVERSIFIED PORTFOLIO MAY ACTUALLY HELP TO REDUCE YOUR OVERALL INVESTMENT RISK OVER THE LONG TERM."

investment risk over the long term. That is one reason why we believe that a municipal bond investment like your Nuveen Fund can be an important building block in a comprehensive investment program designed to perform well in a variety of market conditions.

As in past reports, I urge you to consider receiving future Fund reports and other Fund information by e-mail and the Internet. Not only will you be able to receive the information faster, but this also may help lower your Fund's

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expenses. Sign up is quick and easy - see the inside front cover of this report for instructions.

You may have heard that in April, 2005, The St. Paul Travelers Companies, Inc., which owned 79% of Nuveen Investments, Inc. (the parent of your Fund's investment adviser) completed a public offering of a substantial portion of its equity stake in Nuveen. At the same time, St. Paul Travelers also entered into agreements to sell the balance of its shares in Nuveen to us or to others at a future date.

These transactions had, and will have, no impact on the investment objectives or management of your Fund. However, taken as a whole they are considered to be an "assignment" of your Fund's investment management agreement. This means that you and your fellow Fund shareholders will be asked to formally approve the continuation of your Fund's management contract with Nuveen. We recently sent you more information about this process. Be sure to read the information carefully and return your completed proxy form by the date indicated.

At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives. We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

July 15, 2005

Nuveen Investments Maryland and Virginia Municipal Closed-End Exchange-Traded Funds (NMY, NFM, NZR, NWI, NPV, NGB, NNB)

PORTFOLIO MANAGER'S COMMENTS

Portfolio manager Paul Brennan reviews the economic and municipal market environments, key investment strategies and the annual performance of these Funds. Paul, who has 14 years of investment experience, including 8 years with Nuveen, has managed NMY and NPV since 1999; NFM, NZR, NGB and NNB since 2001; and NWI since 2002.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE 12-MONTH REPORTING PERIOD ENDED MAY 31, 2005?

During this 12-month reporting period, the Federal Reserve implemented eight separate one-quarter-point increases in the fed funds rate. These increases, which were intended to help control economic growth and head off an increase in the rate of inflation, raised this short-term target rate to 3.00% from 1.00%. (On June 30, 2005, after the close of this reporting period, the fed funds rate was raised another quarter point to 3.25%.) As the Fed raised short-term rates, many market observers expected to see longer-term interest rates increase as well. However, yields on longer-term municipal bonds (as measured by the widely-followed Bond Buyer 25 Revenue Bond Index) actually declined by 61 basis points during this reporting period. This resulted in a flattening of the municipal market yield curve over the 12-month period.

The Fed's actions during this period seem to have helped the U.S. maintain a fairly steady economic expansion. After growing at an annualized rate of 3.3% in the second quarter of 2004, the U.S. gross domestic product (GDP) grew by 4.0% in the third quarter of 2004 and by 3.8% in both the fourth quarter of 2004 and the first quarter of 2005. The year-over-year increase in the Consumer Price Index (CPI) as of May 31, 2005, was a modest 2.8%, while unemployment in May 2005 dropped to 5.1% nationally, down from 5.6% in May 2004.

HOW ABOUT ECONOMIC AND MARKET CONDITIONS IN MARYLAND AND VIRGINIA?

Maryland's economy continued to expand at a slow but steady pace over the 12-month period, with good job growth across a variety of industries. Increased federal spending, tourism and ties to the Washington D.C. economy boosted the state's economy and offset the impact of declines in manufacturing, transportation and warehousing. As of May 2005, unemployment in Maryland was 4.2%, on par with May 2004 and well below the national average. Maryland is one of the few states that has managed to maintain

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healthy reserves despite a difficult budget environment. However, pressures remain, given the rapid growth in Medicaid and education expenditures. As of May 31, 2005, Maryland's general obligation debt, which is constitutionally limited to a maximum term of 15 years, carried Aaa/AAA/AAA ratings from Moody's, Standard & Poor's, and Fitch, respectively. For the 12 months ended May 31, 2005, Maryland issuers offered \$5.0 billion in new municipal debt, a decrease of 23% from the previous 12-month period.

Over the 12-month period, Virginia continued to outperform the national economy. Construction and professional and business services led employment growth and offset continuing job losses in manufacturing and telecommunications. Federal spending remained a key growth driver, accounting for a third of the job growth over the past year, with the strongest growth concentrated in northern Virginia. In May 2005, Virginia's unemployment rate was 3.6%, slightly below the 3.7% level of May 2004. As of May 31, 2005, Moody's, Standard & Poor's, and Fitch rated Virginia's general obligation debt at Aaa/AAA/AAA, respectively. During the 12-month reporting period ended May 31, 2005, new municipal issuance in Virginia increased 48% from that of the previous 12 months, totaling \$9.6 billion.

WHAT KEY STRATEGIES WERE USED TO MANAGE THE MARYLAND AND VIRGINIA FUNDS DURING THE 12 MONTHS ENDED MAY 31, 2005?

With many market participants anticipating higher interest rates throughout this reporting period, our focus continued to be on finding bonds that we believed would add immediate value to the Funds' portfolios while also offering the potential to perform well under a variety of future market scenarios.

Overall, our purchase activity in these Funds emphasized bonds in the intermediate part of the yield curve, that is, bonds that mature in 10 to 20 years. We believed that in Maryland and Virginia this part of the curve generally offered the most attractive opportunities and the best values during this period. We also placed an emphasis on purchasing premium bonds, which are bonds that at the time of purchase were trading above their par values because their coupons were higher than current interest rate levels. These bonds have been in great demand recently, since historically they have held their value better than current coupon bonds when interest rates rise.

The majority of our new purchases over this period included insured or highly rated bonds, reflecting the overall high credit quality of new issue supply. However, while the municipal markets in Maryland and Virginia did not provide many opportunities to purchase non-rated bonds, or bonds rated BBB and lower, during this period, we continued to look for these lower-rated issues. Lower-rated bonds were generally among the best performers during this period.

Some of the additions to the Maryland and Virginia Funds during this period were financed with the proceeds from sales of older pre-refunded bonds and other "defensive" bonds with shorter maturities, which tended to underperform in the generally bullish interest rate environment of the past 12 months.

As discussed in our last shareholder report, in late 2004 we began using forward interest rate swaps, a type of derivative financial instrument, in an attempt to reduce some of the interest rate risk in NFM, NZR, NWI and NNB. It is important to note that we did not use these hedges in an attempt to profit from correctly predicting the timing and direction of interest rate movements. Instead, our sole objective was to reduce these Funds' durations (and therefore their price sensitivity to interest rate changes) without having a negative impact on their income streams or common share dividends over the short term. The gain or loss from each Fund's hedging activity is reflected as an addition or subtraction to the Fund's net asset value (NAV) as the market value of each hedge fluctuates. The hedges were effective in helping to reduce the NAV volatility of these Funds over the course of this reporting period. However, they did have negative impacts on each Fund's total return during this period because declining long-term interest rates caused the value of the hedges to decline as the value of each Fund's portfolio rose.

HOW DID THE FUNDS PERFORM?

Individual results for these Funds, as well as for comparative indexes and averages, are presented in the accompanying table.

TOTAL RETURNS ON NET ASSET VALUE*

For periods ended 5/31/05

| MARYLAND FUNDS | 1-YEAR | 5-YEAR | 10-YEAR |
|----------------|--------|--------|---------|
| NMY | 12.52% | 9.75% | 7.24% |
| NFM | 11.60% | NA | NA |
| NZR | 12.22% | NA | NA |
| NWI | 12.67% | NA | NA |

| VIRGINIA FUNDS | 1-YEAR | 5-YEAR | 10-YEAR |
|----------------|--------|--------|---------|
| NPV | 12.13% | 9.62% | 7.55% |

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| | | | |
|---|--------|-------|-------|
| NGB | 14.46% | NA | NA |
| ----- | ----- | ----- | ----- |
| NNB | 13.75% | NA | NA |
| ----- | ----- | ----- | ----- |
| Lehman Brothers Municipal Bond Index ¹ | 7.96% | 7.30% | 6.22% |
| ----- | ----- | ----- | ----- |
| Lipper Other States Municipal Debt Funds Average ² | 12.61% | 9.88% | 7.10% |
| ----- | ----- | ----- | ----- |

* Annualized

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.

For the 12 months ended May 31, 2005, the total returns on NAV for all seven of these Funds outperformed the return on the Lehman Brothers Municipal Bond Index. NWI, NGB and NNB also outperformed the average return for the Lipper Other States peer group, while NMY, NFM, NZR and NPV trailed the group average. Please keep in mind that the Lipper Other States average represents the overall average of returns for funds from 10 different states displaying a variety of economic and municipal market conditions. We believe that makes direct comparisons between the returns of specific state funds with a multi-state group average less meaningful.

One of the primary factors benefiting the 12-month performance of these Funds relative to that of the unleveraged, unmanaged Lehman Brothers index was the Funds' use of financial leverage. While leveraging can add volatility to a Fund's NAV and share price, especially during periods when interest rates rise, this strategy also can provide opportunities for additional income and total return for common shareholders when short-term interest rates remain relatively low and long-term rates fall.

As noted earlier, over most of this reporting period, longer-term rates tended to fall while shorter-term interest rates rose. As a result, bonds with longer effective maturities and longer durations generally performed better than securities with shorter effective maturities and shorter durations. Much of the performance differential between these seven Funds over this period was the result of this effective maturity and duration positioning.

All of the Funds in this report benefited during this period from their allocations to non-rated bonds, or to bonds rated BBB or lower. These bonds generally outperformed higher

- 1 The Lehman Brothers Municipal Bond Index is an unleveraged, unmanaged national index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The Lipper Other States Municipal Debt Funds category average is calculated using the returns of all closed-end exchange-traded funds in this category for each period as follows: 1 year, 44 funds; 5 years, 19 funds; and 10 years, 17 funds. Fund and Lipper returns assume reinvestment of dividends.

rated securities as the economy improved. Some of the sectors with larger concentrations of these lower quality bonds that made positive contributions to the Funds' 12-month returns were healthcare (including hospitals and lifecare facilities) and higher education. In addition, bonds backed by the 1998 master tobacco settlement agreement also produced solid performance during this period, as the litigation environment improved and increased demand drove prices higher.

The performance of each of these Funds also was boosted to some extent by several advance refundings of their holdings during this period, which resulted in price appreciation as well as enhanced credit quality. At the same time, however, their holdings of other bonds that already had been pre-refunded tended to underperform the general municipal market, due primarily to the shorter effective maturities of these bonds.

Housing was another sector of the market that tended to underperform during this period, due largely to the increased risk of pre-payments and bond calls in the current interest rate environment. All of the Maryland Funds held housing bonds, with NFM having the largest exposure. Although these holdings were a good source of core income for the Funds, their performance had a negative impact on overall total return during this period.

HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF MAY 31, 2005?

We continued to believe that, given the current geopolitical and economic climate, maintaining strong credit quality was an important requirement. As of May 31, 2005, all seven of these Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 70% in NFM to 71% in NMY, 78% in NZR and NGB, 79% in NWI, 82% in NNB, and 83% in NPV.

As of May 31, 2005, potential call exposure for the period June 2005 through the end of 2007 ranged from 1% in NNB to 2% in NWI, 3% in NZR, 4% in NFM, 5% in NGB, 8% in NPV and 17% in NMY. In NMY, we have continued to hold most of these callable bonds during the period, in part due to their strong collective performance potential. The number of actual bond calls in all of these Funds depends largely on future market interest rates.

DIVIDEND AND SHARE PRICE
INFORMATION

All seven of these Funds use leverage to enhance opportunities for additional income for common shareholders. The extent of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred(R) shareholders. During periods of low short-term rates, leveraged Funds generally pay lower dividends to their MuniPreferred shareholders, which can leave more earnings to support common share dividends. However, when short-term interest rates rise, as they did during this reporting period, the Funds' borrowing costs also rise. While leveraging still provided benefits for common shareholders, the extent of the benefit was reduced. As a result, NMY, NFM, NWI, NPV, NGB and NNB each experienced a single dividend cut over the 12-month period ended May 31, 2005,

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while the dividend of NZR remained stable during this period.

In addition, due to capital gains generated by normal portfolio activity, common shareholders of the following Funds received capital gains and/or net ordinary income distributions at the end of December 2004 as follows:

| | LONG-TERM CAPITAL GAINS (PER SHARE) | ORDINARY INCOME (PER SHARE) |
|-----|---|--------------------------------|
| NZR | \$0.0575 | \$0.0041 |
| NWI | \$0.0076 | -- |
| NNB | \$0.1878 | -- |

The relatively large distribution from NNB represented an important part of this Fund's total return for this period. For the most part, these distributions were generated by bond calls or by sales of appreciated securities. The proceeds of these calls or sales then were reinvested in bonds paying lower, current interest rates. This had a slight negative impact on the Fund's earning power and was a minor factor in the dividend reduction noted above.

All of the Funds in this report seek to pay stable monthly 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, 2005, all of the Funds in this report had positive UNII balances for both financial statement and tax purposes.

At the end of the reporting period, the Funds' share prices were trading at premiums or discounts to their NAVs as shown in the accompanying chart:

| | 5/31/05 PREMIUM/DISCOUNT | 12-MONTH AVERAGE PREMIUM/DISCOUNT |
|-----|-----------------------------|--------------------------------------|
| NMY | +4.37% | +6.25% |
| NFM | +3.30% | +4.95% |
| NZR | -0.26% | -0.50% |
| NWI | -2.83% | -3.73% |
| NPV | +11.57% | +8.44% |
| NGB | +9.47% | +12.24% |

NNB +6.62% +4.60%

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Nuveen Maryland Premium Income Municipal Fund
NMY

PERFORMANCE

OVERVIEW As of May 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 45% |
| AA | 26% |
| A | 13% |
| BBB | 10% |
| BB or Lower | 4% |
| NR | 2% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Jun | 0.076 |
| Jul | 0.076 |
| Aug | 0.076 |
| Sep | 0.076 |
| Oct | 0.076 |
| Nov | 0.076 |
| Dec | 0.076 |
| Jan | 0.076 |
| Feb | 0.076 |
| Mar | 0.073 |
| Apr | 0.073 |
| May | 0.073 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 6/1/04 | 14.6 |
| | 14.65 |
| | 14.85 |
| | 14.8 |
| | 14.8 |
| | 14.55 |
| | 14.58 |
| | 14.79 |
| | 14.35 |
| | 14.49 |
| | 14.55 |
| | 14.7 |
| | 14.72 |
| | 14.79 |
| | 14.9 |
| | 14.78 |

14.84
14.54
14.55
14.36
14.7
14.77
14.96
15
15.1
14.94
15
15.13
15.15
15.24
15.13
15.19
15.15
15.02
15.01
14.91
15.01
14.95
14.92
14.98
15.08
14.95
14.95
15.03
15.03
15.11
15.16
15.34
15.41
15.47
15.46
15.51
15.79
15.92
15.92
15.92
15.85
16.15
16.2
16.01
16
15.81
16
16.2
16.29
16.45
16.2
16.01
15.91
16
16.11
16.01
16.05
15.85
16
16.14
16
16.19

16.2
16.21
16.15
16.21
16.22
16.39
16.15
16.04
15.9
15.92
16.08
16.18
16.24
16.05
16.06
15.95
15.92
15.91
15.86
15.82
15.74
15.81
15.82
15.89
15.95
15.92
15.87
15.94
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15.93
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15.86
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15.85
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16.18
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16.49
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16.45
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16.17
16.45
16.3
16.53
16.27

16.28
16.45
16.35
16.56
16.4
16.62
16.46
16.37
16.34
16.48
15.98
16.2
16.53
16.38
16.33
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 15.57
 15.63
 15.85
 16
 16.01
 15.91
 15.99
 15.97
 15.8
 15.78
 15.77
 15.78

5/31/05

FUND SNAPSHOT

| | |
|---------------------------|---------|
| ----- | |
| Common Share Price | \$15.78 |
| ----- | |
| Common Share | |
| Net Asset Value | \$15.12 |
| ----- | |
| Premium/(Discount) to NAV | 4.37% |

| | |
|---|-----------|
| Market Yield | 5.55% |
| Taxable-Equivalent Yield ¹ | 8.10% |
| Net Assets Applicable to Common Shares (\$000) | \$160,496 |
| Average Effective Maturity on Securities (Years) | 16.34 |
| Leverage-Adjusted Duration | 8.39 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 15.64% | 12.52% |
| 5-Year | 9.48% | 9.75% |
| 10-Year | 8.37% | 7.24% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/General | 19.1% |
| Tax Obligation/Limited | 15.6% |
| Healthcare | 15.4% |
| Education and Civic Organizations | 14.8% |
| U.S. Guaranteed | 12.5% |
| Housing/Multifamily | 10.1% |
| Utilities | 6.1% |
| Other | 6.4% |

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 31.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

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NFM

PERFORMANCE

OVERVIEW As of May 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 45% |
| AA | 25% |
| A | 13% |
| BBB | 12% |
| BB or Lower | 1% |
| NR | 4% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|--------|
| Jun | 0.0785 |
| Jul | 0.0785 |
| Aug | 0.0785 |
| Sep | 0.0785 |
| Oct | 0.0785 |
| Nov | 0.0785 |
| Dec | 0.0785 |
| Jan | 0.0785 |
| Feb | 0.0785 |
| Mar | 0.0755 |
| Apr | 0.0755 |
| May | 0.0755 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 6/1/04 | 15.55 |
| | 15.25 |
| | 15.1 |
| | 15.05 |
| | 15 |
| | 14.99 |
| | 14.6 |
| | 14.75 |
| | 14.6 |
| | 14.5 |
| | 14.54 |
| | 14.38 |
| | 14.37 |
| | 14.35 |
| | 14.27 |
| | 14.4 |
| | 14.37 |
| | 14.41 |
| | 14.15 |
| | 14.06 |
| | 14.16 |
| | 14.22 |
| | 14.4 |
| | 14.6 |
| | 14.67 |
| | 14.83 |
| | 14.68 |

14.87
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14.75
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15
14.9
14.83
14.89
14.86
14.9
14.99
15.3
15.47
15.69
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15.71
15.75
15.55
15.69
15.73
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15.55
15.47
15.4
15.36
15.6
15.75
15.85
16
16.01
16.08
16.03
15.75
16.12
16
15.95
16.15
15.85
15.9
15.75
15.89
15.69
15.7
15.84
15.67
15.65
15.63
15.62
15.66
15.74
15.7
16.09
15.9
15.99
15.92
16.12
15.85
15.92
15.91
15.95
16.2

16.35
16
16
16.2
16.2
16.05
15.95
16.1
16.1
16.25
16.15
16.15
15.94
16.04
16.35
16.38
16.12
16.14
16.15
16.15
16.07
16.44
16.16
15.95
16.17
15.75
15.61
15.63
15.63
15.63
15.55
15.62
15.33
15.36
15.44
15.51
15.49
15.2
15.06
14.96
14.87
15.1
15.13
14.95
15.05
15.05
15.07
15.07
15
15.12
15.21
15.19
15.18
15.35
15.36
15.45
15.55
15.5
15.5
15.75
15.65
15.62

15.78
15.96
16
16.2
16.2
16.2
16.08
15.98
16.2
16.3
16.26
16.26
16.3
16.14
16.1
16.05
16.08
16.09
16.14
16.15
16.15
15.99
16.11
15.93
16.07
16.1
16.14
16.01
16.2
16.13
16.2
16.24
16.12
15.96
16.03
16.05
16
16.16
16.08
16.51
16.4
16.4
16.3
16.3
16.27
16.15
16.17
16.45
16.5
16.22
16.38
16.25
16.1
15.82
15.64
15.6
15.39
15.3
15.55
15.6
15.84
16

| | |
|---------|-------|
| | 16.1 |
| | 16.1 |
| | 15.96 |
| | 15.92 |
| | 15.87 |
| | 15.85 |
| | 15.77 |
| | 15.65 |
| | 15.72 |
| | 15.72 |
| | 15.97 |
| | 15.7 |
| | 15.55 |
| | 15.52 |
| | 15.52 |
| | 15.34 |
| | 15.38 |
| | 15.38 |
| | 15.44 |
| | 15.44 |
| | 15.31 |
| | 15.44 |
| | 15.5 |
| | 15.62 |
| | 15.42 |
| | 15.32 |
| | 15.38 |
| | 15.38 |
| | 15.56 |
| | 15.56 |
| | 15.6 |
| | 15.7 |
| | 15.96 |
| | 15.99 |
| | 15.73 |
| | 15.77 |
| | 15.83 |
| | 15.85 |
| | 15.75 |
| | 15.79 |
| 5/31/05 | 15.63 |

FUND SNAPSHOT

| | |
|---------------------------------------|----------|
| ----- | |
| Common Share Price | \$15.63 |
| ----- | |
| Common Share | |
| Net Asset Value | \$15.13 |
| ----- | |
| Premium/(Discount) to NAV | 3.30% |
| ----- | |
| Market Yield | 5.80% |
| ----- | |
| Taxable-Equivalent Yield ¹ | 8.47% |
| ----- | |
| Net Assets Applicable to | |
| Common Shares (\$000) | \$63,051 |
| ----- | |
| Average Effective Maturity | |
| on Securities (Years) | 18.46 |
| ----- | |

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Leverage-Adjusted Duration 7.15

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

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 6.22% | 11.60% |
| Since Inception | 6.68% | 7.40% |

SECTORS
(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/General | 18.9% |
| Tax Obligation/Limited | 16.8% |
| Healthcare | 16.6% |
| U.S. Guaranteed | 15.6% |
| Education and Civic Organizations | 10.5% |
| Housing/Multifamily | 10.1% |
| Other | 11.5% |

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 31.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

12

Nuveen Maryland Dividend Advantage Municipal Fund 2
NZR

PERFORMANCE
OVERVIEW As of May 31, 2005

Pie Chart:

CREDIT QUALITY
(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 49% |
| AA | 29% |
| A | 8% |
| BBB | 10% |
| BB or Lower | 1% |
| NR | 3% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE2

| | |
|-----|-------|
| Jun | 0.073 |
| Jul | 0.073 |
| Aug | 0.073 |
| Sep | 0.073 |
| Oct | 0.073 |
| Nov | 0.073 |
| Dec | 0.073 |
| Jan | 0.073 |
| Feb | 0.073 |
| Mar | 0.073 |
| Apr | 0.073 |
| May | 0.073 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 6/1/04 | 14.2 |
| | 14.2 |
| | 14.15 |
| | 14.3 |
| | 14.21 |
| | 14.15 |
| | 14.16 |
| | 14.3 |
| | 14 |
| | 14.01 |
| | 14.04 |
| | 14.22 |
| | 14.04 |
| | 14.11 |
| | 14.06 |
| | 14.2 |
| | 14.25 |
| | 14.14 |
| | 14.25 |
| | 14.2 |
| | 14.18 |
| | 14.06 |
| | 14.12 |
| | 14.25 |
| | 14.36 |
| | 14.47 |
| | 14.3 |
| | 14.45 |
| | 14.49 |
| | 14.5 |
| | 14.8 |
| | 14.57 |
| | 14.66 |
| | 14.9 |
| | 14.88 |
| | 14.64 |
| | 14.68 |
| | 14.9 |
| | 14.9 |
| | 14.72 |

14.86
14.98
14.98
15
15.05
15.09
14.96
15.03
14.98
15
15
15
15
15.05
15.13
15
14.91
15.17
15.33
15.01
14.99
15.19
15.34
15.4
15.32
15.4
15.24
15.3
15.35
15.3
15.17
15.4
15.52
15.49
15.35
15.1
15.15
15
15.29
15.15
15.32
15.28
15.32
15.37
15.27
15.42
15.37
15.34
15.5
15.38
15.35
15.39
15.33
15.22
15.2
15.36
15.39
15.34
15.24
15.21
15.31
15.35

15.26
15.28
15.43
15.5
15.65
15.4
15.4
15.4
15.69
15.45
15.15
14.75
14.95
14.94
14.81
14.73
14.7
14.8
15.04
15.03
15.05
15.07
15
15.1
15
15.15
15.25
15.25
15.22
15.32
15.27
15.29
15.38
15.19
15.02
15.14
15.17
15.3
15.3
15.35
15.29
15.1
15.3
15.3
15.6
15.75
15.98
16.09
15.95
16.12
15.9
15.82
15.99
15.96
15.96
15.95
15.75
15.42
15.51
15.35
15.37
15.38

15.31
15.25
15.35
15.41
15.37
15.4
15.45
15.9
15.88
16
15.74
15.83
15.84
15.73
15.65
15.75
15.45
15.35
15.3
15.01
15.01
15.03
15.01
15.01
15.22
15.25
15.31
15.28
15.28
15.24
15.41
15.41
15.07
15.09
14.9
14.94
14.87
15.13
15.12
15.13
15.46
15.06
15.06
15.2
15.1
15.1
15.38
15.6
15.48
15.38
15.65
15.75
15.75
15.74
15.31
15.2
15.35
15.29
15.4
15.25
15.23
14.73

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| | |
|---------|-------|
| | 14.89 |
| | 14.83 |
| | 14.55 |
| | 14.67 |
| | 14.73 |
| | 14.74 |
| | 14.74 |
| | 14.7 |
| | 14.78 |
| | 14.84 |
| | 15.01 |
| | 15.06 |
| | 15.18 |
| | 15.28 |
| | 15.3 |
| | 15.22 |
| | 15.21 |
| | 15.35 |
| | 15.35 |
| | 15.37 |
| | 15.36 |
| | 15.52 |
| | 15.45 |
| | 15.18 |
| | 15.26 |
| | 15.29 |
| | 15.2 |
| 5/31/05 | 15.41 |

FUND SNAPSHOT

| | |
|---|----------|
| Common Share Price | \$15.41 |
| Common Share Net Asset Value | \$15.45 |
| Premium/(Discount) to NAV | -0.26% |
| Market Yield | 5.68% |
| Taxable-Equivalent Yield ¹ | 8.29% |
| Net Assets Applicable to Common Shares (\$000) | \$64,500 |
| Average Effective Maturity on Securities (Years) | 16.91 |
| Leverage-Adjusted Duration | 7.60 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 14.71% | 12.22% |
| Since Inception | 6.52% | 7.97% |

 SECTORS

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/General | 25.6% |
| U.S. Guaranteed | 17.3% |
| Healthcare | 14.5% |
| Education and Civic Organizations | 12.3% |
| Tax Obligation/Limited | 12.0% |
| Housing/Multifamily | 8.0% |
| Other | 10.3% |

- 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 31.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.
- 2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2004 of \$0.0616 per share.

13

Nuveen Maryland Dividend Advantage Municipal Fund 3
 NWI

PERFORMANCE

OVERVIEW As of May 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 41% |
| AA | 38% |
| A | 6% |
| BBB | 12% |
| BB or Lower | 1% |
| NR | 2% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Jun | 0.0655 |
| Jul | 0.0655 |
| Aug | 0.0655 |
| Sep | 0.0655 |
| Oct | 0.0655 |
| Nov | 0.0655 |
| Dec | 0.0655 |

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| | |
|-----|--------|
| Jan | 0.0655 |
| Feb | 0.0655 |
| Mar | 0.0625 |
| Apr | 0.0625 |
| May | 0.0625 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 6/1/04 | 13.08 |
| | 13.31 |
| | 13.05 |
| | 13.18 |
| | 13.18 |
| | 13.25 |
| | 13.24 |
| | 13.35 |
| | 13.25 |
| | 13.2 |
| | 13.16 |
| | 13.08 |
| | 13.05 |
| | 13.02 |
| | 13.04 |
| | 13 |
| | 12.97 |
| | 13.02 |
| | 12.92 |
| | 13.11 |
| | 13.14 |
| | 13.43 |
| | 13.47 |
| | 13.52 |
| | 13.4 |
| | 13.48 |
| | 13.61 |
| | 13.76 |
| | 13.63 |
| | 13.75 |
| | 13.75 |
| | 13.51 |
| | 13.63 |
| | 13.68 |
| | 13.51 |
| | 13.46 |
| | 13.38 |
| | 13.4 |
| | 13.41 |
| | 13.49 |
| | 13.49 |
| | 13.62 |
| | 13.62 |
| | 13.79 |
| | 13.79 |
| | 13.8 |
| | 13.78 |
| | 13.79 |
| | 13.8 |
| | 13.83 |
| | 13.76 |

13.68
13.69
13.8
13.9
13.92
14
14.02
13.9
13.95
14
14.11
14.02
14.05
14
14.07
14.07
14.08
14.24
14.49
14.34
14.31
14.24
14.35
14.22
14.35
14.48
14.36
14.38
14.35
14.34
14.32
14.32
14.38
14.32
14.33
14.4
14.29
14.09
14.22
14.27
14.48
14.48
14.25
14.11
14.32
14.2
14.33
14.38
14.46
14.5
14.38
14.35
14.35
14.35
14.24
14.1
14.3
14.32
14.13
14.16
13.87
13.54

13.65
13.67
13.65
13.75
13.87
14.05
14.29
14.25
14.07
13.87
13.79
13.75
13.83
13.72
13.59
13.55
13.47
13.55
13.55
13.8
13.68
13.68
13.85
13.72
13.61
13.6
13.69
13.41
13.5
13.57
13.66
13.67
13.4
13.58
13.46
13.71
13.66
14
14.18
14.28
14.42
14.52
14.4
14.33
14.28
14.2
14.3
14.28
14.15
13.87
14.2
14.2
14.05
14.15
14.2
14.2
14.29
14.63
14.65
14.62
14.71
14.55

14.54
14.51
14.47
14.42
14.6
14.6
14.5
14.5
14.17
14.19
14.65
14.5
14.6
14.59
14.65
14.7
14.6
14.57
14.55
14.57
14.22
14.25
14.16
14.55
14.37
13.99
13.76
13.8
13.75
13.93
13.71
13.93
13.72
13.89
13.78
13.98
14.15
14.03
14.14
14.15
14.2
14.2
14.02
14.13
14.18
14.1
13.94
14.21
14.06
14.04
14.04
13.84
13.89
13.81
14.19
14.16
14.06
14.06
14.13
14.07
14.13
14.35

| | |
|---------|-------|
| | 14.14 |
| | 14.35 |
| | 14.21 |
| | 14.5 |
| | 14.4 |
| | 14.4 |
| | 14.55 |
| | 14.7 |
| | 14.65 |
| | 14.5 |
| | 14.45 |
| | 14.25 |
| | 14.53 |
| | 14.37 |
| | 14.43 |
| | 14.36 |
| 5/31/05 | 14.4 |

FUND SNAPSHOT

| | |
|--|----------|
| Common Share Price | \$14.40 |
| Common Share Net Asset Value | \$14.82 |
| Premium/(Discount) to NAV | -2.83% |
| Market Yield | 5.21% |
| Taxable-Equivalent Yield ¹ | 7.61% |
| Net Assets Applicable to Common Shares (\$000) | \$79,443 |
| Average Effective Maturity on Securities (Years) | 18.11 |
| Leverage-Adjusted Duration | 7.69 |

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

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 14.98% | 12.67% |
| Since Inception | 3.92% | 6.73% |

SECTORS
(as a % of total investments)

| | |
|------------------------|-------|
| Tax Obligation/Limited | 25.3% |
| Tax Obligation/General | 18.7% |
| U.S. Guaranteed | 13.7% |

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| | |
|--------------------------------------|-------|
| Healthcare | 11.7% |
| ----- | ----- |
| Education and Civic Organizations | 10.2% |
| ----- | ----- |
| Housing/Multifamily | 8.2% |
| ----- | ----- |
| Utilities | 4.8% |
| ----- | ----- |
| Other | 7.4% |
| ----- | ----- |

- 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 31.5%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.
- 2 The Fund also paid shareholders a capital gains distribution in December 2004 of \$0.0076 per share.

14

Nuveen Virginia Premium Income Municipal Fund
NPV

PERFORMANCE

OVERVIEW As of May 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 54% |
| AA | 29% |
| A | 7% |
| BBB | 6% |
| BB or Lower | 1% |
| NR | 3% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|-------|
| Jun | 0.076 |
| Jul | 0.076 |
| Aug | 0.076 |
| Sep | 0.076 |
| Oct | 0.076 |
| Nov | 0.076 |
| Dec | 0.076 |
| Jan | 0.076 |
| Feb | 0.076 |
| Mar | 0.073 |
| Apr | 0.073 |
| May | 0.073 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

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Past performance is not predictive of future results.

6/1/04 15.05
15
15.14
15.43
15.5
15.47
15.12
15.15
15.05
14.92
15.2
14.89
14.79
14.63
14.89
14.9
14.97
15.25
14.98
14.87
15.1
15.35
15.3
15.56
15.65
15.56
15.55
15.75
15.8
15.7
15.4
15.38
15.44
15.4
15.43
15.4
15.53
15.35
15.4
15.35
15.36
15.55
15.55
15.46
15.64
15.65
15.68
15.73
15.94
16.22
16.25
16.07
16.26
16.26
16.14
16.25
16.06
16.28
16.07
15.92
16.33

16.33
16.12
16.32
16.24
16.46
16.41
16.65
16.67
16.39
16.58
16.45
16.43
16.4
16.43
16.5
16.75
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16.65
16.34
16.45
16.3
16.52
16.9
16.87
16.93
16.75
16.97
16.99
16.98
16.99
16.99
17
16.99
17.28
17.5
17.5
17.31
17.45
17.5
17.6
17.9
17.94
17.85
17.69
17.6
17.46
17.73
18
18.01
18.08
17.69
17.35
17.44
17.44
17.35
17.19
17.3
17.4
18.1
17.98
18
18

18.05
17.74
17.65
17.9
17.65
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17.69
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17.5
17.51
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17.55
17.8
17.75
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18.01
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18
18.37
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17.55
17.7
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17.64
17.64
17.58
17.51
17.73
17.83
17.52
17.64
17.53
17.25
17.23
17.15
17.15
16.76
16.6
16.6
16.75
16.6
16.57
16.5
16.32
16.5
16.5
16.54
16.55
16.46
16.5
16.55
16.5
16.37
16.55
16.65
16.5
16.49
16.51
16.52
16.32
16.52
16.45
16.51
16.51
16.62
16.66
16.7
16.96
16.79
16.56
16.97
17.15
17.18
17.18
17.32
17.54
17.63
17.77

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| | |
|---------|-------|
| | 17.76 |
| | 17.76 |
| | 18 |
| | 17.45 |
| | 17.29 |
| | 17.4 |
| 5/31/05 | 17.65 |

FUND SNAPSHOT

| | |
|--|-----------|
| Common Share Price | \$17.65 |
| Common Share Net Asset Value | \$15.82 |
| Premium/(Discount) to NAV | 11.57% |
| Market Yield | 4.96% |
| Taxable-Equivalent Yield ¹ | 7.29% |
| Net Assets Applicable to Common Shares (\$000) | \$140,340 |
| Average Effective Maturity on Securities (Years) | 16.15 |
| Leverage-Adjusted Duration | 7.99 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 24.54% | 12.13% |
| 5-Year | 10.12% | 9.62% |
| 10-Year | 8.98% | 7.55% |

SECTORS
(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 19.3% |
| Healthcare | 15.2% |
| Tax Obligation/General | 14.7% |
| U.S. Guaranteed | 12.7% |
| Transportation | 8.4% |
| Utilities | 7.9% |
| Education and Civic Organizations | 7.4% |
| Water and Sewer | 6.5% |

 Other 7.9%

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%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

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Nuveen Virginia Dividend Advantage Municipal Fund
 NGB

PERFORMANCE

OVERVIEW As of May 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 51% |
| AA | 27% |
| A | 8% |
| BBB | 5% |
| BB or Lower | 4% |
| NR | 5% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-----|--------|
| Jun | 0.0785 |
| Jul | 0.0785 |
| Aug | 0.0785 |
| Sep | 0.0785 |
| Oct | 0.0785 |
| Nov | 0.0785 |
| Dec | 0.0785 |
| Jan | 0.0785 |
| Feb | 0.0785 |
| Mar | 0.0755 |
| Apr | 0.0755 |
| May | 0.0755 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 6/1/04 | 14.97 |
| | 15.01 |
| | 15.07 |
| | 15.27 |
| | 15.3 |
| | 15.34 |
| | 15.3 |
| | 15.43 |
| | 15.08 |
| | 14.93 |
| | 14.9 |
| | 14.96 |

14.97
15.01
15
15.04
15
14.95
15.07
15.25
15.2
15.13
15.25
15.18
15.24
15.45
15.49
15.67
15.59
15.7
15.75
15.6
15.59
15.88
15.53
15.45
15.68
16.02
15.82
15.83
15.91
15.99
15.99
16.1
16.22
16.25
16.25
16.31
16.3
16.45
16.48
16.45
16.4
16.4
16.42
16.55
16.69
17.05
16.56
16.17
15.95
16
16.22
16.23
16.26
16.46
16.54
16.6
16.7
16.72
16.64
16.67
16.58
16.58

16.52
16.8
16.69
16.8
17
16.95
16.83
16.85
16.85
16.91
17
16.84
16.66
17.05
17.18
17
16.92
17.32
17.66
17.71
17.58
17.75
17.75
17.55
17.8
17.75
17.6
17.6
17.6
17.6
17.7
17.7
17.7
17.49
17.53
17.7
17.8
18
17.7
17.56
17.73
17.55
17.38
17.4
17.46
17.39
17.39
17.18
17.18
17.3
17.3
17.32
17.48
17.35
17.34
17.06
17.1
16.95
17.1
17.26
17.56
17.64

17.43
17.49
17.25
17.26
17.26
17.15
17.15
17.15
17.19
17.27
17.21
17.15
17.99
17.83
17.75
17.9
17.84
17.85
18
17.67
17.51
17.17
16.97
17.1
17.2
18.15
18.1
18
18.01
17.75
17.47
17.55
17.5
17.48
17.4
17.42
17.4
17.59
18.15
18.14
17.94
17.9
18.2
18.1
18
17.93
17.75
17.7
17.25
17.22
17.25
17.45
17.66
17.58
17.32
17.32
17.8
18.1
18
17.92
17.87
17.87

17.74
 17.21
 17.21
 17
 17.36
 17.59
 17.85
 17.5
 17.4
 17.55
 17.56
 17.56
 17.56
 17.48
 17.53
 17.4
 17.39
 17.43
 17.43
 17.36
 17.5
 17.5
 17.39
 17.2
 17.2
 17.11
 17.04
 17.15
 17.15
 17.35
 17.12
 17.05
 17.05
 16.88
 16.88
 16.96
 16.86
 16.86
 17.34
 17.34
 17.44
 17.43
 17.51
 17.44
 17.35
 17.37
 17.37
 17.37
 17.37
 17.42
 18
 17.59
 17.29
 17.4
 17.2
 16.99

5/31/05

FUND SNAPSHOT

 Common Share Price \$16.99

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| | |
|---|----------|
| Common Share Net Asset Value | \$15.52 |
| Premium/(Discount) to NAV | 9.47% |
| Market Yield | 5.33% |
| Taxable-Equivalent Yield ¹ | 7.84% |
| Net Assets Applicable to Common Shares (\$000) | \$48,474 |
| Average Effective Maturity on Securities (Years) | 16.49 |
| Leverage-Adjusted Duration | 7.92 |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| 1-Year | 19.11% | 14.46% |
| Since Inception | 8.65% | 8.06% |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/General | 18.9% |
| Transportation | 15.4% |
| U.S. Guaranteed | 14.9% |
| Tax Obligation/Limited | 13.6% |
| Education and Civic Organizations | 9.1% |
| Healthcare | 8.7% |
| Water and Sewer | 5.5% |
| Other | 13.9% |

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%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.

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Nuveen Virginia Dividend Advantage Municipal Fund 2
 NNB

PERFORMANCE

OVERVIEW As of May 31, 2005

Pie Chart:

CREDIT QUALITY

(as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 48% |
| AA | 34% |
| A | 7% |
| BBB | 5% |
| BB or Lower | 2% |
| NR | 4% |

Bar Chart:

2004-2005 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Jun | 0.0745 |
| Jul | 0.0745 |
| Aug | 0.0745 |
| Sep | 0.0745 |
| Oct | 0.0745 |
| Nov | 0.0745 |
| Dec | 0.0745 |
| Jan | 0.0745 |
| Feb | 0.0745 |
| Mar | 0.0715 |
| Apr | 0.0715 |
| May | 0.0715 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|--------|-------|
| 6/1/04 | 14.95 |
| | 15.15 |
| | 14.9 |
| | 14.92 |
| | 14.97 |
| | 14.92 |
| | 15.05 |
| | 15.05 |
| | 14.8 |
| | 14.78 |
| | 15 |
| | 14.62 |
| | 14.66 |
| | 14.8 |
| | 14.82 |
| | 14.88 |
| | 14.9 |
| | 14.85 |
| | 14.97 |
| | 14.9 |
| | 15.12 |
| | 14.99 |
| | 15.2 |
| | 15.2 |
| | 15.05 |

15.14
15.17
15.31
15.21
15.2
15.03
15.1
15.08
15.09
15
15.06
15.18
15.08
14.97
15.14
15.19
15.4
15.4
15.33
15.2
15.24
15.3
15.37
15.42
15.55
15.51
15.53
15.54
15.55
15.7
16
15.94
15.92
15.68
15.6
15.55
15.6
15.74
15.78
15.84
15.86
15.87
15.87
15.92
16.05
16.19
16.35
16.31
16.35
16.2
15.92
16
16.1
16.2
16.4
16.25
16.21
16.45
16.71
16.37
16.31
16.49

16.45
16.58
16.36
16.55
16.65
16.65
16.42
16.45
16.47
16.5
16.53
16.58
16.48
16.52
16.6
17
16.95
16.7
16.7
16.65
16.65
16.74
16.75
16.8
16.72
16.05
15.91
15.86
15.85
15.89
15.94
15.9
15.97
16.05
16.04
15.84
15.85
15.91
15.95
15.7
15.76
15.8
15.77
16
16.03
16.12
16.45
16.44
16.43
16.03
16.25
16.28
16.28
16.45
16.5
16.55
16.7
16.7
16.85
17.04
17.24
17.03

17.14
17.01
17.25
17.1
17
16.57
16.53
16.65
16.61
16.32
16.55
16.8
17
17
16.92
16.75
16.35
16.36
16.44
16.44
16.44
16.47
16.65
16.54
16.71
16.93
16.8
16.79
17
17.3
17.1
16.7
16.69
16.73
16.5
16.6
16.31
16.36
16.34
16.6
17.03
16.8
16.7
16.7
17
17.1
17.08
16.72
16.64
16.39
16.15
16.04
16.09
16.2
16.11
15.86
16
15.8
15.9
16.01
15.88
16.11

| | |
|---------|-------|
| | 16.45 |
| | 16.47 |
| | 16.35 |
| | 16 |
| | 16 |
| | 16.06 |
| | 16.4 |
| | 16.3 |
| | 16.16 |
| | 16.05 |
| | 15.93 |
| | 16.25 |
| | 16.4 |
| | 16.28 |
| | 16.35 |
| | 16.39 |
| | 16.4 |
| | 16.15 |
| | 16.5 |
| | 16.74 |
| | 16.75 |
| | 16.75 |
| | 16.9 |
| | 16.89 |
| | 16.89 |
| | 16.72 |
| | 16.79 |
| | 16.88 |
| | 16.83 |
| | 16.7 |
| | 16.43 |
| | 16.42 |
| | 16.8 |
| | 16.64 |
| | 16.6 |
| | 16.65 |
| | 16.65 |
| | 16.85 |
| | 16.8 |
| | 16.65 |
| | 16.87 |
| | 16.74 |
| 5/31/05 | 16.74 |

FUND SNAPSHOT

| | |
|---------------------------------------|----------|
| ----- | |
| Common Share Price | \$16.74 |
| ----- | |
| Common Share | |
| Net Asset Value | \$15.70 |
| ----- | |
| Premium/(Discount) to NAV | 6.62% |
| ----- | |
| Market Yield | 5.13% |
| ----- | |
| Taxable-Equivalent Yield ¹ | 7.54% |
| ----- | |
| Net Assets Applicable to | |
| Common Shares (\$000) | \$89,626 |
| ----- | |
| Average Effective Maturity | |

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| | |
|----------------------------|-------|
| on Securities (Years) | 17.31 |
| ----- | |
| Leverage-Adjusted Duration | 7.70 |
| ----- | |

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

| | ON SHARE PRICE | ON NAV |
|--------------------|----------------|--------|
| ----- | | |
| 1-Year | 21.96% | 13.75% |
| ----- | | |
| Since Inception | 9.23% | 8.93% |
| ----- | | |

SECTORS
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/General | 25.4% |
| ----- | |
| Tax Obligation/Limited | 17.4% |
| ----- | |
| Healthcare | 12.9% |
| ----- | |
| Water and Sewer | 10.8% |
| ----- | |
| U.S. Guaranteed | 10.0% |
| ----- | |
| Housing/Single Family | 5.9% |
| ----- | |
| Education and Civic Organizations | 5.3% |
| ----- | |
| Other | 12.3% |
| ----- | |

- 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%. When comparing this Fund to investments that generate qualified dividend income, the taxable-equivalent yield is lower.
- 2 The Fund also paid shareholders a capital gains distribution in December 2004 of \$0.1878 per share.

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Report of
INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

THE BOARD OF 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

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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 as of May 31, 2005, and the related statements of operations 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 the periods indicated therein. 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, 2005, 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 position 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, 2005, the results of their operations 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 the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

/s/Ernst & Young LLP

CHICAGO, ILLINOIS
JULY 14, 2005

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Nuveen Maryland Premium Income Municipal Fund (NMY)
 Portfolio of
 INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CONSUMER STAPLES - 2.0% (1.4% OF TOTAL INVESTMENTS) | |
| \$ 3,160 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 21.7% (14.8% OF TOTAL INVESTMENTS) | |
| | Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount St. Mary's College, Series 2001A: | |
| 200 | 5.750%, 9/01/25 | 3/10 at 101 |
| 200 | 5.800%, 9/01/30 | 3/10 at 101 |
| 1,000 | Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34 | 4/14 at 100 |
| 1,000 | Maryland Economic Development Corporation, Student Housing Revenue Bonds, Collegiate Housing Foundation - Salisbury State University, Series 1999A, 6.000%, 6/01/19 | 6/09 at 102 |
| 2,250 | Maryland Economic Development Corporation, Student Housing Revenue Bonds, Collegiate Housing Foundation - College Park, Series 1999A, 5.750%, 6/01/24 | 6/09 at 102 |
| 1,000 | Maryland Economic Development Corporation, Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23 | 10/13 at 100 |
| | Maryland Economic Development Corporation, Utility Infrastructure Revenue Bonds, University of Maryland - College Park Project, Series 2001: | |
| 1,000 | 5.375%, 7/01/15 - AMBAC Insured | 7/11 at 100 |
| 1,000 | 5.375%, 7/01/16 - AMBAC Insured | 7/11 at 100 |
| | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School, Series 2000: | |
| 750 | 5.250%, 7/01/25 - FSA Insured | 1/11 at 101 |
| 500 | 5.250%, 7/01/30 - FSA Insured | 1/11 at 101 |
| 1,500 | Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Johns Hopkins University, Series 1997, 5.625%, 7/01/27 | 7/07 at 102 |
| 1,460 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.625%, 6/01/36 | 6/11 at 100 |
| 1,250 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34 | 7/14 at 100 |

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| | | |
|-------|---|-------------|
| 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 - MBIA Insured | No Opt. C |
| | University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2003A: | |
| 5,645 | 5.000%, 4/01/15 | 4/13 at 100 |
| 2,680 | 5.000%, 4/01/19 | 4/13 at 100 |

HEALTHCARE - 22.6% (15.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente System, Series 1998A, 5.375%, 7/01/15 | 6/09 at 101 |
| 750 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2000, 6.750%, 7/01/30 | 7/10 at 101 |
| 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 - MBIA Insured | 7/08 at 101 |
| 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 |
| 1,500 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2002, 6.000%, 7/01/22 | 7/12 at 100 |

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Nuveen Maryland Premium Income Municipal Fund (NMY) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| | HEALTHCARE (continued) | |
| \$ 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 |
| 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 |
| 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 |
| 3,800 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, | 7/13 at 100 |

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| | | |
|-------|--|-------------|
| | 5.500%, 7/01/33 | |
| 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 |
| 1,750 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24 | 8/14 at 100 |
| 1,540 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 | 7/14 at 100 |
| 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 |
| 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 |
| | Prince George's County, Maryland, Revenue Refunding and Project Bonds, Dimensions Health Corporation, Series 1994: | |
| 825 | 5.000%, 7/01/05 | No Opt. C |
| 3,080 | 5.375%, 7/01/14 | 7/05 at 101 |
| 6,000 | 5.300%, 7/01/24 | 7/05 at 101 |

HOUSING/MULTIFAMILY - 14.8% (10.1% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| | Howard County, Maryland, FHA-Insured Mortgage Revenue Refunding Bonds, Normandy Woods III Apartments Project, Series 1996A: | |
| 700 | 6.000%, 7/01/17 | 7/06 at 102 |
| 2,000 | 6.100%, 7/01/25 | 7/06 at 102 |
| 2,500 | Maryland Community Development Administration, Housing Revenue Bonds, Series 1999A, 5.350%, 7/01/41 (Alternative Minimum Tax) | 1/09 at 101 |
| 880 | Maryland Community Development Administration, Housing Revenue Bonds, Series 1999B, 6.250%, 7/01/32 (Alternative Minimum Tax) | 1/10 at 100 |
| 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 |
| 2,000 | Montgomery County Housing Opportunities Commission, Maryland, GNMA/FHA-Insured Multifamily Housing Revenue Bonds, Series 1995A, 5.900%, 7/01/15 | 7/05 at 102 |
| 1,500 | Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 1996B, 5.900%, 7/01/26 | 7/06 at 102 |
| 3,830 | Montgomery County Housing Opportunities Commission, Maryland, FNMA/FHA-Insured Multifamily Housing Development Bonds, Series 1998A, 5.200%, 7/01/30 | 7/08 at 101 |

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| | | |
|-------|--|--------------|
| 2,000 | Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000A, 6.100%, 7/01/30 | 7/10 at 100 |
| | Prince George's County Housing Authority, Maryland, GNMA Collateralized Mortgage Revenue Refunding Bonds, Overlook Apartments, Series 1995A: | |
| 2,000 | 5.700%, 12/20/15 | 12/05 at 102 |
| 1,670 | 5.750%, 12/20/19 | 12/05 at 102 |
| 970 | Prince George's County Housing Authority, Maryland, GNMA Collateralized Mortgage Revenue Refunding Bonds, Foxglenn Apartments, Series 1998A, 5.450%, 11/20/14 (Alternative Minimum Tax) | 11/05 at 100 |
| 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) | 9/09 at 102 |
| 1,000 | Salisbury, Maryland, FHA-Insured Mortgage Revenue Refunding Bonds, College Lane Apartments, Series 1995A, 6.600%, 12/01/26 | 6/05 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | HOUSING/SINGLE FAMILY - 0.7% (0.4% OF TOTAL INVESTMENTS) | |
| \$ 750 | Prince George's County Housing Authority, Maryland, FHLMC/FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1997A, 5.625%, 8/01/17 (Alternative Minimum Tax) | 8/07 at 102 |
| 60 | 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 |
| 330 | 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 |
| ----- | | |
| | LONG-TERM CARE - 1.7% (1.2% OF TOTAL INVESTMENTS) | |
| 1,000 | Carroll County, Maryland, Revenue Refunding Bonds, EMA Obligated Group, Series 1999A, 5.625%, 1/01/25 - RAAI Insured | 1/09 at 101 |
| 1,695 | Maryland Economic Development Corporation, Health and Mental Hygiene Providers Revenue Bonds, Series 1996A, 7.625%, 4/01/21 | 4/11 at 102 |

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| TAX OBLIGATION/GENERAL - 28.1% (19.1% OF TOTAL INVESTMENTS) | | |
|---|--|--------------|
| 4,000 | Anne Arundel County, Maryland, General Obligation Bonds, Series 2003, 5.000%, 3/01/13 | No Opt. C |
| 2,030 | Anne Arundel County, Maryland, General Obligation Bonds, Series 2004, 5.000%, 4/01/16 | 4/14 at 100 |
| | Baltimore County, Maryland, Metropolitan District General Obligation Bonds, 67th Issue: | |
| 2,500 | 5.000%, 6/01/25 | 6/11 at 101 |
| 3,500 | 5.000%, 6/01/26 | 6/11 at 101 |
| 1,000 | Baltimore, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 1989B, 7.150%, 10/15/08 | No Opt. C |
| 1,540 | Baltimore, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 2004A, 5.000%, 10/15/22 - AMBAC Insured | 10/14 at 100 |
| 1,000 | Charles County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2005, 5.000%, 3/01/12 | No Opt. C |
| | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002: | |
| 1,000 | 5.000%, 11/01/21 | 11/12 at 101 |
| 1,000 | 5.000%, 11/01/22 | 11/12 at 101 |
| 615 | Frederick County, Maryland, Special Obligation Bonds, Villages of Lake Linganore Community Development Authority, Series 2001A, 5.700%, 7/01/29 - RAAI Insured | 7/10 at 102 |
| | Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2004B: | |
| 735 | 5.000%, 8/15/16 | 2/14 at 100 |
| 1,625 | 5.000%, 8/15/17 | 2/14 at 100 |
| 1,180 | 5.000%, 8/15/19 | 2/14 at 100 |
| 1,190 | Maryland National Capital Park and 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 |
| | Montgomery County, Maryland, General Obligation Refunding Bonds, Consolidated Public Improvement, Series 2001: | |
| 1,750 | 5.250%, 10/01/13 | 10/11 at 101 |
| 2,000 | 5.250%, 10/01/18 | 10/11 at 101 |
| 2,000 | Montgomery County, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 2004A, 5.000%, 4/01/13 | No Opt. C |
| 925 | Northern Mariana Islands, General Obligation Bonds, Series 2000A, 6.000%, 6/01/20 - ACA Insured | 6/10 at 100 |
| 1,000 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001, 5.250%, 12/01/20 - FGIC Insured | 12/11 at 101 |
| 2,000 | Prince George's County, Maryland, General Obligation | 9/12 at 101 |

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| | | |
|-------|--|--------------|
| | Consolidated Public Improvement Bonds, Series 2002, 4.100%, 9/15/19 | |
| 5,770 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2003A, 5.000%, 10/01/18 | 10/13 at 100 |
| 2,255 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004C, 5.000%, 12/01/11 | No Opt. C |
| 460 | Wicomico County, Maryland, General Obligation Public Improvement Bonds, Series 1999, 5.750%, 12/01/19 - FGIC Insured | 12/09 at 101 |

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Nuveen Maryland Premium Income Municipal Fund (NMY) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED - 22.9% (15.6% OF TOTAL INVESTMENTS) | |
| | Baltimore Board of School Commissioners, Maryland, Revenue Bonds, City Public School System, Series 2003A: | |
| \$ 1,500 | 5.000%, 5/01/16 | 5/13 at 100 |
| 1,000 | 5.000%, 5/01/18 | 5/13 at 100 |
| 1,725 | Howard County, Maryland, Metropolitan District Refunding Bonds, Series 2002A, 5.250%, 8/15/18 | 2/12 at 100 |
| 900 | Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34 | 7/14 at 102 |
| 1,465 | Maryland Community Development Administration, Infrastructure Financing Bonds, Series 1998B, 5.200%, 6/01/28 - MBIA Insured | 6/08 at 101 |
| 4,250 | Maryland Department of Transportation, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16 | No Opt. C |
| 2,000 | Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2004, 5.000%, 5/01/13 | No Opt. C |
| 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 |
| | 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 |
| 925 | 5.500%, 10/15/20 (Alternative Minimum Tax) | 10/10 at 101 |
| 1,700 | Maryland Stadium Authority, Lease Revenue Bonds, Montgomery County Conference Center Facilities, Series 2003, 5.000%, 6/15/24 | 6/13 at 100 |

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| | | |
|-------|--|--------------|
| 2,455 | Maryland Stadium Authority, Lease Revenue Bonds, Sports Facilities, Series 1996, 5.750%, 3/01/18 - AMBAC Insured | 3/06 at 101 |
| 1,000 | Montgomery County, Maryland, Lease Revenue Bonds, Metrorail Garage, Series 2002, 5.000%, 6/01/21 | 6/12 at 100 |
| 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 |
| 635 | New Baltimore City Board of School Commissioners, Maryland, School System Revenue Bonds, Series 2000, 5.125%, 11/01/15 | 11/10 at 100 |
| 1,000 | Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 1996Y, 5.500%, 7/01/36 | 7/16 at 100 |
| 1,500 | Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - MBIA Insured | No Opt. C |
| 2,100 | Puerto Rico Municipal Finance Agency, Series 2002A, 5.250%, 8/01/21 - FSA Insured | 8/12 at 100 |
| 2,000 | Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.500%, 10/01/24 | 10/10 at 101 |
| | Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2005: | |
| 1,235 | 5.000%, 6/01/23 | 6/15 at 100 |
| 1,235 | 5.000%, 6/01/24 | 6/15 at 100 |
| 1,235 | 5.000%, 6/01/25 | 6/15 at 100 |

 TRANSPORTATION - 4.3% (3.0% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,060 | Baltimore, Maryland, Revenue Refunding Bonds, Parking System Facilities, Series 1998A, 5.250%, 7/01/17 - FGIC Insured | No Opt. C |
| | Maryland Health and Higher Educational Facilities Authority, Parking Facilities Revenue Bonds, Johns Hopkins Medical Institution, Series 2004B: | |
| 355 | 5.000%, 7/01/13 - AMBAC Insured | No Opt. C |
| 380 | 5.000%, 7/01/14 - AMBAC Insured | No Opt. C |
| 2,075 | Puerto Rico Ports Authority, Special Facilities Revenue Bonds, American Airlines Inc., Series 1996A, 6.250%, 6/01/26 (Alternative Minimum Tax) | 6/06 at 102 |
| 3,000 | District of Columbia Metropolitan Area Transit Authority, Gross Revenue Bonds, Series 2003, 5.000%, 1/01/12 - MBIA Insured | No Opt. C |

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| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |
|--------------|---|--------------|
| | U.S. GUARANTEED *** - 18.4% (12.5% OF TOTAL INVESTMENTS) | |
| \$ 2,500 | Baltimore County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2002, 5.000%, 8/01/18 (Pre-refunded to 8/01/12) | 8/12 at 100 |
| 2,000 | Baltimore, Maryland, Revenue Refunding Bonds, Water Projects, Series 1998A, 5.000%, 7/01/28 - FGIC Insured | 7/08 at 101 |
| 2,000 | Baltimore, Maryland, Revenue Refunding Bonds, Water System Projects, Series 1994A, 5.000%, 7/01/24 - FGIC Insured | No Opt. C |
| 1,500 | Baltimore, Maryland, Project and Revenue Refunding Bonds, Wastewater Projects, Series 2000A, 5.625%, 7/01/30 (Pre-refunded to 7/01/10) - FSA Insured | 7/10 at 100 |
| 745 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded to 7/01/10) | 7/10 at 100 |
| 3,000 | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 1999, 5.250%, 7/01/18 (Pre-refunded to 7/01/09) | 7/09 at 101 |
| 2,550 | Gaithersburg, Maryland, Hospital Facilities Refunding and Improvement Revenue Bonds, Shady Grove Adventist Hospital, Series 1995, 6.500%, 9/01/12 - FSA Insured | No Opt. C |
| 575 | Howard County, Maryland, Consolidated Public Improvement Refunding Bonds, Series 2002A, 5.250%, 8/15/18 (Pre-refunded to 2/15/12) | 2/12 at 100 |
| | Howard County, Maryland, Consolidated Public Improvement Refunding Bonds, Series 2003A: | |
| 1,720 | 5.000%, 8/15/17 (Pre-refunded to 8/15/12) | 8/12 at 100 |
| 1,000 | 5.000%, 8/15/22 (Pre-refunded to 8/15/12) | 8/12 at 100 |
| 145 | Howard County, Maryland, Metropolitan District Refunding Bonds, Series 2002A, 5.250%, 8/15/18 (Pre-refunded to 2/15/12) | 2/12 at 100 |
| 1,875 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Good Samaritan Hospital, Series 1993, 5.750%, 7/01/19 (Pre-refunded to 7/01/05) - AMBAC Insured | 7/05 at 100 |
| 3,125 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Howard County General Hospital, Series 1993, 5.500%, 7/01/25 | 7/05 at 100 |
| 3,135 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/27 - AMBAC Insured | No Opt. C |
| 1,000 | Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/20 | 10/10 at 101 |
| | UTILITIES - 8.9% (6.1% OF TOTAL INVESTMENTS) | |

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| | | |
|-------|---|-------------|
| 6,500 | Calvert County, Maryland, Pollution Control Revenue Refunding Bonds, Baltimore Gas and Electric Company Project, Series 1993, 5.550%, 7/15/14 | 7/05 at 101 |
| 2,500 | Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax) | 9/05 at 102 |
| 5,000 | Prince George's County, Maryland, Pollution Control Revenue Refunding Bonds, Potomac Electric Power Company, Series 1993, 6.375%, 1/15/23 | No Opt. C |

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Nuveen Maryland Premium Income Municipal Fund (NMY) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|---------------------|
| <p style="margin: 0;">WATER AND SEWER - 0.7% (0.4% OF TOTAL INVESTMENTS)</p> | | |
| \$ 1,000 | Baltimore, Maryland, Revenue Refunding Bonds, Water System Projects, Series 1994A, 5.000%, 7/01/24 - FGIC Insured | No Opt. C |
| \$ 219,850 | Total Long-Term Investments (cost \$223,436,181) - 146.8% | |
| <p style="margin: 0;">Other Assets Less Liabilities - 2.5%</p> | | |
| <p style="margin: 0;">Preferred Shares, at Liquidation Value - (49.3)%</p> | | |
| <p style="margin: 0;">Net Assets Applicable to Common Shares - 100%</p> | | |
| | | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- * 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.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. N/R Investment is not rated.

See accompanying notes to financial statements.

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Nuveen Maryland Dividend Advantage Municipal Fund (NFM)
 Portfolio of
 INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | CONSUMER DISCRETIONARY - 0.1% (0.1% OF TOTAL INVESTMENTS) | |
| \$ 50 | Baltimore, Maryland, Pollution Control Revenue Bonds, General Motors Corporation, Series 1993, 5.350%, 4/01/08 | No Opt. C |
| ----- | | |
| | CONSUMER STAPLES - 2.5% (1.7% OF TOTAL INVESTMENTS) | |
| 1,575 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 15.5% (10.5% OF TOTAL INVESTMENTS) | |
| | Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount St. Mary's College, Series 2001A: | |
| 465 | 5.700%, 9/01/20 | 3/10 at 101 |
| 500 | 5.750%, 9/01/25 | 3/10 at 101 |
| 645 | Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34 | 4/14 at 100 |
| 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 |
| 1,000 | Maryland Economic Development Corporation, Utility Infrastructure Revenue Bonds, University of Maryland - College Park Project, Series 2001, 5.000%, 7/01/19 - AMBAC Insured | 7/11 at 100 |
| 1,500 | Maryland Health and Higher Educational Facilities Authority, Educational Facilities Leasehold Mortgage Revenue Bonds, McLean School, Series 2001, 6.000%, 7/01/31 | 7/08 at 102 |
| 625 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.500%, 6/01/32 | 6/11 at 100 |
| 500 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34 | 7/14 at 100 |
| | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System, Series 1999: | |

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| | | |
|---|-----------------|-------------|
| 215 | 5.375%, 2/01/19 | 2/09 at 101 |
| 410 | 5.375%, 2/01/29 | 2/09 at 101 |
| University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2003A: | | |
| 1,000 | 5.000%, 4/01/15 | 4/13 at 100 |
| 500 | 5.000%, 4/01/19 | 4/13 at 100 |

 HEALTHCARE - 24.5% (16.6% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,225 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kaiser Permanente System, Series 1998A, 5.375%, 7/01/15 | 6/09 at 101 |
| 1,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 1998, 5.000%, 7/01/28 | 7/08 at 102 |
| 1,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center, Series 1998, 5.125%, 7/01/28 - FSA Insured | 7/08 at 101 |
| 570 | Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Union Hospital of Cecil County, Series 1998, 5.100%, 7/01/22 | 7/08 at 101 |
| 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 |
| 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 |
| 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 |

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Nuveen Maryland Dividend Advantage Municipal Fund (NFM) (continued)
 Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| HEALTHCARE (continued) | | |
| \$ 2,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2001, 5.250%, 7/01/28 | 7/11 at 100 |
| 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 |

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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 |
| 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 |
| 700 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24 | 8/14 at 100 |
| 585 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 | 7/14 at 100 |
| 650 | 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 |
| | Prince George's County, Maryland, Revenue Refunding and Project Bonds, Dimensions Health Corporation, Series 1994: | |
| 40 | 5.375%, 7/01/14 | 7/05 at 101 |
| 700 | 5.300%, 7/01/24 | 7/05 at 101 |

HOUSING/MULTIFAMILY - 14.9% (10.1% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 750 | Baltimore County, Maryland, GNMA Collateralized Revenue Refunding Bonds, Cross Creek Apartments Project, Series 1998A, 5.250%, 10/20/33 | 10/08 at 102 |
| 2,000 | Maryland Community Development Administration, Housing Revenue Bonds, Series 1998A, 5.625%, 1/01/40 (Alternative Minimum Tax) | 7/08 at 101 |
| 520 | Maryland Community Development Administration, Multifamily Housing Insured Mortgage Loans, Series 2001B, 5.350%, 5/15/32 (Alternative Minimum Tax) | 5/11 at 100 |
| 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 |
| 750 | Montgomery County Housing Opportunities Commission, Maryland, FNMA/FHA-Insured Multifamily Housing Development Bonds, Series 1998A, 5.250%, 7/01/29 (Alternative Minimum Tax) | 7/08 at 101 |
| 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 |
| 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 |

HOUSING/SINGLE FAMILY - 6.5% (4.4% OF TOTAL INVESTMENTS)

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| | | |
|-------|--|--------------|
| 195 | Maryland Community Development Administration, Residential Revenue Bonds, Series 1999E, 5.700%, 9/01/17 | 9/09 at 100 |
| 1,110 | Maryland Community Development Administration, Residential Revenue Bonds, Series 2000H, 5.800%, 9/01/32 (Alternative Minimum Tax) | 9/10 at 100 |
| 415 | Maryland Community Development Administration, Single Family Program Bonds, First Series 2001, 5.000%, 4/01/17 | 10/10 at 100 |
| 590 | Maryland Community Development Administration, Residential Revenue Bonds, Series 2001B, 5.450%, 9/01/32 (Alternative Minimum Tax) | 9/10 at 100 |
| 1,000 | Maryland Community Development Administration, Residential Revenue Bonds, Series 2001F, 5.600%, 9/01/28 (Alternative Minimum Tax) | 3/11 at 100 |
| 690 | Prince George's County Housing Authority, Maryland, FHLMC/FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1997A, 5.750%, 8/01/30 (Alternative Minimum Tax) | 8/07 at 102 |

INDUSTRIALS - 1.6% (1.1% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,000 | Northeast Maryland Waste Disposal Authority, Resource Recovery Revenue Bonds, Baltimore RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax) | 1/09 at 101 |
|-------|--|-------------|

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

LONG-TERM CARE - 1.4% (0.8% OF TOTAL INVESTMENTS)

| | | |
|----------|--|-------------|
| \$ 1,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001A, 6.750%, 4/01/23 | 4/11 at 101 |
|----------|--|-------------|

TAX OBLIGATION/GENERAL - 28.0% (18.9% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| | Anne Arundel County, Maryland, General Obligation Bonds, Various Purpose, Series 2001: | |
| 580 | 4.800%, 2/15/18 | 2/11 at 101 |
| 500 | 5.000%, 2/15/28 | 2/11 at 101 |
| 1,000 | Anne Arundel County, Maryland, General Obligation Bonds, Series 2003, 5.000%, 3/01/13 | No Opt. C |
| 3,500 | Baltimore County, Maryland, Metropolitan District General Obligation Bonds, 67th Issue, 5.000%, 6/01/27 | 6/11 at 101 |
| 1,000 | Charles County, Maryland, Consolidated General Obligation | No Opt. C |

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| | | |
|-------|--|--------------|
| | Public Improvement Bonds, Series 2005, 5.000%, 3/01/12 | |
| 1,000 | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002, 5.000%, 11/01/22 | 11/12 at 101 |
| 1,360 | Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2001A, 4.750%, 2/15/21 | 2/09 at 101 |
| 1,000 | Maryland National Capital Park and 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 |
| 1,000 | Montgomery County, Maryland, General Obligation Refunding Bonds, Consolidated Public Improvement, Series 2002A, 5.250%, 11/01/11 | No Opt. C |
| 700 | Montgomery County, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 2004A, 5.000%, 4/01/13 | No Opt. C |
| 430 | Northern Mariana Islands, General Obligation Bonds, Series 2000A, 6.000%, 6/01/20 - ACA Insured | 6/10 at 100 |
| 740 | Ocean City, Maryland, General Obligation Bonds, Series 2001, 4.875%, 3/01/19 - FGIC Insured | 3/11 at 101 |
| 1,500 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001, 5.250%, 12/01/20 - FGIC Insured | 12/11 at 101 |
| 1,000 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2003A, 5.000%, 10/01/17 | 10/13 at 100 |
| 900 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004C, 5.000%, 12/01/11 | No Opt. C |

TAX OBLIGATION/LIMITED - 24.9% (16.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 625 | Annapolis, Maryland, Special Obligation Bonds, Park Place Project, Series 2005A, 5.350%, 7/01/34 | 1/15 at 101 |
| 745 | Anne Arundel County, Maryland, Tax Increment Financing Revenue Bonds, Parole Town Center Project, Series 2002, 5.000%, 7/01/12 | No Opt. C |
| 500 | Baltimore Board of School Commissioners, Maryland, Revenue Bonds, City Public School System, Series 2003A, 5.000%, 5/01/18 | 5/13 at 100 |
| 350 | Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34 | 7/14 at 102 |
| 1,500 | Maryland Department of Transportation, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16 | No Opt. C |
| 1,000 | Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2004, | No Opt. C |

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| | | |
|-------|--|--------------|
| | 5.000%, 5/01/13 | |
| 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 |
| 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 |
| 740 | Prince George's County, Maryland, Lease Revenue Bonds, Upper Marlboro Justice Center, Series 2003A, 5.000%, 6/30/14 - MBIA Insured | 6/13 at 100 |
| 700 | Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - MBIA Insured | No Opt. C |
| 1,290 | Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.375%, 10/01/19 | 10/10 at 101 |

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Nuveen Maryland Dividend Advantage Municipal Fund (NFM) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED (continued) | |
| | Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, General Obligation Construction Bonds, Series 2001: | |
| \$ 895 | 5.000%, 6/01/22 | 6/11 at 100 |
| 935 | 5.000%, 6/01/23 | 6/11 at 100 |
| 985 | 5.000%, 6/01/24 | 6/11 at 100 |
| 1,035 | 5.000%, 6/01/25 | 6/11 at 100 |
| 1,290 | Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Water Supply Bonds, Series 2001, 4.750%, 6/01/20 | 6/11 at 100 |
| ----- | | |
| | TRANSPORTATION - 3.3% (2.3% 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 |
| | Maryland Health and Higher Educational Facilities Authority, Parking Facilities Revenue Bonds, Johns Hopkins Medical Institution, Series 2004B: | |
| 150 | 5.000%, 7/01/13 - AMBAC Insured | No Opt. C |
| 135 | 5.000%, 7/01/14 - AMBAC Insured | No Opt. C |
| 1,000 | District of Columbia Metropolitan Area Transit Authority, | No Opt. C |

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Gross Revenue Bonds, Series 2003, 5.000%, 1/01/12 -
MBIA Insured

| U.S. GUARANTEED *** - 23.0% (15.6% OF TOTAL INVESTMENTS) | | |
|--|--|--------------|
| 500 | Anne Arundel County, Maryland, Special Obligation Bonds, Arundel Mills Project, Series 1999, 7.100%, 7/01/29 (Pre-refunded to 7/01/09) | 7/09 at 102 |
| 1,500 | Baltimore County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2002, 5.000%, 8/01/18 (Pre-refunded to 8/01/12) | 8/12 at 100 |
| 1,015 | Baltimore, Maryland, Revenue Refunding Bonds, Water Projects, Series 1998A, 5.000%, 7/01/28 - FGIC Insured | 7/08 at 101 |
| 1,865 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded to 7/01/10) | 7/10 at 100 |
| 1,220 | Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2001A, 4.750%, 2/15/20 (Pre-refunded to 2/15/09) | 2/09 at 101 |
| 500 | Howard County, Maryland, Consolidated Public Improvement Refunding Bonds, Series 2003A, 5.000%, 8/15/15 (Pre-refunded to 8/15/12) | 8/12 at 100 |
| 950 | Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 | No Opt. C |
| | Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A: | |
| 2,300 | 5.500%, 10/01/32 | 10/10 at 101 |
| 1,700 | 5.500%, 10/01/40 | 10/10 at 101 |
| 1,800 | Puerto Rico Electric Power Authority, Power Revenue Refunding Bonds, Series 1995Z, 5.250%, 7/01/21 (Pre-refunded to 7/01/05) | 7/05 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|--|---------------------|
| <hr/> | | |
| UTILITIES - 1.6% (1.1% 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) | 9/05 at 102 |
| <hr/> | | |
| \$ 87,535 | Total Long-Term Investments (cost \$88,962,873) - 147.8% | |
| <hr/> | | |
| Other Assets Less Liabilities - 3.0% | | |
| <hr/> | | |

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Preferred Shares, at Liquidation Value - (50.8)%

Net Assets Applicable to Common Shares - 100%

FORWARD SWAPS OUTSTANDING AT MAY 31, 2005:

| | NOTIONAL AMOUNT | EFFECTIVE DATE (|
|---|-----------------|------------------|
| Agreement with Goldman Sachs dated December 6, 2004, to pay semi-annually the notional amount multiplied by 5.324% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | \$100,000 | 7/11/ |
| Agreement with JPMorgan dated January 11, 2005, to pay semi-annually the notional amount multiplied by 5.235% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | 850,000 | 8/17/ |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
 - * 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.
 - ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
 - *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- N/R Investment is not rated.

See accompanying notes to financial statements.

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Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR)
 Portfolio of
 INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | CONSUMER DISCRETIONARY - 0.1% (0.1% OF TOTAL INVESTMENTS) | |
| \$ 75 | Baltimore, Maryland, Pollution Control Revenue Bonds, General Motors Corporation, Series 1993, 5.350%, 4/01/08 | No Opt. C |
| ----- | | |
| | CONSUMER STAPLES - 2.4% (1.6% OF TOTAL INVESTMENTS) | |
| 790 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100 |
| 800 | Virgin Islands Tobacco Settlement Financing Corporation, Asset-Backed Bonds, Series 2001, 5.000%, 5/15/31 | 5/11 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 18.2% (12.3% 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 |
| | Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount St. Mary's College, Series 2001A: | |
| 100 | 5.750%, 9/01/25 | 3/10 at 101 |
| 100 | 5.800%, 9/01/30 | 3/10 at 101 |
| 645 | Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34 | 4/14 at 100 |
| 1,000 | Maryland Economic Development Corporation, Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23 | 10/13 at 100 |
| 250 | Maryland Health and Higher Educational Facilities Authority, Educational Facilities Leasehold Mortgage Revenue Bonds, McLean School, Series 2001, 6.000%, 7/01/31 | 7/08 at 102 |
| 415 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Bullis School, Series 2000, 5.250%, 7/01/30 - FSA Insured | 1/11 at 101 |
| 1,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Johns Hopkins University, Series 1998, 5.125%, 7/01/12 | 7/08 at 102 |
| 1,250 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Maryland Institute College of Art, Series 2001, 5.500%, 6/01/32 | 6/11 at 100 |

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| | | |
|-------|--|-------------|
| 500 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34 | 7/14 at 100 |
| 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 |
| 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 |
| | University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2001B: | |
| 1,580 | 4.375%, 4/01/17 | 4/11 at 100 |
| 1,140 | 4.500%, 4/01/19 | 4/11 at 100 |
| 1,000 | University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2003A, 5.000%, 4/01/19 | 4/13 at 100 |

HEALTHCARE - 21.4% (14.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center, Series 1998, 5.125%, 7/01/33 - FSA Insured | 7/08 at 101 |
| 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 |
| 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 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | HEALTHCARE (continued) | |
| \$ 2,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, University of Maryland Medical System, Series 2001, 5.250%, 7/01/28 | 7/11 at 100 |
| 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 |
| 500 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35 | 7/12 at 100 |
| 1,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Kennedy Krieger Institute, Series 2003, | 7/13 at 100 |

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| | | |
|-------|---|--------------|
| | 5.500%, 7/01/33 | |
| 700 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24 | 8/14 at 100 |
| 525 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 | 7/14 at 100 |
| 775 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 2004, 5.500%, 7/01/36 | 7/14 at 100 |
| 650 | 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 |
| 2,160 | Montgomery County, Maryland, Economic Development Revenue Bonds, Trinity Healthcare Group, Series 2001, 5.125%, 12/01/22 | 12/11 at 100 |
| | Prince George's County, Maryland, Revenue Refunding and Project Bonds, Dimensions Health Corporation, Series 1994: | |
| 100 | 5.375%, 7/01/14 | 7/05 at 101 |
| 700 | 5.300%, 7/01/24 | 7/05 at 101 |

HOUSING/MULTIFAMILY - 11.8% (8.0% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 55 | Maryland Community Development Administration, Multifamily Housing Insured Mortgage Loans, Series 2001A, 5.100%, 5/15/28 | 5/11 at 100 |
| 2,595 | Maryland Community Development Administration, Multifamily Housing Insured Mortgage Loans, Series 2001B, 5.350%, 5/15/32 (Alternative Minimum Tax) | 5/11 at 100 |
| 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 |
| 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 |
| 435 | Maryland Community Development Administration, Multifamily Housing Insured Mortgage Revenue Bonds, Series 2002A, 5.300%, 5/15/22 | 5/12 at 100 |

HOUSING/SINGLE FAMILY - 2.3% (1.6% OF TOTAL INVESTMENTS)

| | | |
|-----|---|-------------|
| 500 | Maryland Community Development Administration, Residential Revenue Bonds, Series 1997B, 5.875%, 9/01/25 (Alternative Minimum Tax) | 3/07 at 101 |
| 945 | Maryland Community Development Administration, Residential Revenue Bonds, Series 2001H, 5.350%, 9/01/32 (Alternative | 9/10 at 100 |

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Minimum Tax)

| | | |
|--|--|-------------|
| INDUSTRIALS - 1.8% (1.2% OF TOTAL INVESTMENTS) | | |
| 1,150 | Northeast Maryland Waste Disposal Authority, Resource Recovery Revenue Bonds, Baltimore RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax) | 1/09 at 101 |

| | | |
|--|--|-------------|
| LONG-TERM CARE - 0.4% (0.3% OF TOTAL INVESTMENTS) | | |
| Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001A: | | |
| 31 | 6.750%, 4/01/20 | 4/09 at 100 |
| 25 | 6.750%, 4/01/23 | 4/11 at 101 |
| 5 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001B, 6.400%, 4/01/23 (Mandatory put 4/01/07) | No Opt. C |

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Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|----------------|---------------------|
|------------------------|----------------|---------------------|

| | | |
|---|--|--------------|
| LONG-TERM CARE (continued) | | |
| Prince George's County, Maryland, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 1994A: | | |
| \$ 20 | 5.625%, 4/01/09 | 4/06 at 100 |
| 175 | 6.000%, 4/01/13 | 10/05 at 101 |
| 35 | Prince George's County, Maryland, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 1994B, 8.000%, 4/01/16 (Optional put 4/01/06) | No Opt. C |

| | | |
|--|--|--------------|
| TAX OBLIGATION/GENERAL - 37.9% (25.6% OF TOTAL INVESTMENTS) | | |
| 1,000 | Anne Arundel County, Maryland, General Obligation Bonds, Series 2003, 5.000%, 3/01/13 | No Opt. C |
| 750 | Baltimore, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 2004A, 5.000%, 10/15/22 - AMBAC Insured | 10/14 at 100 |
| Cecil County, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 2001B: | | |
| 975 | 4.600%, 8/01/18 | 8/11 at 101 |
| 1,020 | 4.600%, 8/01/19 | 8/11 at 101 |

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| | | |
|-------|--|--------------|
| 1,000 | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002, 5.000%, 11/01/20 | 11/12 at 101 |
| 510 | Frederick, Maryland, General Obligation Refunding and Improvement Bonds, Series 2001, 4.750%, 12/01/19 | 12/11 at 101 |
| 1,000 | Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2004B, 5.000%, 8/15/16 | 2/14 at 100 |
| | Maryland, General Obligation Bonds, State and Local Facilities Loan, First Series 2001: | |
| 2,445 | 5.500%, 3/01/11 | No Opt. C |
| 1,500 | 5.500%, 3/01/12 | No Opt. C |
| 4,730 | Montgomery County, Maryland, General Obligation Refunding Bonds, Consolidated Public Improvement, Series 2001, 5.250%, 10/01/18 | 10/11 at 101 |
| 1,000 | Montgomery County, Maryland, General Obligation Refunding Bonds, Consolidated Public Improvement, Series 2002A, 5.250%, 11/01/11 | No Opt. C |
| 800 | Montgomery County, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 2004A, 5.000%, 4/01/13 | No Opt. C |
| | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2001: | |
| 1,000 | 5.250%, 12/01/20 - FGIC Insured | 12/11 at 101 |
| 2,820 | 5.250%, 12/01/21 - FGIC Insured | 12/11 at 101 |
| 800 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004C, 5.000%, 12/01/11 | No Opt. C |
| 770 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 - FSA Insured | 7/11 at 100 |

TAX OBLIGATION/LIMITED - 17.8% (12.0% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 625 | Annapolis, Maryland, Special Obligation Bonds, Park Place Project, Series 2005A, 5.350%, 7/01/34 | 1/15 at 101 |
| 750 | Anne Arundel County, Maryland, General Obligation Bonds, Consolidated Water and Sewerage, Series 1999, 4.500%, 8/01/19 | 8/09 at 101 |
| 745 | Anne Arundel County, Maryland, Tax Increment Financing Revenue Bonds, Parole Town Center Project, Series 2002, 5.000%, 7/01/12 | No Opt. C |
| | 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 |
| 1,660 | 5.000%, 8/01/21 | 8/11 at 101 |
| 530 | Baltimore Board of School Commissioners, Maryland, Revenue Bonds, City Public School System, Series 2003A, 5.000%, 5/01/15 | 5/13 at 100 |

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| | | |
|-------|---|-------------|
| 350 | Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34 | 7/14 at 102 |
| 1,000 | Maryland Department of Transportation, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16 | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| ----- | | |
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ 1,000 | Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2004, 5.000%, 5/01/13 | No Opt. C |
| 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 |
| 1,000 | Montgomery County, Maryland, Special Obligation Bonds, West Germantown Development District, Senior Series 2002A, 5.500%, 7/01/27 - RAAI Insured | 07/12 at 101 |
| ----- | | |
| TRANSPORTATION - 4.9% (3.3% 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 |
| 1,000 | 5.000%, 7/01/34 - AMBAC Insured | 7/11 at 100 |
| Maryland Health and Higher Educational Facilities Authority, Parking Facilities Revenue Bonds, Johns Hopkins Medical Institution, Series 2004B: | | |
| 155 | 5.000%, 7/01/13 - AMBAC Insured | No Opt. C |
| 135 | 5.000%, 7/01/14 - AMBAC Insured | No Opt. C |
| 1,000 | District of Columbia Metropolitan Area Transit Authority, Gross Revenue Bonds, Series 2003, 5.000%, 1/01/12 - MBIA Insured | No Opt. C |
| ----- | | |
| U.S. GUARANTEED *** - 25.6% (17.3% OF TOTAL INVESTMENTS) | | |
| 750 | Anne Arundel County, Maryland, Special Obligation Bonds, Arundel Mills Project, Series 1999, 7.100%, 7/01/29 (Pre-refunded to 7/01/09) | 7/09 at 102 |
| 1,500 | Baltimore County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2002, 5.000%, 8/01/18 (Pre-refunded to 8/01/12) | 8/12 at 100 |
| 1,000 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 6.000%, 7/01/26 | 7/10 at 100 |

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(Pre-refunded to 7/01/10)

| | | |
|-------|--|--------------|
| 3,000 | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2000, 5.200%, 12/01/19 (Pre-refunded to 12/01/10) | 12/10 at 101 |
| 750 | Howard County, Maryland, Consolidated Public Improvement Refunding Bonds, Series 2003A, 5.000%, 8/15/15 (Pre-refunded to 8/15/12) | 8/12 at 100 |
| 1,260 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/17 - AMBAC Insured | No Opt. C |
| 1,295 | Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 | No Opt. C |
| 1,230 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.000%, 7/01/24 (Pre-refunded to 7/01/11) - FSA Insured | 7/11 at 100 |
| 3,000 | Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40 | 10/10 at 101 |
| 1,000 | Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Water Supply Bonds, Series 1998, 5.000%, 6/01/15 (Pre-refunded to 6/01/08) | 6/08 at 102 |

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Nuveen Maryland Dividend Advantage Municipal Fund 2 (NZR) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | UTILITIES - 3.2% (2.2% OF TOTAL INVESTMENTS) | |
| \$ 1,000 | Guam Power Authority, Revenue Bonds, Series 1999A, 5.250%, 10/01/34 - MBIA Insured | 10/09 at 101 |
| 1,000 | Maryland Energy Financing Administration, Revenue Bonds, AES Warrior Run Project, Series 1995, 7.400%, 9/01/19 (Alternative Minimum Tax) | 9/05 at 102 |
| ----- | | |
| \$ 88,721 | Total Long-Term Investments (cost \$90,521,026) - 147.8% | |
| ===== | | |
| | Other Assets Less Liabilities - 1.8% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (49.6)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

FORWARD SWAPS OUTSTANDING AT MAY 31, 2005:

| | NOTIONAL AMOUNT | EFFECTIVE DATE (|
|---|-----------------|------------------|
| ----- Agreement with Goldman Sachs dated December 6, 2004, to pay semi-annually the notional amount multiplied by 5.324% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | \$ 400,000 | 7/11/ |
| Agreement with JPMorgan dated January 11, 2005, to pay semi-annually the notional amount multiplied by 5.235% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | 1,000,000 | 8/17/ |
| ----- | | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
 - * 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.
 - ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
 - *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest.
- N/R Investment is not rated.

See accompanying notes to financial statements.

Nuveen Maryland Dividend Advantage Municipal Fund 3 (NWI)
Portfolio of
INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

CONSUMER DISCRETIONARY - 0.1% (0.2% OF TOTAL INVESTMENTS)

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| | | | |
|--|-------|--|--------------|
| \$ | 75 | Baltimore, Maryland, Pollution Control Revenue Bonds, General Motors Corporation, Series 1993, 5.350%, 4/01/08 | No Opt. C |
| ----- | | | |
| CONSUMER STAPLES - 3.5% (2.4% OF TOTAL INVESTMENTS) | | | |
| | 2,750 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Refunding Bonds, Series 2002, 5.375%, 5/15/33 | 5/12 at 100 |
| ----- | | | |
| EDUCATION AND CIVIC ORGANIZATIONS - 15.0% (10.2% 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 |
| | | Frederick County, Maryland, Educational Facilities Revenue Bonds, Mount St. Mary's College, Series 2001A: | |
| | 100 | 5.750%, 9/01/25 | 3/10 at 101 |
| | 100 | 5.800%, 9/01/30 | 3/10 at 101 |
| | 690 | Hartford County, Maryland, Economic Development Revenue Bonds, Battelle Memorial Institute, Series 2004, 5.250%, 4/01/34 | 4/14 at 100 |
| | | 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 |
| | 150 | 6.000%, 7/01/33 - ACA Insured | 7/11 at 101 |
| | 1,250 | Maryland Economic Development Corporation, Student Housing Revenue Bonds, University of Maryland - Baltimore, Series 2003A, 5.625%, 10/01/23 | 10/13 at 100 |
| | 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 |
| | 625 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Goucher College, Series 2004, 5.125%, 7/01/34 | 7/14 at 100 |
| | 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 |
| | 985 | University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2001B, 4.625%, 4/01/21 | 4/11 at 100 |
| | | University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2002A: | |
| | 1,000 | 5.000%, 4/01/09 | No Opt. C |
| | 2,000 | 5.125%, 4/01/22 | 4/12 at 100 |
| | | University of Maryland, Auxiliary Facility and Tuition Revenue Bonds, Series 2003A: | |
| | 1,000 | 5.000%, 4/01/15 | 4/13 at 100 |
| | 1,000 | 5.000%, 4/01/19 | 4/13 at 100 |

| HEALTHCARE - 17.1% (11.7% OF TOTAL INVESTMENTS) | | |
|---|---|-------------|
| 1,000 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Anne Arundel Medical Center, Series 1998, 5.125%, 7/01/33 - FSA Insured | 7/08 at 101 |
| 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 |
| 650 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Mercy Medical Center, Series 2001, 5.625%, 7/01/31 | 7/11 at 100 |
| 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 |
| 1,250 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Carroll County General Hospital, Series 2002, 5.800%, 7/01/32 | 7/12 at 100 |

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Nuveen Maryland Dividend Advantage Municipal Fund 3 (NWI) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| <hr/> | | |
| HEALTHCARE (continued) | | |
| \$ 700 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Frederick Memorial Hospital, Series 2002, 5.125%, 7/01/35 | 7/12 at 100 |
| 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 |
| 775 | Maryland Health and Higher Educational Facilities Authority, Revenue Refunding Bonds, Adventist Healthcare, Series 2003A, 5.750%, 1/01/25 | 1/13 at 101 |
| 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 |
| 900 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24 | 8/14 at 100 |
| 725 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.125%, 7/01/34 | 7/14 at 100 |

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| | | |
|-----|---|-------------|
| 775 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Calvert Memorial Hospital, Series 2004, 5.500%, 7/01/36 | 7/14 at 100 |
| 770 | 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 |
| 900 | Prince George's County, Maryland, Revenue Refunding and Project Bonds, Dimensions Health Corporation, Series 1994, 5.300%, 7/01/24 | 7/05 at 101 |

HOUSING/MULTIFAMILY - 12.0% (8.2% 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 |
| | 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 |
| 3,000 | 5.200%, 7/01/44 (Alternative Minimum Tax) | 7/12 at 100 |
| 4,860 | Prince George's County Housing Authority, Maryland, GNMA Collateralized Mortgage Revenue Bonds, Fairview and Hillside Projects, Series 2002A, 4.700%, 11/20/22 | 11/12 at 100 |

INDUSTRIALS - 1.3% (0.9% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,000 | Northeast Maryland Waste Disposal Authority, Resource Recovery Revenue Bonds, Baltimore RESCO Retrofit Project, Series 1998, 4.750%, 1/01/12 (Alternative Minimum Tax) | 1/09 at 101 |
|-------|--|-------------|

LONG-TERM CARE - 0.4% (0.3% OF TOTAL INVESTMENTS)

| | | |
|-----|--|--------------|
| 280 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 2001A, 6.750%, 4/01/23 | 4/11 at 101 |
| | Prince George's County, Maryland, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 1994A: | |
| 40 | 5.625%, 4/01/09 | 4/06 at 100 |
| 35 | 6.000%, 4/01/13 | 10/05 at 101 |
| 23 | Prince George's County, Maryland, Revenue Bonds, Collington Episcopal Life Care Community Inc., Series 1994B, 8.000%, 4/01/16 (Optional put 4/01/06) | No Opt. C |

TAX OBLIGATION/GENERAL - 27.3% (18.7% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,000 | Annapolis, Maryland, General Obligation Public Improvement Refunding Bonds, Series 2002, 4.375%, 4/01/17 | 4/12 at 101 |
|-------|---|-------------|

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| | | |
|-------|--|-------------|
| 1,000 | Anne Arundel County, Maryland, General Obligation Bonds, Series 2003, 5.000%, 3/01/13 | No Opt. C |
| 1,000 | Calvert County, Maryland, General Obligation Public Improvement Bonds, Series 2002, 4.500%, 1/01/16 | 1/12 at 101 |
| 1,260 | Charles County, Maryland, Consolidated General Obligation Public Improvement Bonds, Series 2002, 4.400%, 1/15/16 | 1/12 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 2002: | |
| 1,830 | 5.000%, 11/01/20 | 11/12 at 101 |
| 2,035 | 5.000%, 11/01/21 | 11/12 at 101 |
| 2,500 | 5.000%, 11/01/22 | 11/12 at 101 |
| 245 | Frederick County, Maryland, Special Obligation Bonds, Villages of Lake Linganore Community Development Authority, Series 2001A, 5.600%, 7/01/20 - RAAI Insured | 7/10 at 102 |
| 1,000 | Maryland National Capital Park and 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 |
| 1,000 | Maryland, General Obligation Bonds, State and Local Facilities Loan, Series 2002B, 5.250%, 2/01/10 | No Opt. C |
| 2,000 | Montgomery County, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 2002A, 5.000%, 2/01/20 | 2/12 at 101 |
| 1,000 | Montgomery County, Maryland, General Obligation Refunding Bonds, Consolidated Public Improvement, Series 2002A, 5.250%, 11/01/11 | No Opt. C |
| 1,000 | Montgomery County, Maryland, General Obligation Bonds, Consolidated Public Improvement, Series 2004A, 5.000%, 4/01/13 | No Opt. C |
| 1,000 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2003A, 5.000%, 10/01/17 | 10/13 at 100 |
| 1,000 | Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2004C, 5.000%, 12/01/11 | No Opt. C |
| 1,000 | St. Mary's County, Maryland, General Obligation Hospital Bonds, Series 2002, 5.000%, 10/01/12 | No Opt. C |

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TAX OBLIGATION/LIMITED - 37.1% (25.3% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 750 | Annapolis, Maryland, Special Obligation Bonds, Park Place Project, Series 2005A, 5.350%, 7/01/34 | 1/15 at 101 |
| 1,000 | Baltimore Board of School Commissioners, Maryland, Revenue Bonds, City Public School System, Series 2003A, 5.000%, 5/01/15 | 5/13 at 100 |
| 450 | Hyattsville, Maryland, Special Obligation Bonds, University Town Center Project, Series 2004, 5.750%, 7/01/34 | 7/14 at 102 |
| 5,000 | Maryland Department of Transportation, County Transportation Revenue Bonds, Series 2002, 5.500%, 2/01/16 | No Opt. C |
| 1,000 | Maryland Department of Transportation, Consolidated Transportation Revenue Bonds, Series 2004, 5.000%, 5/01/13 | No Opt. C |
| 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 |
| 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 |
| 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 |
| | Maryland Stadium Authority, Lease Revenue Bonds, Montgomery County Conference Center Facilities, Series 2003: | |
| 1,465 | 5.000%, 6/15/21 | 6/13 at 100 |
| 1,620 | 5.000%, 6/15/23 | 6/13 at 100 |
| 700 | Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 - MBIA Insured | No Opt. C |
| 3,500 | Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 1997A, 5.000%, 7/01/28 - AMBAC Insured | 1/08 at 101 |
| | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Bonds, Series 2002G: | |
| 1,000 | 5.250%, 7/01/17 | 7/12 at 100 |
| 1,205 | 5.250%, 7/01/20 | 7/12 at 100 |
| 1,275 | 5.250%, 7/01/21 | 7/12 at 100 |
| 1,000 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 1998A, 5.125%, 6/01/24 - AMBAC Insured | No Opt. C |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|----------------|---|
| ----- | | |
| TAX OBLIGATION/LIMITED (continued) | | |
| \$ | 235 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 5.500%, 8/01/29 |
| | 25 | Washington Suburban Sanitary District, Maryland, General Obligation Construction Bonds, Second Series 2001, 5.000%, 6/01/17 |
| 1,000 | | Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Sewerage Disposal Bonds, Series 2004, 5.000%, 6/01/13 |
| | | 2/12 at 100 |
| | | 6/11 at 101 |
| | | No Opt. C |
| ----- | | |
| TRANSPORTATION - 1.9% (1.3% OF TOTAL INVESTMENTS) | | |
| | | Maryland Health and Higher Educational Facilities Authority, Parking Facilities Revenue Bonds, Johns Hopkins Medical Institution, Series 2004B: |
| 190 | | 5.000%, 7/01/13 - AMBAC Insured |
| 175 | | 5.000%, 7/01/14 - AMBAC Insured |
| 1,000 | | District of Columbia Metropolitan Area Transit Authority, Gross Revenue Bonds, Series 2003, 5.000%, 1/01/12 - MBIA Insured |
| | | No Opt. C |
| | | No Opt. C |
| | | No Opt. C |
| ----- | | |
| U.S. GUARANTEED *** - 20.1% (13.7% OF TOTAL INVESTMENTS) | | |
| 10 | | Anne Arundel County, Maryland, General Obligation Bonds, Consolidated Improvements, Series 1999, 5.000%, 5/15/19 (Pre-refunded to 5/15/09) |
| 1,000 | | Anne Arundel County, Maryland, Special Obligation Bonds, Arundel Mills Project, Series 1999, 7.100%, 7/01/29 (Pre-refunded to 7/01/09) |
| 2,115 | | Baltimore County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2002, 5.250%, 8/01/17 (Pre-refunded to 8/01/12) |
| 100 | | Frederick County, Maryland, General Obligation Public Facilities Bonds, Series 1999, 5.250%, 7/01/17 (Pre-refunded to 7/01/09) |
| 1,210 | | Howard County, Maryland, Consolidated Public Improvement Bonds, Series 2001A, 4.750%, 2/15/19 (Pre-refunded to 2/15/09) |
| 1,215 | | Howard County, Maryland, Consolidated Public Improvement Refunding Bonds, Series 2003A, 5.000%, 8/15/15 (Pre-refunded to 8/15/12) |
| 50 | | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Helix Health, Series 1997, 5.000%, 7/01/17 - AMBAC Insured |
| | | 5/09 at 101 |
| | | 7/09 at 102 |
| | | 8/12 at 100 |
| | | 7/09 at 101 |
| | | 2/09 at 101 |
| | | 8/12 at 100 |
| | | No Opt. C |

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| | | |
|-------|--|--------------|
| 1,070 | Maryland Transportation Authority, Revenue Refunding Bonds, Transportation Facilities Projects, First Series 1978, 6.800%, 7/01/16 | No Opt. C |
| 880 | Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001, 5.125%, 7/01/30 (Pre-refunded to 7/01/11) - FSA Insured | 7/11 at 100 |
| 5,000 | Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40 | 10/10 at 101 |
| 700 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 5.500%, 8/01/29 (Pre-refunded to 2/01/12) | 2/12 at 100 |
| 1,000 | Washington Suburban Sanitary District, Montgomery and Prince George's Counties, Maryland, Water Supply Bonds, Series 1998, 5.000%, 6/01/15 (Pre-refunded to 6/01/08) | 6/08 at 102 |

 UTILITIES - 7.1% (4.8% 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) | 9/05 at 102 |
| 4,025 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2000HH, 5.250%, 7/01/29 - FSA Insured | 7/10 at 101 |

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| | | |
|---------------------------|----------------|------------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|

 WATER AND SEWER - 3.4% (2.3% 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 |
|----------|---|-------------|

\$ 108,033 Total Long-Term Investments (cost \$112,009,829) - 146.3%

 Other Assets Less Liabilities - 2.8%

 Preferred Shares, at Liquidation Value - (49.1)%

 Net Assets Applicable to Common Shares - 100%
 =====

FORWARD SWAPS OUTSTANDING AT MAY 31, 2005:

| | |
|-----------------|-------------------|
| NOTIONAL AMOUNT | EFFECTI DATE (|
|-----------------|-------------------|

 Agreement with Goldman Sachs dated December 6, 2004,

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to pay semi-annually the notional amount multiplied by 5.324% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). \$ 600,000 7/11/

Agreement with JPMorgan dated January 11, 2005, to pay semi-annually the notional amount multiplied by 5.235% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). 2,200,000 8/17/

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
 - * 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.
 - ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.
 - *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- N/R Investment is not rated.

See accompanying notes to financial statements.

Nuveen Virginia Premium Income Municipal Fund (NPV)
 Portfolio of
 INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| CONSUMER STAPLES - 3.9% (2.7% OF TOTAL INVESTMENTS) | | |
| \$ | Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005: | |
| 1,575 | 5.250%, 6/01/19 | 6/15 at 100 |
| 3,850 | 5.500%, 6/01/26 | 6/15 at 100 |

| EDUCATION AND CIVIC ORGANIZATIONS - 10.7% (7.4% OF TOTAL INVESTMENTS) | | |
|---|--|--------------|
| 3,500 | Alexandria Industrial Development Authority, Virginia, Fixed Rate Revenue Bonds, Institute for Defense Analyses, Series 2000A, 5.900%, 10/01/30 - AMBAC Insured | 10/10 at 101 |
| | Danville Industrial Development Authority, Virginia, Student Housing Revenue Bonds, Collegiate Housing Foundation, Averett College Project, Series 1999A: | |
| 500 | 6.875%, 6/01/20 | 6/09 at 102 |
| 1,500 | 7.000%, 6/01/30 | 6/09 at 102 |
| 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 |
| 500 | Prince William County Park Authority, Virginia, Park Facilities Revenue Refunding and Improvement Bonds, Series 1999, 6.000%, 10/15/28 | 10/09 at 101 |
| 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 |
| 500 | Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue and Refunding Bonds, Series 2001C, 6.850%, 7/15/21 | 7/11 at 100 |
| 2,000 | Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2004B, 5.000%, 9/01/13 | No Opt. C |
| 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 |
| 1,635 | Virginia Commonwealth University, Revenue Bonds, Series 2004A, 5.000%, 5/01/17 - AMBAC Insured | 5/14 at 101 |

| HEALTHCARE - 21.7% (15.2% 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 |
| 2,000 | Danville Industrial Development Authority, Virginia, Hospital Revenue Bonds, Danville Regional Medical Center, Series 1998, 5.200%, 10/01/18 - AMBAC Insured | No Opt. C |
| 4,850 | Fairfax County Industrial Development Authority, Virginia, Hospital Revenue Refunding Bonds, Inova Health System Hospitals Project, Series 1993A, 5.000%, 8/15/23 | No Opt. C |
| 1,200 | Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33 | 6/12 at 100 |

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| | | |
|-------|--|--------------|
| 1,000 | Hanover County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Memorial Regional Medical Center Project, Series 1995, 6.375%, 8/15/18 - MBIA Insured | No Opt. C |
| 4,650 | Hanover County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Bon Secours Health System Projects, Series 1995, 5.500%, 8/15/25 - MBIA Insured | 8/05 at 102 |
| 1,500 | Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 | 11/12 at 100 |
| 1,500 | Henrico County Industrial Development Authority, Virginia, Healthcare Revenue Bonds, Bon Secours Health System Inc., Series 1996, 6.250%, 8/15/20 - MBIA Insured | No Opt. C |
| 1,950 | Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33 | 4/13 at 100 |
| 4,750 | Medical College of Virginia Hospital Authority, General Revenue Bonds, Series 1998, 5.125%, 7/01/23 - MBIA Insured | 7/08 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | HEALTHCARE (continued) | |
| \$ 3,000 | Roanoke Industrial Development Authority, Virginia, Hospital Revenue Bonds, Carilion Health System, Series 2002A, 5.500%, 7/01/19 - MBIA Insured | 7/12 at 100 |
| ----- | | |
| | HOUSING/MULTIFAMILY - 3.0% (2.1% OF TOTAL INVESTMENTS) | |
| 1,455 | Arlington County Industrial Development Authority, Virginia, Multifamily Housing Revenue Bonds, Patrick Henry Apartments, Series 2000, 6.050%, 11/01/32 (Alternative Minimum Tax) (Mandatory put 11/01/20) | 5/10 at 100 |
| 1,495 | Henrico County Economic Development Authority, Virginia, GNMA Mortgage-Backed Securities Beth Sholom Assisted Living Revenue Bonds, Series 1999A, 5.900%, 7/20/29 | 7/09 at 102 |
| 1,000 | Lynchburg Redevelopment and Housing Authority, Virginia, Vistas GNMA Mortgage-Backed Revenue Bonds, Series 2000A, 6.200%, 1/20/40 (Alternative Minimum Tax) | 4/10 at 102 |
| ----- | | |
| | HOUSING/SINGLE FAMILY - 1.0% (0.8% OF TOTAL INVESTMENTS) | |

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| | | |
|---|---|--------------|
| 350 | 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 |
| 1,000 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - MBIA Insured | 7/11 at 100 |
| ----- | | |
| INDUSTRIALS - 1.5% (1.0% OF TOTAL INVESTMENTS) | | |
| 2,000 | Charles County Industrial Development Authority, Virginia, Solid Waste Disposal Facility Revenue Refunding Bonds, USA Waste of Virginia Inc., Series 1999, 4.875%, 2/01/09 (Alternative Minimum Tax) | No Opt. C |
| ----- | | |
| MATERIALS - 1.8% (1.3% 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) (a) | 2/08 at 102 |
| 1,000 | 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) (a) | 12/08 at 101 |
| 1,000 | Isle of Wight County Industrial Development Authority, Virginia, Solid Waste Disposal Facilities Revenue Bonds, Union Camp Corporation Project, Series 1997, 6.100%, 5/01/27 (Alternative Minimum Tax) (a) | 5/07 at 102 |
| ----- | | |
| TAX OBLIGATION/GENERAL - 20.8% (14.5% OF TOTAL INVESTMENTS) | | |
| 900 | Alexandria, Virginia, General Obligation Bonds, Series 2004B, 5.000%, 6/15/13 | No Opt. C |
| 900 | Alexandria, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 12/15/11 | No Opt. C |
| 1,400 | Arlington County, Virginia, General Obligation Bonds, Series 2005, 5.000%, 5/15/16 (WI, settling 6/01/05) | 5/15 at 100 |
| | Chesapeake, Virginia, General Obligation Water and Sewer Bonds, Series 2003B: | |
| 1,880 | 5.000%, 6/01/21 | 6/13 at 100 |
| 2,060 | 5.000%, 6/01/23 | 6/13 at 100 |
| 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 |
| 1,920 | Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/14 | No Opt. C |
| 105 | Loudoun County, Virginia, General Obligation Public | 5/12 at 100 |

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| | | | |
|-------|--|--|-------------|
| | Improvement Bonds, Series 2002A, 5.250%, 5/01/22 | | |
| 1,185 | Lynchburg, Virginia, General Obligation Bonds, Series 2004, 5.000%, 6/01/21 | | 6/14 at 100 |
| | Newport News, Virginia, General Obligation Bonds, General Improvement and Water Projects, Series 2002A: | | |
| 2,770 | 5.000%, 7/01/19 | | 7/13 at 100 |
| 1,000 | 5.000%, 7/01/20 | | 7/13 at 100 |
| 1,350 | Newport News, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 5/01/16 | | 5/14 at 101 |
| 1,400 | Northern Mariana Islands, General Obligation Bonds, Series 2000A, 6.000%, 6/01/20 - ACA Insured | | 6/10 at 100 |
| 1,000 | Portsmouth, Virginia, General Obligation Bonds, Series 2003, 5.000%, 7/01/12 - FSA Insured | | No Opt. C |
| 1,480 | Richmond, Virginia, General Obligation Bonds, Series 2004A, 5.000%, 7/15/21 - FSA Insured | | 7/14 at 100 |

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Nuveen Virginia Premium Income Municipal Fund (NPV) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 1,430 | Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.000%, 10/01/17 | 10/12 at 101 |
| 1,425 | Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/20 | 6/11 at 101 |
| 2,155 | Virginia Beach, Virginia, General Obligation Bonds, Series 2003B, 5.000%, 5/01/15 | 5/13 at 100 |
| 1,000 | Virginia Beach, Virginia, General Obligation Bonds, Series 2004B, 5.000%, 5/01/13 | No Opt. C |
| ----- | | |
| | TAX OBLIGATION/LIMITED - 27.6% (19.3% 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 |
| 260 | 5.500%, 7/15/35 - ACA Insured | 7/15 at 100 |
| | Cumberland County, Virginia, Certificates of Participation, Series 1997: | |
| 1,075 | 6.200%, 7/15/12 | No Opt. C |
| 1,350 | 6.375%, 7/15/17 | No Opt. C |

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| | | |
|-------|---|--------------|
| 500 | Dinwiddie County Industrial Development Authority, Virginia, Lease Revenue Bonds, Dinwiddie County School Facilities, Series 1997A, 6.000%, 2/01/18 | 2/07 at 102 |
| 1,000 | Dinwiddie County Industrial Development Authority, Virginia, Lease Revenue Bonds, Series 2004B, 5.125%, 2/15/16 - MBIA Insured | 2/14 at 100 |
| | Fairfax County Economic Development Authority, Virginia, Lease Revenue Bonds, Laurel Hill Public Facilities Project, Series 2003: | |
| 2,260 | 5.000%, 6/01/14 | 6/13 at 101 |
| 2,165 | 5.000%, 6/01/22 | 6/13 at 101 |
| 1,000 | Fairfax County Economic Development Authority, Virginia, Parking Revenue Bonds, Vienna II Metrorail Station Project, 1999 First Series, 6.000%, 9/01/18 | 9/09 at 102 |
| 1,660 | Front Royal and Warren County Industrial Development Authority, Virginia, Lease Revenue Bonds, Series 2004B, 5.000%, 4/01/18 - FSA Insured | 4/14 at 100 |
| 2,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2002D, 5.000%, 7/01/32 - FSA Insured | 7/12 at 100 |
| | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D: | |
| 265 | 5.250%, 7/01/27 | 7/12 at 100 |
| 320 | 5.250%, 7/01/36 | 7/12 at 100 |
| 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 |
| 2,000 | Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.500%, 10/01/24 | 10/10 at 101 |
| 1,400 | Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/16 (WI, settling 6/07/05) | 5/15 at 100 |
| 1,855 | Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2004A, 5.000%, 2/01/11 | No Opt. C |
| 2,000 | Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2002A, 5.000%, 2/01/22 | 2/12 at 100 |
| 2,250 | Virginia Transportation Board, Transportation Revenue Bonds, Northern Virginia Transportation District Program, Series 2004A, 5.000%, 5/15/14 | No Opt. C |
| 2,000 | Virginia Public Building Authority, Public Facilities Revenue Bonds, Series 2004B, 5.000%, 8/01/11 | No Opt. C |
| 875 | Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2004C, 5.000%, 8/01/11 | No Opt. C |
| 2,000 | Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2000B, 5.000%, 8/01/18 | 8/10 at 101 |

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| | | |
|-------|--|-------------|
| | Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2000B: | |
| 1,120 | 5.500%, 5/01/20 - FSA Insured | 5/10 at 101 |
| 3,060 | 5.500%, 5/01/30 - FSA Insured | 5/10 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TAX OBLIGATION/LIMITED (continued) | |
| \$ 1,740 | Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2002A, 5.000%, 5/01/19 | 5/11 at 101 |
| ----- | | |
| | TRANSPORTATION - 12.1% (8.4% OF TOTAL INVESTMENTS) | |
| 755 | Metropolitan District of Columbia Airports Authority, Virginia, Airport System Revenue Bonds, Series 1997A, 5.375%, 10/01/23 | 10/07 at 101 |
| 4,000 | Norfolk Airport Authority, Virginia, Airport Revenue Bonds, Series 2001A, 5.125%, 7/01/31 - FGIC Insured | 7/11 at 100 |
| 530 | Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998A, 5.500%, 8/15/28 | 8/08 at 102 |
| 2,500 | Richmond Metropolitan Authority, Virginia, Revenue Refunding Bonds, Expressway System, Series 2002, 5.250%, 7/15/22 - FGIC Insured | No Opt. C |
| 6,065 | Virginia Port Authority, Revenue Bonds, Port Authority Facilities, Series 1997, 5.600%, 7/01/27 (Alternative Minimum Tax) - MBIA Insured | 7/07 at 101 |
| 2,000 | Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/23 | 2/11 at 100 |
| ----- | | |
| | U.S. GUARANTEED *** - 18.2% (12.7% OF TOTAL INVESTMENTS) | |
| 270 | Arlington County Industrial Development Authority, Virginia, Multifamily Housing Mortgage Revenue Bonds, Arlington Housing Corporation, Series 1995, 5.700%, 7/01/07 (Pre-refunded to 7/01/05) | 7/05 at 102 |
| 750 | Bristol, Virginia, General Obligation Utility System Revenue Bonds, Series 2002, 5.000%, 11/01/24 - FSA Insured | 11/12 at 102 |
| 1,215 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement | 7/10 at 100 |

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| | | |
|-------|--|--------------|
| | Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded to 7/01/10) | |
| 2,000 | Fairfax County Water Authority, Virginia, Water Revenue Bonds, Series 2000, 5.625%, 4/01/25 (Pre-refunded to 4/01/10) | 4/10 at 101 |
| | Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002: | |
| 1,925 | 5.375%, 4/01/19 (Pre-refunded to 4/01/12) | 4/12 at 100 |
| 200 | 5.000%, 4/01/27 (Pre-refunded to 4/01/12) | 4/12 at 100 |
| | Greater Richmond Convention Center Authority, Virginia, Hotel Tax Revenue Bonds, Convention Center Expansion Project, Series 2000: | |
| 600 | 6.125%, 6/15/25 (Pre-refunded to 6/15/10) | 6/10 at 101 |
| 2,000 | 6.125%, 6/15/29 (Pre-refunded to 6/15/10) | 6/10 at 101 |
| | Hampton, Virginia, General Obligation Public Improvement Bonds, Series 2000: | |
| 890 | 5.750%, 2/01/17 (Pre-refunded to 2/01/10) | 2/10 at 102 |
| 2,000 | 6.000%, 2/01/20 (Pre-refunded to 2/01/10) | 2/10 at 102 |
| 480 | Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.250%, 5/01/22 (Pre-refunded to 5/01/12) | 5/12 at 100 |
| | Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A: | |
| 375 | 6.000%, 6/01/22 (Pre-refunded to 6/01/12) | 6/12 at 101 |
| 800 | 6.100%, 6/01/32 (Pre-refunded to 6/01/12) | 6/12 at 101 |
| 645 | Metropolitan District of Columbia Airports Authority, Virginia, Airport System Revenue Bonds, Series 1997A, 5.375%, 10/01/23 (Pre-refunded to 10/01/07) | 10/07 at 101 |
| 1,230 | Middlesex County Industrial Development Authority, Virginia, Lease Revenue Bonds, School Facilities Project, Series 1999, 6.000%, 8/01/24 (Pre-refunded to 8/01/09) - MBIA Insured | 8/09 at 102 |
| 2,500 | Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A, 5.500%, 10/01/40 | 10/10 at 101 |
| | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D: | |
| 735 | 5.250%, 7/01/27 (Pre-refunded to 7/01/12) | 7/12 at 100 |
| 880 | 5.250%, 7/01/36 (Pre-refunded to 7/01/12) | 7/12 at 100 |
| 2,250 | Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2000, 6.000%, 2/01/20 (Pre-refunded to 2/01/09) | 2/09 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|--|------------------------|
| U.S. GUARANTEED *** (continued) | | |
| \$ 1,000 | Virginia College Building Authority, Educational Facilities Revenue Bonds, Hampton University, Series 2000, 6.000%, 4/01/20 (Pre-refunded to 4/01/10) | 4/10 at 101 |
| ----- | | |
| UTILITIES - 11.4% (7.9% OF TOTAL INVESTMENTS) | | |
| Bristol, Virginia, Utility System Revenue Refunding Bonds, Series 2003: | | |
| 1,705 | 5.250%, 7/15/14 - MBIA Insured | 7/13 at 100 |
| 1,800 | 5.250%, 7/15/15 - MBIA Insured | 7/13 at 100 |
| 2,775 | 5.250%, 7/15/23 - MBIA Insured | 7/13 at 100 |
| 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 |
| 3,500 | Richmond, Virginia, Public Utility Revenue Refunding Bonds, Series 1998A, 5.125%, 1/15/28 - FGIC Insured | 1/08 at 101 |
| Richmond, Virginia, Public Utility Revenue Refunding Bonds, Series 2002: | | |
| 750 | 5.000%, 1/15/27 - FSA Insured | 1/12 at 100 |
| 1,600 | 5.000%, 1/15/33 - FSA Insured | 1/12 at 100 |
| ----- | | |
| WATER AND SEWER - 9.4% (6.5% OF TOTAL INVESTMENTS) | | |
| Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002: | | |
| 105 | 5.375%, 4/01/19 | 4/12 at 100 |
| 800 | 5.000%, 4/01/27 | 4/12 at 100 |
| 1,650 | Henrico County, Virginia, Water and Sewer System Revenue Refunding Bonds, Series 1999, 5.000%, 5/01/28 | 5/09 at 102 |
| 1,000 | Loudoun County Sanitation Authority, Virginia, Water and Sewerage System Revenue Bonds, Series 2004, 5.000%, 1/01/26 | 1/15 at 100 |
| 1,200 | Norfolk, Virginia, Water Revenue Bonds, Series 1995, 5.875%, 11/01/20 - MBIA Insured | 11/05 at 102 |
| Norfolk, Virginia, Water Revenue Refunding Bonds, Series 2001: | | |
| 1,310 | 5.000%, 11/01/21 - FGIC Insured | 11/11 at 100 |
| 1,380 | 5.000%, 11/01/22 - FGIC Insured | 11/11 at 100 |
| 1,955 | Rivanna Water and Sewerage Authority, Virginia, Regional Water and Sewerage System Revenue Bonds, Series 1999, 5.625%, 10/01/29 | 10/09 at 101 |
| 2,250 | Virginia Beach, Virginia, Storm Water Utility Revenue Bonds, Series 2000, 6.000%, 9/01/24 | 9/10 at 101 |

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500 Virginia Resources Authority, Clean Water State Revolving
Fund Revenue Bonds, Series 1999, 5.625%, 10/01/22

10/10 at 100

\$ 185,270 Total Long-Term Investments (cost \$187,479,800) - 143.1%
=====

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PRINCIPAL
AMOUNT (000) DESCRIPTION(1)

SHORT-TERM INVESTMENTS - 0.4% (0.2% OF TOTAL INVESTMENTS)
\$ 500 Puerto Rico Government Development Bank, Adjustable
Refunding Bonds, Variable Rate Demand Obligations,
Series 1985, 2.850%, 12/01/15 - MBIA Insured+

\$ 500 Total Short-Term Investments (cost \$500,000)
=====

Total Investments (cost \$187,979,800) - 143.5%

Other Assets Less Liabilities - 2.0%

Preferred Shares, at Liquidation Value - (45.5)%

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.

* 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.

** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

(WI) Security purchased on a when-issued basis.

(a) The issuer has received a preliminary adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it

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is formally determined that the interest on the bonds should be treated as taxable.

- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. 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.

See accompanying notes to financial statements.

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Nuveen Virginia Dividend Advantage Municipal Fund (NGB)
Portfolio of
INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|--|------------------------|
| <hr/> | | |
| | CONSUMER STAPLES - 4.6% (3.1% OF TOTAL INVESTMENTS) | |
| | Guam Economic Development Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A: | |
| \$ 85 | 5.000%, 5/15/22 | 5/11 at 100 |
| 850 | 5.400%, 5/15/31 | 5/11 at 100 |
| | Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005: | |
| 550 | 5.250%, 6/01/19 | 6/15 at 100 |
| 725 | 5.500%, 6/01/26 | 6/15 at 100 |
| <hr/> | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 13.4% (9.1% OF TOTAL INVESTMENTS) | |
| 500 | Danville Industrial Development Authority, Virginia, Educational Facilities Revenue Bonds, Averett University Project, Series 2001, 6.000%, 3/15/22 | 3/11 at 102 |
| 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 |
| 850 | Prince William County Park Authority, Virginia, Park Facilities Revenue Refunding and Improvement Bonds, Series 1999, 6.000%, 10/15/28 | 10/09 at 101 |
| | 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 | 2/09 at 101 |
| 320 | 5.375%, 2/01/29 | 2/09 at 101 |
| 375 | Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue and Refunding Bonds, Series 2001B, 6.125%, 7/15/11 | No Opt. C |

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| | | |
|-------|--|-------------|
| 1,000 | Rockbridge County Industrial Development Authority, Virginia, Horse Center Revenue and Refunding Bonds, Series 2001C, 6.850%, 7/15/21 | 7/11 at 100 |
| 700 | Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2004B, 5.000%, 9/01/13 | No Opt. C |
| 1,325 | Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2000A, 5.000%, 9/01/17 | 9/10 at 100 |
| 500 | Virginia College Building Authority, Educational Facilities Revenue Refunding Bonds, Marymount University, Series 1998, 5.100%, 7/01/18 - RAAI Insured | 7/08 at 101 |

HEALTHCARE - 12.9% (8.7% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 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 |
| 1,500 | Fredericksburg Industrial Development Authority, Virginia, Hospital Facilities Revenue Refunding Bonds, MediCorp Health System Obligated Group, Series 1996, 5.250%, 6/15/16 - AMBAC Insured | 6/07 at 102 |
| 500 | Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33 | 6/12 at 100 |
| 500 | Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 | 11/12 at 100 |
| 575 | Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33 | 4/13 at 100 |
| 1,000 | Norfolk Industrial Development Authority, Virginia, Healthcare Revenue Bonds, Bon Secours Health System, Series 1997, 5.250%, 8/15/26 - MBIA Insured | 8/07 at 102 |
| 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 |

| | | |
|---------------------------|----------------|------------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|

HOUSING/MULTIFAMILY - 4.3% (2.9% OF TOTAL INVESTMENTS)

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| | | | |
|----|-------|--|--------------|
| \$ | 1,000 | Arlington County Industrial Development Authority, Virginia, Multifamily Housing Mortgage Revenue Bonds, Arlington View Terrace Apartments, Series 2001, 5.150%, 11/01/31 (Alternative Minimum Tax) (Mandatory put 11/01/19) | 11/11 at 102 |
| | 1,000 | Virginia Housing Development Authority, Rental Housing Bonds, Series 2000G, 5.625%, 10/01/20 (Alternative Minimum Tax) | 10/10 at 100 |

HOUSING/SINGLE FAMILY - 2.1% (1.5% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|---|-------------|
| | 1,000 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - MBIA Insured | 7/11 at 100 |
|--|-------|---|-------------|

INDUSTRIALS - 0.1% (0.2% OF TOTAL INVESTMENTS)

| | | | |
|--|----|--|-----------|
| | 50 | Charles County Industrial Development Authority, Virginia, Solid Waste Disposal Facility Revenue Refunding Bonds, USA Waste of Virginia Inc., Series 1999, 4.875%, 2/01/09 (Alternative Minimum Tax) | No Opt. C |
|--|----|--|-----------|

LONG-TERM CARE - 4.0% (2.7% OF TOTAL INVESTMENTS)

| | | | |
|--|-----|---|--------------|
| | 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 | 1/12 at 100 |
| | 350 | Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr Village, Series 2005, 5.625%, 12/01/39 | 12/15 at 100 |
| | 650 | James City County Industrial Development Authority, Virginia, Residential Care Facility First Mortgage Revenue Refunding Bonds, Williamburg Landing Inc., Series 2003A, 6.000%, 3/01/23 | 3/12 at 101 |
| | 350 | Winchester Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster-Canterbury of Winchester Inc., Series 2005A, 5.200%, 1/01/27 (WI, settling 6/09/05) | 1/15 at 100 |

MATERIALS - 1.8% (1.2% 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) (a) | 2/08 at 102 |
| | 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) | 12/09 at 101 |

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| | | |
|---|--|--------------|
| 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) (a) | 12/08 at 101 |
| 500 | Hopewell Industrial Development Authority, Virginia, Environmental Improvement Revenue Bonds, Smurfit Stone Container Corporation, Series 2005, 5.250%, 6/01/15 | No Opt. C |
| ----- | | |
| TAX OBLIGATION/GENERAL - 27.8% (18.9% OF TOTAL INVESTMENTS) | | |
| 330 | Alexandria, Virginia, General Obligation Bonds, Series 2004B, 5.000%, 6/15/13 | No Opt. C |
| 300 | Alexandria, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 12/15/11 | No Opt. C |
| 500 | Arlington County, Virginia, General Obligation Bonds, Series 2005, 5.000%, 5/15/16 (WI, settling 6/01/05) | 5/15 at 100 |
| 2,000 | Chesterfield County, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 1/15/21 | 1/11 at 100 |
| 3,310 | Leesburg, Virginia, General Obligation Public Improvement Bonds, Series 2000, 5.125%, 1/15/21 - FGIC Insured | 1/11 at 101 |
| 660 | Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/14 | No Opt. C |
| 845 | Newport News, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 5/01/16 | 5/14 at 101 |
| 320 | Northern Mariana Islands, General Obligation Bonds, Series 2000A, 6.000%, 6/01/20 - ACA Insured | 6/10 at 100 |
| 500 | Portsmouth, Virginia, General Obligation Bonds, Series 2003, 5.000%, 7/01/12 - FSA Insured | No Opt. C |
| 1,300 | Richmond, Virginia, General Obligation Refunding and Public Improvement Bonds, Series 1999A, 5.125%, 1/15/24 - FSA Insured | 1/10 at 101 |
| 2,425 | Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/21 | 6/11 at 101 |

Nuveen Virginia Dividend Advantage Municipal Fund (NGB) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|------------------------|
| ----- | | |
| TAX OBLIGATION/LIMITED - 20.1% (13.6% OF TOTAL INVESTMENTS) | | |
| \$ 295 | Bell Creek Community Development Authority, Virginia, Special | 3/13 at 101 |

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| | | |
|-------|--|--------------|
| | Assessment Bonds, Series 2003A, 6.750%, 3/01/22 | |
| 500 | Broad Street Community Development Authority, Virginia, Revenue Bonds, Series 2003, 7.500%, 6/01/33 | 6/13 at 102 |
| | 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 |
| 95 | 5.500%, 7/15/35 - ACA Insured | 7/15 at 100 |
| 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 |
| 960 | Virgin Islands Public Finance Authority, Gross Receipts Taxes Loan Note, Series 1999A, 6.375%, 10/01/19 | 10/10 at 101 |
| 500 | Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/16 (WI, settling 6/07/05) | 5/15 at 100 |
| 500 | Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2004A, 5.000%, 2/01/11 | No Opt. C |
| 500 | Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2002A, 5.000%, 2/01/22 | 2/12 at 100 |
| 1,000 | Virginia Transportation Board, Transportation Revenue Bonds, Northern Virginia Transportation District Program, Series 2004A, 5.000%, 5/15/14 | No Opt. C |
| 350 | Virginia Gateway Community Development Authority, Prince William County, Special Assessment Bonds, Series 2003, 6.375%, 3/01/30 | 3/13 at 102 |
| 750 | Virginia Public Building Authority, Public Facilities Revenue Bonds, Series 2004B, 5.000%, 8/01/11 | No Opt. C |
| 345 | Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2004C, 5.000%, 8/01/11 | No Opt. C |
| 2,000 | Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2001A, 5.000%, 8/01/19 | 8/11 at 101 |
| ----- | | |
| | TRANSPORTATION - 22.7% (15.4% OF TOTAL INVESTMENTS) | |
| 1,000 | Capital Region Airport Authority, Richmond, Virginia, Revenue Bonds, Richmond International Airport, Series 2005A, 5.000%, 7/01/18 - FSA Insured | 7/15 at 100 |
| 1,000 | Chesapeake Bay Bridge and Tunnel Commission, Virginia, General Resolution Revenue Refunding Bonds, Series 1998, 5.500%, 7/01/25 - MBIA Insured | No Opt. C |
| 3,000 | Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001A, 5.500%, 10/01/27 (Alternative Minimum Tax) - MBIA Insured | 10/11 at 101 |

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| | | |
|-------|--|--------------|
| 250 | Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001B, 5.000%, 10/01/21 - MBIA Insured | 10/11 at 101 |
| 1,500 | Norfolk Airport Authority, Virginia, Airport Revenue Bonds, Series 2001A, 5.125%, 7/01/31 - FGIC Insured | 7/11 at 100 |
| | Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998A: | |
| 25 | 5.000%, 8/15/05 | No Opt. C |
| 200 | 5.250%, 8/15/07 | No Opt. C |
| 200 | 5.500%, 8/15/28 | 8/08 at 102 |
| 500 | Richmond Metropolitan Authority, Virginia, Revenue Refunding Bonds, Expressway System, Series 2002, 5.250%, 7/15/22 - FGIC Insured | No Opt. C |
| 1,225 | Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/23 | 2/11 at 100 |
| 1,250 | Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001B, 5.125%, 8/01/27 (Alternative Minimum Tax) | 2/11 at 100 |

U.S. GUARANTEED *** - 22.0% (14.9% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,000 | Bristol, Virginia, Utility System Revenue Refunding Bonds, Series 2001, 5.000%, 7/15/21 - FSA Insured | 7/11 at 102 |
|-------|---|-------------|

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | U.S. GUARANTEED *** (continued) | |
| \$ 750 | Capital Region Airport Authority, Richmond, Virginia, Revenue Bonds, Richmond International Airport, Series 1995A, 5.625%, 7/01/20 (Pre-refunded to 7/01/05) - AMBAC Insured | 7/05 at 102 |
| 485 | Puerto Rico, The Children's Trust Fund, Tobacco Settlement Asset-Backed Bonds, Series 2000, 5.750%, 7/01/20 (Pre-refunded to 7/01/10) | 7/10 at 100 |
| 1,540 | Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2001B, 5.250%, 1/01/20 (Pre-refunded to 1/01/11) | 1/11 at 101 |
| 425 | Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A, 6.000%, 6/01/22 (Pre-refunded to 6/01/12) | 6/12 at 101 |
| 1,000 | Lynchburg Industrial Development Authority, Virginia, Healthcare Facilities Revenue Refunding Bonds, Centra Health Inc., Series 1998, 5.200%, 1/01/23 (Pre-refunded to 1/01/08) | 1/08 at 101 |

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| | | |
|-----------|--|--------------|
| 1,000 | Newport News, Virginia, General Obligation Bonds, Series 2000A, 5.625%, 5/01/16 (Pre-refunded to 5/01/10) | 5/10 at 102 |
| 520 | Prince William County Service Authority, Virginia, Water and Sewerage System Revenue Bonds, Series 1999, 5.500%, 7/01/19 (Pre-refunded to 7/01/09) - FGIC Insured | 7/09 at 101 |
| | Puerto Rico Infrastructure Financing Authority, Special Obligation Bonds, Series 2000A: | |
| 1,500 | 5.500%, 10/01/32 | 10/10 at 101 |
| 1,500 | 5.500%, 10/01/40 | 10/10 at 101 |
| ----- | | |
| | UTILITIES - 3.4% (2.3% 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 |
| 500 | Richmond, Virginia, Public Utility Revenue Refunding Bonds, Series 2002, 5.000%, 1/15/27 - FSA Insured | 1/12 at 100 |
| ----- | | |
| | WATER AND SEWER - 8.2% (5.5% OF TOTAL INVESTMENTS) | |
| 2,000 | Henrico County, Virginia, Water and Sewer System Revenue Refunding Bonds, Series 1999, 5.000%, 5/01/22 | 5/09 at 102 |
| 1,680 | Virginia Resources Authority, Clean Water State Revolving Fund Revenue Bonds, Series 2000, 5.400%, 10/01/20 | 10/10 at 100 |
| ----- | | |
| \$ 66,510 | Total Long-Term Investments (cost \$67,351,467) - 147.4% | |
| ===== | | |
| | Other Assets Less Liabilities - 2.1% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (49.5)% | |
| ----- | | |
| | 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.

* 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.

** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of

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

N/R Investment is not rated.

(WI) Security purchased on a when-issued basis.

(a) The issuer has received a preliminary adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it is formally determined that the interest on the bonds should be treated as taxable.

See accompanying notes to financial statements.

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Nuveen Virginia Dividend Advantage Municipal Fund 2 (NNB)
Portfolio of

INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ----- | | |
| CONSUMER STAPLES - 4.2% (2.9% OF TOTAL INVESTMENTS) | | |
| Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset-Backed Bonds, Series 2005: | | |
| \$ | 1,050 5.250%, 6/01/19 | 6/15 at 100 |
| | 2,700 5.500%, 6/01/26 | 6/15 at 100 |
| ----- | | |
| EDUCATION AND CIVIC ORGANIZATIONS - 7.8% (5.3% OF TOTAL INVESTMENTS) | | |
| 1,000 | Fairfax County Economic Development Authority, Virginia, Revenue Bonds, National Wildlife Federation Project, Series 1999, 5.375%, 9/01/29 - MBIA Insured | 9/09 at 101 |
| 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 |
| 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 |
| 1,000 | Virginia College Building Authority, Educational Facilities Revenue Bonds, Public Higher Education Financing Program, Series 2004B, 5.000%, 9/01/13 | No Opt. C |
| 2,000 | Winchester Industrial Development Authority, Virginia, Educational Facilities First Mortgage Revenue Bonds, Shenandoah University, Series 1998, 5.250%, 10/01/28 - MBIA Insured | 10/08 at 102 |

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| HEALTHCARE - 18.8% (12.9% OF TOTAL INVESTMENTS) | | |
|--|--|---------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
| 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 |
| 1,215 | Danville Industrial Development Authority, Virginia, Hospital Revenue Bonds, Danville Regional Medical Center, Series 1998, 5.200%, 10/01/18 - AMBAC Insured | No Opt. C |
| 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 |
| 675 | Fredericksburg Industrial Development Authority, Virginia, Revenue Bonds, MediCorp Health System, Series 2002B, 5.125%, 6/15/33 | 6/12 at 100 |
| 1,000 | Henrico County Economic Development Authority, Virginia, Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.600%, 11/15/30 | 11/12 at 100 |
| 1,155 | Manassas Industrial Development Authority, Virginia, Hospital Revenue Bonds, Prince William Hospital, Series 2002, 5.250%, 4/01/33 | 4/13 at 100 |
| 1,000 | Medical College of Virginia Hospital Authority, General Revenue Bonds, Series 1998, 5.250%, 7/01/14 - MBIA Insured | 7/08 at 102 |
| 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 |
| 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 - FSA Insured | 10/08 at 102 |
| 3,915 | Roanoke Industrial Development Authority, Virginia, Hospital Revenue Bonds, Carilion Health System, Series 2002A, 5.500%, 7/01/20 - MBIA Insured | 7/12 at 100 |
| HOUSING/SINGLE FAMILY - 8.7% (5.9% OF TOTAL INVESTMENTS) | | |
| 7,485 | Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.350%, 7/01/31 - MBIA Insured | 7/11 at 100 |

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LONG-TERM CARE - 3.3% (2.2% OF TOTAL INVESTMENTS)

| | | | |
|----|-------|---|--------------|
| \$ | 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 | 1/12 at 100 |
| | 650 | Chesterfield County Health Center Commission, Virginia, Mortgage Revenue Bonds, Lucy Corr Village, Series 2005, 5.625%, 12/01/39 | 12/15 at 100 |
| | 1,350 | James City County Industrial Development Authority, Virginia, Residential Care Facility First Mortgage Revenue Refunding Bonds, Williamburg Landing Inc., Series 2003A, 6.000%, 3/01/23 | 3/12 at 101 |
| | 650 | Winchester Industrial Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster-Canterbury of Winchester Inc., Series 2005A, 5.200%, 1/01/27 (WI, settling 6/09/05) | 1/15 at 100 |

MATERIALS - 1.8% (1.4% 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) (a) | 2/08 at 102 |
| | 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) (a) | 12/08 at 101 |
| | 1,000 | Hopewell Industrial Development Authority, Virginia, Environmental Improvement Revenue Bonds, Smurfit Stone Container Corporation, Series 2005, 5.250%, 6/01/15 | No Opt. C |

TAX OBLIGATION/GENERAL - 37.1% (25.4% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|--|--------------|
| | 600 | Alexandria, Virginia, General Obligation Bonds, Series 2004B, 5.000%, 6/15/13 | No Opt. C |
| | 540 | Alexandria, Virginia, General Obligation Bonds, Series 2004C, 5.000%, 12/15/11 | No Opt. C |
| | 1,000 | Arlington County, Virginia, General Obligation Bonds, Series 2005, 5.000%, 5/15/16 (WI, settling 6/01/05) | 5/15 at 100 |
| | 1,750 | Chesapeake, Virginia, General Obligation Bonds, Series 2001, 5.500%, 12/01/16 | 12/11 at 100 |
| | 1,000 | Fairfax County, Virginia, General Obligation Refunding and Improvement Bonds, Series 2002, 5.000%, 6/01/20 | 6/10 at 101 |
| | 1,200 | Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2005A, 5.000%, 7/01/14 | No Opt. C |
| | 95 | Loudoun County, Virginia, General Obligation Public | 5/12 at 100 |

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| | | | |
|-------|---|--|--------------|
| | Improvement Bonds, Series 2002A, 5.250%, 5/01/22 | | |
| 1,730 | Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2001C, 4.500%, 11/01/17 | | 11/11 at 101 |
| 1,840 | Newport News, Virginia, General Obligation Bonds, General Improvement and Water Projects, Series 2002A, 5.000%, 7/01/20 | | 7/13 at 100 |
| 1,000 | Newport News, Virginia, General Obligation Bonds, Series 2003B, 5.000%, 11/01/22 | | 11/13 at 100 |
| 565 | Portsmouth, Virginia, General Obligation Public Utility Refunding Bonds, Series 2001B, 5.000%, 6/01/21 - FGIC Insured | | 6/08 at 100 |
| 1,500 | Portsmouth, Virginia, General Obligation Bonds, Series 2003, 5.000%, 7/01/12 - FSA Insured | | No Opt. C |
| | Powhatan County, Virginia, General Obligation Bonds, Series 2001: | | |
| 660 | 5.000%, 1/15/23 - AMBAC Insured | | 1/11 at 101 |
| 1,000 | 5.000%, 1/15/27 - AMBAC Insured | | 1/11 at 101 |
| 1,000 | Richmond, Virginia, General Obligation Bonds, Series 2004A, 5.000%, 7/15/21 - FSA Insured | | 7/14 at 100 |
| | Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002A: | | |
| 2,400 | 5.000%, 10/01/18 | | 10/12 at 101 |
| 2,435 | 5.000%, 10/01/19 | | 10/12 at 101 |
| 1,280 | Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2002B, 5.000%, 10/01/15 (Alternative Minimum Tax) - FGIC Insured | | 10/12 at 101 |
| | Salem, Virginia, General Obligation Public Improvement Bonds, Series 2002: | | |
| 1,145 | 5.375%, 1/01/21 | | 1/12 at 100 |
| 1,200 | 5.375%, 1/01/22 | | 1/12 at 100 |
| 1,260 | 5.375%, 1/01/23 | | 1/12 at 100 |
| 1,325 | 5.375%, 1/01/24 | | 1/12 at 100 |
| 1,000 | Staunton, Virginia, General Obligation Bonds, Series 2004, 6.250%, 2/01/25 - AMBAC Insured | | 2/14 at 101 |

Nuveen Virginia Dividend Advantage Municipal Fund 2 (NNB) (continued)
Portfolio of INVESTMENTS May 31, 2005

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TAX OBLIGATION/GENERAL (continued) | |
| \$ 1,500 | Virginia Beach, Virginia, General Obligation Public Improvement Bonds, Series 2001, 5.000%, 6/01/19 | 6/11 at 101 |

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| | | |
|-------|---|-------------|
| 1,420 | Virginia Beach, Virginia, General Obligation Refunding and Public Improvement Bonds, Series 2002, 5.000%, 3/01/21 | 3/12 at 100 |
|-------|---|-------------|

TAX OBLIGATION/LIMITED - 25.5% (17.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 545 | Bell Creek Community Development Authority, Virginia, Special Assessment Bonds, Series 2003A, 6.750%, 3/01/22 | 3/13 at 101 |
| 1,000 | Broad Street Community Development Authority, Virginia, Revenue Bonds, Series 2003, 7.500%, 6/01/33 | 6/13 at 102 |
| | Buena Vista Public Recreational Facilities Authority, Virginia, Lease Revenue Bonds, Golf Course Project, Series 2005A: | |
| 210 | 5.250%, 7/15/25 - ACA Insured | 7/15 at 100 |
| 165 | 5.500%, 7/15/35 - ACA Insured | 7/15 at 100 |
| 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 |
| 400 | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.250%, 7/01/27 | 7/12 at 100 |
| 455 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 5.500%, 8/01/29 | 2/12 at 100 |
| 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 |
| 800 | Virginia Beach Development Authority, Public Facilities Revenue Bonds, Series 2005A, 5.000%, 5/01/16 (WI, settling 6/07/05) | 5/15 at 100 |
| 1,000 | Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2004A, 5.000%, 2/01/11 | No Opt. C |
| 1,790 | Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 2002A, 5.000%, 2/01/22 | 2/12 at 100 |
| 1,710 | Virginia Transportation Board, Transportation Revenue Bonds, Northern Virginia Transportation District Program, Series 2001A, 5.000%, 5/15/26 | 5/11 at 100 |
| | Virginia Transportation Board, Transportation Revenue Bonds, U.S. Route 58 Corridor Development Program, Series 2001B: | |
| 1,705 | 5.000%, 5/15/22 | 5/11 at 100 |
| 1,665 | 5.000%, 5/15/23 | 5/11 at 100 |
| 1,000 | Virginia Transportation Board, Transportation Revenue Bonds, Northern Virginia Transportation District Program, Series 2004A, 5.000%, 5/15/14 | No Opt. C |
| 690 | Virginia Gateway Community Development Authority, Prince William County, Special Assessment Bonds, Series 2003, 6.375%, 3/01/30 | 3/13 at 102 |

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| | | |
|-------|---|-------------|
| 1,000 | Virginia Public Building Authority, Public Facilities Revenue Bonds, Series 2004B, 5.000%, 8/01/11 | No Opt. C |
| 570 | Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2004C, 5.000%, 8/01/11 | No Opt. C |
| 2,540 | Virginia Public School Authority, School Financing Bonds, 1997 Resolution, Series 2001B, 5.000%, 8/01/19 | 8/11 at 101 |
| 1,265 | Virginia Resources Authority, Infrastructure Revenue Bonds, Pooled Loan Bond Program, Series 2001D, 5.000%, 5/01/26 | 5/10 at 101 |

TRANSPORTATION - 2.3% (1.5% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,000 | Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2002A, 5.125%, 10/01/26 (Alternative Minimum Tax) - FGIC Insured | 10/12 at 100 |
|-------|--|--------------|

52

| | | |
|---------------------------|----------------|------------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|

TRANSPORTATION (continued)

| | | |
|-----|---|-------------|
| \$ | Pocahontas Parkway Association, Virginia, Senior Lien Revenue Bonds, Route 895 Connector Toll Road, Series 1998A: | |
| 25 | 5.000%, 8/15/05 | No Opt. C |
| 300 | 5.250%, 8/15/07 | No Opt. C |
| 325 | 5.500%, 8/15/28 | 8/08 at 102 |
| 300 | Virginia Resources Authority, Airports Revolving Fund Revenue Bonds, Series 2001A, 5.250%, 8/01/17 | 2/11 at 100 |

U.S. GUARANTEED *** - 14.6% (10.0% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 1,000 | Bristol, Virginia, General Obligation Utility System Revenue Bonds, Series 2002, 5.000%, 11/01/24 - FSA Insured | 11/12 at 102 |
| 195 | Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002, 5.000%, 4/01/27 (Pre-refunded to 4/01/12) | 4/12 at 100 |
| 445 | Loudoun County, Virginia, General Obligation Public Improvement Bonds, Series 2002A, 5.250%, 5/01/22 (Pre-refunded to 5/01/12) | 5/12 at 100 |
| | Loudoun County Industrial Development Authority, Virginia, Hospital Revenue Bonds, Loudoun Hospital Center, Series 2002A: | |
| 250 | 6.000%, 6/01/22 (Pre-refunded to 6/01/12) | 6/12 at 101 |
| 600 | 6.100%, 6/01/32 (Pre-refunded to 6/01/12) | 6/12 at 101 |
| 3,750 | Puerto Rico Infrastructure Financing Authority, Special | 10/10 at 101 |

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| | | | |
|-------|--|--|--------------|
| | Obligation Bonds, Series 2000A, 5.500%, 10/01/40 | | |
| 1,100 | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Refunding Bonds, Series 2002D, 5.250%, 7/01/27 (Pre-refunded to 7/01/12) | | 7/12 at 100 |
| 1,345 | Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 5.500%, 8/01/29 (Pre-refunded to 2/01/12) | | 2/12 at 100 |
| 1,000 | Virginia College Building Authority, Educational Facilities Revenue Bonds, 21st Century College Program, Series 1998, 5.000%, 8/01/13 (Pre-refunded to 8/01/07) | | 8/07 at 101 |
| 1,710 | Virginia Public Building Authority, Public Facilities Revenue Bonds, Series 1999A, 5.000%, 8/01/19 (Pre-refunded to 8/01/08) - MBIA Insured | | 8/08 at 100 |
| 500 | Virginia Public Building Authority, Public Facilities Revenue Bonds, Series 2000A, 5.750%, 8/01/20 (Pre-refunded to 8/01/10) | | 8/10 at 100 |
| ----- | | | |
| | UTILITIES - 6.3% (4.3% 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 |
| 3,125 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2000HH, 5.250%, 7/01/29 - FSA Insured | | 7/10 at 101 |
| ----- | | | |
| | WATER AND SEWER - 15.8% (10.8% OF TOTAL INVESTMENTS) | | |
| 805 | Fairfax County Water Authority, Virginia, Water Revenue Refunding Bonds, Series 2002, 5.000%, 4/01/27 | | 4/12 at 100 |
| | Henry County Public Service Authority, Virginia, Water and Sewer Revenue Refunding Bonds, Series 2001: | | |
| 1,000 | 5.500%, 11/15/17 - FSA Insured | | No Opt. C |
| 3,000 | 5.500%, 11/15/19 - FSA Insured | | No Opt. C |
| | Norfolk, Virginia, Water Revenue Refunding Bonds, Series 2001: | | |
| 1,130 | 5.000%, 11/01/18 - FGIC Insured | | 11/11 at 100 |
| 1,190 | 5.000%, 11/01/19 - FGIC Insured | | 11/11 at 100 |
| 1,450 | 5.000%, 11/01/23 - FGIC Insured | | 11/11 at 100 |
| 1,525 | 5.000%, 11/01/24 - FGIC Insured | | 11/11 at 100 |

| | | |
|--------------|----------------|------------|
| PRINCIPAL | | OPTIONAL C |
| AMOUNT (000) | DESCRIPTION(1) | PROVISIO |

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WATER AND SEWER (continued)

| | | | |
|-------|---------|--|-------------|
| \$ | 500 | Virginia Beach, Virginia, Water and Sewerage System Revenue Bonds, Series 2000, 5.125%, 8/01/14 | 8/10 at 100 |
| | 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 |
| ----- | | | |
| \$ | 121,410 | Total Long-Term Investments (cost \$123,010,441) - 146.2% | |
| ===== | | | |
| | | Other Assets Less Liabilities - 0.7% | |
| ----- | | | |
| | | Preferred Shares, at Liquidation Value - (46.9)% | |
| ----- | | | |
| | | Net Assets Applicable to Common Shares - 100% | |
| ===== | | | |

FORWARD SWAPS OUTSTANDING AT MAY 31, 2005:

| | NOTIONAL AMOUNT | EFFECTIVE DATE (|
|---|-----------------|------------------|
| ----- | | |
| Agreement with Goldman Sachs dated December 6, 2004, to pay semi-annually the notional amount multiplied by 5.324% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | \$ 700,000 | 7/11/ |
| Agreement with JPMorgan dated January 11, 2005, to pay semi-annually the notional amount multiplied by 5.235% (annualized) and receive quarterly the notional amount multiplied by the three-month USD-LIBOR (United States Dollar-London Inter-Bank Offered Rates). | 2,400,000 | 8/17/ |
| ----- | | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- * 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.
- ** Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating.

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*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

(WI) Security purchased on a when-issued basis.

(a) The issuer has received a preliminary adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it is formally determined that the interest on the bonds should be treated as taxable.

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES May 31, 2005

| | MARYLAND PREMIUM INCOME (NMY) | MARYLAND DIVIDEND ADVANTAGE (NFM) |
|--|--|--|
| ----- | | |
| ASSETS | | |
| Investments, at market value (cost \$223,436,181, \$88,962,873, \$90,521,026 and \$112,009,829, respectively) | \$235,581,813 | \$93,202,017 |
| Cash | -- | 97,545 |
| Receivables: | | |
| Interest | 4,120,335 | 1,607,716 |
| Investments sold | 100,000 | 250,000 |
| Other assets | 7,998 | 7,814 |
| ----- | | |
| Total assets | 239,810,146 | 95,165,092 |
| ----- | | |
| LIABILITIES | | |
| Cash overdraft | 5,198 | -- |
| Payable for investments purchased | -- | -- |
| Forward swaps, at value | -- | 64,747 |
| Accrued expenses: | | |
| Management fees | 128,760 | 27,455 |
| Other | 54,159 | 19,642 |
| Preferred share dividends payable | 25,593 | 1,754 |
| ----- | | |
| Total liabilities | 213,710 | 113,598 |
| ----- | | |
| Preferred shares, at liquidation value | 79,100,000 | 32,000,000 |
| ===== | | |
| Net assets applicable to Common shares | \$160,496,436 | \$63,051,494 |
| ===== | | |
| Common shares outstanding | 10,612,282 | 4,166,281 |
| ===== | | |
| Net asset value per Common share outstanding (net assets applicable | | |

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| | | |
|---|---------------|--------------|
| to Common shares, divided by Common shares outstanding) | \$ 15.12 | \$ 15.13 |
| ===== | | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | |
| ----- | | |
| Common shares, \$.01 par value per share | \$ 106,123 | \$ 41,663 |
| Paid-in surplus | 147,373,888 | 59,098,438 |
| Undistributed net investment income | 989,129 | 395,654 |
| Accumulated net realized gain (loss) from investments and forward swaps | (118,336) | (658,658) |
| Net unrealized appreciation of investments and forward swaps | 12,145,632 | 4,174,397 |
| ----- | | |
| Net assets applicable to Common shares | \$160,496,436 | \$63,051,494 |
| ===== | | |
| Authorized shares: | | |
| Common | Unlimited | Unlimited |
| Preferred | Unlimited | Unlimited |
| ===== | | |

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES (continued)

| | |
|---|--|
| | VIRGINIA PREMIUM INCOME (NPV) |
| ----- | |
| ASSETS | |
| Investments, at market value (cost \$187,979,800, \$67,351,467 and \$123,010,441, respectively) | \$201,426,318 |
| Cash | 460,718 |
| Receivables: | |
| Interest | 2,906,276 |
| Investments sold | 2,640,806 |
| Other assets | 9,702 |
| ----- | |
| Total assets | 207,443,820 |
| ----- | |
| LIABILITIES | |
| Cash overdraft | -- |
| Payable for investments purchased | 3,125,612 |
| Forward swaps, at value | -- |
| Accrued expenses: | |
| Management fees | 109,925 |
| Other | 45,976 |
| Preferred share dividends payable | 21,911 |
| ----- | |
| Total liabilities | 3,303,424 |
| ----- | |
| Preferred shares, at liquidation value | 63,800,000 |
| ===== | |
| Net assets applicable to Common shares | \$140,340,396 |
| ===== | |

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| | |
|---|---------------|
| Common shares outstanding | 8,871,611 |
| ===== | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.82 |
| ===== | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | |
| ----- | |
| Common shares, \$.01 par value per share | \$ 88,716 |
| Paid-in surplus | 124,803,922 |
| Undistributed net investment income | 1,047,355 |
| Accumulated net realized gain (loss) from investments and forward swaps | 953,885 |
| Net unrealized appreciation of investments and forward swaps | 13,446,518 |
| ----- | |
| Net assets applicable to Common shares | \$140,340,396 |
| ===== | |
| Authorized shares: | |
| Common | Unlimited |
| Preferred | Unlimited |
| ===== | |

See accompanying notes to financial statements.

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Statement of
OPERATIONS year ended May 31, 2005

| | MARYLAND PREMIUM INCOME (NMY) | MARYLAND DIVIDEND ADVANTAGE (NFM) |
|--|--|--|
| ----- | | |
| INVESTMENT INCOME | \$11,687,694 | \$4,570,192 |
| ----- | | |
| EXPENSES | | |
| Management fees | 1,504,914 | 605,304 |
| Preferred shares - auction fees | 197,750 | 80,000 |
| Preferred shares - dividend disbursing agent fees | 20,000 | 10,000 |
| Shareholders' servicing agent fees and expenses | 28,643 | 2,387 |
| Custodian's fees and expenses | 55,860 | 26,913 |
| Trustees' fees and expenses | 5,517 | 2,239 |
| Professional fees | 17,933 | 12,775 |
| Shareholders' reports - printing and mailing expenses | 34,903 | 14,584 |
| Stock exchange listing fees | 10,786 | 354 |
| Investor relations expense | 32,728 | 10,838 |
| Other expenses | 28,988 | 14,637 |
| ----- | | |
| Total expenses before custodian fee credit and expense reimbursement | 1,938,022 | 780,031 |
| Custodian fee credit | (7,844) | (5,257) |
| Expense reimbursement | -- | (282,000) |
| ----- | | |
| Net expenses | 1,930,178 | 492,774 |
| ----- | | |
| Net investment income | 9,757,516 | 4,077,418 |
| ----- | | |

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| | | |
|---|--------------|-------------|
| REALIZED AND UNREALIZED GAIN (LOSS) | | |
| Net realized gain from investments | 795,306 | 114,678 |
| Net realized gain (loss) from forward swaps | -- | (186,945) |
| Change in net unrealized appreciation (depreciation) of investments | 9,023,910 | 3,306,967 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | (64,747) |
| ----- | | |
| Net realized and unrealized gain | 9,819,216 | 3,169,953 |
| ----- | | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | |
| From net investment income | (1,044,071) | (417,536) |
| From accumulated net realized gains from investments | -- | -- |
| ----- | | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (1,044,071) | (417,536) |
| ----- | | |
| Net increase in net assets applicable to Common shares from operations | \$18,532,661 | \$6,829,835 |
| ===== | | |

See accompanying notes to financial statements.

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Statement of
OPERATIONS (continued)

| | |
|--|--|
| | VIRGINIA PREMIUM INCOME (NPV) |
| ----- | |
| INVESTMENT INCOME | \$ 9,879,638 |
| ----- | |
| EXPENSES | |
| Management fees | 1,287,027 |
| Preferred shares - auction fees | 159,500 |
| Preferred shares - dividend disbursing agent fees | 20,000 |
| Shareholders' servicing agent fees and expenses | 23,799 |
| Custodian's fees and expenses | 49,197 |
| Trustees' fees and expenses | 4,332 |
| Professional fees | 16,819 |
| Shareholders' reports - printing and mailing expenses | 28,753 |
| Stock exchange listing fees | 10,818 |
| Investor relations expense | 28,482 |
| Other expenses | 16,852 |
| ----- | |
| Total expenses before custodian fee credit and expense reimbursement | 1,645,579 |
| Custodian fee credit | (8,249) |
| Expense reimbursement | -- |
| ----- | |
| Net expenses | 1,637,330 |
| ----- | |
| Net investment income | 8,242,308 |
| ----- | |

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| | |
|---|--------------|
| REALIZED AND UNREALIZED GAIN (LOSS) | |
| Net realized gain from investments | 1,338,639 |
| Net realized gain (loss) from forward swaps | -- |
| Change in net unrealized appreciation (depreciation) of investments | 6,847,395 |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- |
| ----- | |
| Net realized and unrealized gain | 8,186,034 |
| ----- | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | |
| From net investment income | (765,695) |
| From accumulated net realized gains from investments | -- |
| ----- | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (765,695) |
| ----- | |
| Net increase in net assets applicable to Common shares from operations | \$15,662,647 |
| ===== | |

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 5/31/05 | YEAR ENDED 5/31/04 | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 |
| ----- | | | | |
| OPERATIONS | | | | |
| Net investment income | \$ 9,757,516 | \$ 10,156,311 | \$ 4,077,418 | \$ 4,218,411 |
| Net realized gain (loss) from investments | 795,306 | 1,568,621 | 114,678 | (29,780) |
| Net realized gain (loss) from forward swaps | -- | -- | (186,945) | -- |
| Change in net unrealized appreciation (depreciation) of investments | 9,023,910 | (10,232,161) | 3,306,967 | (4,437,540) |
| Change in net unrealized appreciation (depreciation) of forward swaps | -- | -- | (64,747) | -- |
| Distributions to Preferred Shareholders: | | | | |
| From net investment income | (1,044,071) | (599,393) | (417,536) | (223,120) |
| From accumulated net realized gains from investments | -- | -- | -- | -- |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | 18,532,661 | 893,378 | 6,829,835 | (472,040) |
| ----- | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |

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| | | | | |
|--|---------------|---------------|--------------|-------------|
| From net investment income | (9,572,060) | (9,643,203) | (3,885,205) | (3,881,86 |
| From accumulated net realized gains from investments | -- | -- | -- | -- |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (9,572,060) | (9,643,203) | (3,885,205) | (3,881,86 |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares sold and issued to shareholders due to reinvestment of distributions | 429,038 | 441,548 | 65,542 | 57,26 |
| Preferred shares offering costs | -- | -- | -- | -- |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from capital share transactions | 429,038 | 441,548 | 65,542 | 57,26 |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | 9,389,639 | (8,308,277) | 3,010,172 | (4,296,63 |
| Net assets applicable to Common shares at the beginning of year | 151,106,797 | 159,415,074 | 60,041,322 | 64,337,95 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of year | \$160,496,436 | \$151,106,797 | \$63,051,494 | \$60,041,32 |
| ===== | | | | |
| Undistributed net investment income at the end of year | \$ 989,129 | \$ 1,848,894 | \$ 395,654 | \$ 621,00 |
| ===== | | | | |

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 5/31/05 | YEAR ENDED 5/31/04 | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 |
| ----- | | | | |
| OPERATIONS | | | | |
| Net investment income | \$ 4,588,042 | \$ 4,664,021 | \$ 8,242,308 | \$ 8,615,48 |
| Net realized gain (loss) from investments | 94,606 | 419,773 | 1,338,639 | 1,376,07 |
| Net realized gain (loss) from forward swaps | (447,668) | -- | -- | -- |
| Change in net unrealized appreciation (depreciation) of investments | 5,755,731 | (5,940,325) | 6,847,395 | (10,254,01 |
| Change in net unrealized appreciation (depreciation) of forward swaps | (194,876) | -- | -- | -- |
| Distributions to Preferred Shareholders: | | | | |

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| | | | | |
|--|--------------|--------------|---------------|---------------|
| From net investment income | (514,154) | (329,706) | (765,695) | (443,211) |
| From accumulated net realized gains from investments | (2,976) | -- | -- | -- |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | 9,278,705 | (1,186,237) | 15,662,647 | (705,666) |
| ----- | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (4,164,157) | (4,211,017) | (7,997,824) | (8,044,966) |
| From accumulated net realized gains from investments | (40,734) | -- | -- | -- |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (4,204,891) | (4,211,017) | (7,997,824) | (8,044,966) |
| ----- | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Net proceeds from Common shares sold and issued to shareholders due to reinvestment of distributions | -- | 72,758 | 553,214 | 649,800 |
| Preferred shares offering costs | -- | (6,570) | -- | -- |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from capital share transactions | -- | 66,188 | 553,214 | 649,800 |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | 5,073,814 | (5,331,066) | 8,218,037 | (8,100,822) |
| Net assets applicable to Common shares at the beginning of year | 74,369,018 | 79,700,084 | 132,122,359 | 140,223,181 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of year | \$79,442,832 | \$74,369,018 | \$140,340,396 | \$132,122,359 |
| ===== | | | | |
| Undistributed net investment income at the end of year | \$ 110,535 | \$ 206,638 | \$ 1,047,355 | \$ 1,592,550 |
| ===== | | | | |

See accompanying notes to financial statements.

OPERATIONS

Net investment income
 Net realized gain (loss) from investments
 Net realized gain (loss) from

forward swaps
 Change in net unrealized appreciation
 (depreciation) of investments
 Change in net unrealized appreciation
 (depreciation) of forward swaps
 Distributions to Preferred Shareholders:
 From net investment income
 From accumulated net realized gains
 from investments

 Net increase (decrease) in net assets
 applicable to Common shares
 from operations

 DISTRIBUTIONS TO COMMON SHAREHOLDERS
 From net investment income
 From accumulated net realized gains
 from investments

 Decrease in net assets applicable to
 Common shares from distributions
 to Common shareholders

 CAPITAL SHARE TRANSACTIONS
 Net proceeds from Common shares sold
 and issued to shareholders due to
 reinvestment of distributions
 Preferred shares offering costs

 Net increase in net assets applicable
 to Common shares from capital
 share transactions

 Net increase (decrease) in net assets
 applicable to Common shares
 Net assets applicable to Common
 shares at the beginning of year

 Net assets applicable to Common
 shares at the end of year

=====
 Undistributed net investment
 income at the end of year
 =====

See accompanying notes to financial statements.

Notes to
 FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds (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

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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). Common shares of Maryland Premium Income (NMY) and Virginia Premium Income (NPV) are traded on the New York Stock Exchange 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 American Stock Exchange. 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 diversified portfolio of municipal obligations issued by state and local government authorities within a single state.

Effective January 1, 2005, Nuveen Advisory Corp. ("NAC"), the Funds' previous Adviser, and its affiliate, Nuveen Institutional Advisory Corp. ("NIAC"), were merged into Nuveen Asset Management ("NAM"), each wholly owned subsidiaries of Nuveen Investments, Inc. ("Nuveen"). As a result of the merger, NAM is now the Adviser to all funds previously advised by either NAC or NIAC.

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.

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 price quotes are not readily available (which is usually the case for municipal securities), the pricing services establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. Prices of derivative investments are also provided by an independent pricing service approved by each Fund's Board of Trustees. If the pricing service is unable to supply a price for a derivative investment each Fund may use a market quote provided by a major broker/dealer in such investments. If it is determined that market prices for an investment are unavailable or inappropriate, the Board of Trustees of the Funds, or its designee, may establish a fair value for the investment. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased on a when-issued or delayed delivery basis may have extended settlement periods. Any securities 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 and delayed delivery purchase commitments. At May 31, 2005, Virginia Premium Income (NPV), Virginia Dividend Advantage (NGB) and Virginia Dividend Advantage 2 (NNB) had outstanding when-issued purchase commitments of \$3,125,612, \$1,465,415, and \$2,658,399, respectively. There were no such outstanding purchase commitments in any of the other 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. Investment 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 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 which 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. All monthly tax-exempt income dividends paid during the fiscal year ended May 31, 2005, have been designated Exempt Interest Dividends. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

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 any, are distributed to shareholders not less frequently than 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. generally accepted accounting principles.

Preferred Shares

The Funds have issued and outstanding Preferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's Preferred shares are issued in one or more Series. The dividend rate on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable weekly at the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

| | MARYLAND PREMIUM INCOME (NMY) | MARYLAND DIVIDEND ADVANTAGE (NFM) | MARYLAND DIVIDEND ADVANTAGE 2 (NZR) | MARYLAND DIVIDEND ADVANTAGE 3 (NWI) |
|-------------------|--|--|--|--|
| ----- | | | | |
| Number of shares: | | | | |
| Series M | -- | 1,280 | -- | -- |
| Series T | -- | -- | -- | 1,560 |
| Series W | 1,404 | -- | -- | -- |
| Series TH | 1,760 | -- | -- | -- |
| Series F | -- | -- | 1,280 | -- |
| ----- | | | | |
| Total | 3,164 | 1,280 | 1,280 | 1,560 |
| ===== | | | | |

| | VIRGINIA PREMIUM INCOME (NPV) | VIRGINIA DIVIDEND ADVANTAGE (NGB) | VIRGINIA DIVIDEND ADVANTAGE 2 (NNB) |
|-------------------|--|--|--|
| ----- | | | |
| Number of shares: | | | |

| | | | |
|-----------|-------|-----|-------|
| Series M | -- | -- | 1,680 |
| Series T | 832 | -- | -- |
| Series W | -- | 960 | -- |
| Series TH | 1,720 | -- | -- |
| Series F | -- | -- | -- |
| ----- | | | |
| Total | 2,552 | 960 | 1,680 |
| ===== | | | |

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Notes to
FINANCIAL STATEMENTS (continued)

Forward Swap Transactions

The Funds may invest in certain derivative financial instruments. The Funds' use of forward interest rate swap transactions is intended to mitigate the negative impact that an increase in long-term interest rates could have on Common share net asset value. Forward interest rate swap transactions involve each Fund's agreement with the counterparty to pay, in the future, a fixed rate payment in exchange for the counterparty paying the Fund a variable rate payment. The amount of the payment obligation is based on the notional amount of the forward swap contract. The Funds may close out a contract prior to the effective date at which point a realized gain or loss would be recognized. When a forward swap is terminated, it does not involve the delivery of securities or other underlying assets or principal, but rather is settled in cash. Each Fund intends, but is not obligated to, terminate its forward swaps before the effective date. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment to pay any realized gain to the Fund upon termination. To minimize such credit risk, all counterparties are required to pledge collateral daily (based on the daily valuation of each swap) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, the Funds have instructed the custodian to pledge assets of the 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 swap valuations fluctuate, either up or down, by at least the pre-determined threshold amount.

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

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

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The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

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2. FUND SHARES

Transactions in Common shares were as follows:

| | MARYLAND PREMIUM INCOME (NMY) | | MARYLAND DIVIDEND ADVANTAGE (NFM) | | MARYLAND DIVIDEND ADVANTAGE 2 | |
|---|-------------------------------|--------------------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 |
| Common shares issued to shareholders due to reinvestment of distributions | 27,491 | 27,206 | 4,162 | 3,448 | 3,606 | |

| | MARYLAND DIVIDEND ADVANTAGE 3 (NWI) | | VIRGINIA PREMIUM INCOME (NPV) | | VIRGINIA DIVIDEND ADVANTAGE 2 | |
|---|-------------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|
| | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 |
| Common shares issued to shareholders due to reinvestment of distributions | -- | 4,992 | 33,307 | 37,945 | 2,761 | |

| | VIRGINIA DIVIDEND ADVANTAGE 2 | |
|---|-------------------------------|--------------------|
| | YEAR ENDED 5/31/05 | YEAR ENDED 5/31/04 |
| Common shares issued to shareholders due to reinvestment of distributions | 12,458 | |

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities during the fiscal year ended May 31, 2005, were as follows:

MARYLAND MARYLAND MARYLAND

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| | PREMIUM INCOME (NMY) | DIVIDEND ADVANTAGE (NFM) | DIVIDEND ADVANTAGE 2 (NZR) | AD |
|----------------------|----------------------------|--------------------------------|----------------------------------|-----|
| Purchases | \$22,782,143 | \$9,712,115 | \$9,756,308 | \$1 |
| Sales and maturities | 22,973,381 | 9,669,954 | 9,600,840 | 1 |

| | | VIRGINIA PREMIUM INCOME (NPV) | VIRGINIA DIVIDEND ADVANTAGE (NGB) | AD |
|----------------------|--|--|--|-----|
| Purchases | | \$34,305,395 | \$10,986,478 | \$1 |
| Sales and maturities | | 34,192,119 | 10,450,186 | 1 |

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Notes to
FINANCIAL STATEMENTS (continued)

4. 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 the treatment of paydown gains and losses on investments, timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on investment transactions.

At May 31, 2005, the cost of investments was as follows:

| | MARYLAND PREMIUM INCOME (NMY) | MARYLAND DIVIDEND ADVANTAGE (NFM) | MARYLAND DIVIDEND ADVANTAGE 2 (NZR) | AD |
|---------------------|--|--|--|------|
| Cost of investments | \$223,153,695 | \$89,066,231 | \$90,572,057 | \$11 |

| | | VIRGINIA PREMIUM INCOME (NPV) | VIRGINIA DIVIDEND ADVANTAGE (NGB) | AD |
|---------------------|--|--|--|------|
| Cost of investments | | \$187,737,808 | \$67,328,282 | \$12 |

Gross unrealized appreciation and gross unrealized depreciation of investments at May 31, 2005, were as follows:

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| | MARYLAND PREMIUM INCOME (NMY) | MARYLAND DIVIDEND ADVANTAGE (NFM) | MARYLAND DIVIDEND ADVANTAGE 2 (NZR) | AD |
|--|--|--|--|----|
| Gross unrealized: | | | | |
| Appreciation | \$13,061,319 | \$4,406,091 | \$4,852,235 | \$ |
| Depreciation | (633,201) | (270,305) | (124,825) | |
| Net unrealized appreciation of investments | \$12,428,118 | \$4,135,786 | \$4,727,410 | \$ |

| | | VIRGINIA PREMIUM INCOME (NPV) | VIRGINIA DIVIDEND ADVANTAGE (NGB) | AD |
|--|--|--|--|----|
| Gross unrealized: | | | | |
| Appreciation | | \$13,715,337 | \$4,199,313 | \$ |
| Depreciation | | (26,827) | (59,701) | |
| Net unrealized appreciation of investments | | \$13,688,510 | \$4,139,612 | \$ |

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The tax components of undistributed net investment income and net realized gains at May 31, 2005, were as follows:

| | MARYLAND PREMIUM INCOME (NMY) | MARYLAND DIVIDEND ADVANTAGE (NFM) | MARYLAND DIVIDEND ADVANTAGE 2 (NZR) | AD |
|---|--|--|--|----|
| Undistributed net tax-exempt income * | \$1,385,615 | \$691,669 | \$794,023 | |
| Undistributed net ordinary income ** | -- | -- | 106 | |
| Undistributed net long-term capital gains | 2,980 | -- | 126,916 | |

| | | VIRGINIA PREMIUM INCOME (NPV) | VIRGINIA DIVIDEND ADVANTAGE (NGB) | AD |
|---|--|--|--|----|
| Undistributed net tax-exempt income * | | \$1,474,901 | \$591,228 | |
| Undistributed net ordinary income ** | | -- | -- | |
| Undistributed net long-term capital gains | | 953,885 | -- | |

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* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared May 2, 2005, paid on June 1, 2005.

** 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 fiscal years ended May 31, 2005 and May 31, 2004, was designated for purposes of the dividends paid deduction as follows:

| | MARYLAND PREMIUM INCOME (NMY) | MARYLAND DIVIDEND ADVANTAGE (NFM) | MARYLAND DIVIDEND ADVANTAGE 2 (NZR) | ADV |
|--|--|--|--|-----|
| 2005 | | | | |
| Distributions from net tax-exempt income | \$10,630,390 | \$4,316,846 | \$4,052,176 | \$4 |
| Distributions from net ordinary income ** | -- | -- | 17,820 | |
| Distributions from net long-term capital gains | -- | -- | 254,971 | |

| | | VIRGINIA PREMIUM INCOME (NPV) | VIRGINIA DIVIDEND ADVANTAGE (NGB) | ADV |
|--|--|--|--|-----|
| 2005 | | | | |
| Distributions from net tax-exempt income | | \$8,771,875 | \$3,200,407 | \$5 |
| Distributions from net ordinary income ** | | -- | -- | |
| Distributions from net long-term capital gains | | -- | -- | 1 |

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

Notes to
FINANCIAL STATEMENTS (continued)

| | MARYLAND PREMIUM INCOME (NMY) | MARYLAND DIVIDEND ADVANTAGE (NFM) | MARYLAND DIVIDEND ADVANTAGE 2 (NZR) | ADV |
|--|--|--|--|-----|
| 2004 | | | | |
| Distributions from net tax-exempt income | \$10,234,475 | \$4,085,826 | \$3,868,426 | \$4 |
| Distributions from net ordinary income ** | -- | -- | -- | |
| Distributions from net long-term capital gains | -- | -- | 85,658 | |

| | | VIRGINIA PREMIUM INCOME (NPV) | VIRGINIA DIVIDEND ADVANTAGE (NGB) | ADV |
|------|--|--|--|-----|
| 2004 | | | | |

| | | | |
|--|-------------|-------------|-----|
| Distributions from net tax-exempt income | \$8,481,892 | \$3,063,648 | \$5 |
| Distributions from net ordinary income ** | -- | -- | -- |
| Distributions from net long-term capital gains | -- | -- | -- |

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

At May 31, 2005, the following 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 DIVIDEND ADVANTAGE (NFM) | VIRGINIA DIVIDEND ADVANTAGE (NGB) |
|------------------|--|--|
| Expiration year: | | |
| 2005 | \$ -- | \$ -- |
| 2006 | -- | -- |
| 2007 | -- | -- |
| 2008 | -- | -- |
| 2009 | 7,580 | -- |
| 2010 | 37,159 | 12,972 |
| 2011 | -- | 32,605 |
| 2012 | 430,282 | 282,292 |
| Total | \$475,021 | \$327,869 |

The following Funds have elected to defer net realized losses from investments incurred from November 1, 2004 through May 31, 2005 ("post-October losses") in accordance with Federal income tax regulations. The following post-October losses are treated as having arisen on the first day of the following fiscal year:

| | MARYLAND DIVIDEND ADVANTAGE (NFM) | MARYLAND DIVIDEND ADVANTAGE 3 (NWI) |
|--|--|--|
| | \$59,987 | \$119,983 |

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

As approved by the Board of Trustees, effective August 1, 2004, a complex-wide management fee structure was adopted for all funds sponsored by the Adviser, or its predecessor and its affiliates. This fee structure separates each fund's management fee into two components - a complex-level component, based on the aggregate amount of all fund assets managed by the Adviser, and a specific fund-level component, based only on the amount of assets within each individual fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser. Under no circumstances

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will this pricing structure result in a fund paying management fees at a rate higher than would otherwise have been applicable had the complex-wide management fee structure not been implemented. As of June 30, 2005, the complex-level fee rate was .1900%; that is, the funds' effective management fee were reduced by approximately .0100%.

Effective August 1, 2004, the annual fund-level fee, payable monthly, for each of the Funds is based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | 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 |

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MARYLAND DIVIDEND ADVANTAGE (NFM) MARYLAND DIVIDEND ADVANTAGE 2 (NZR) MARYLAND DIVIDEND ADVANTAGE 3 (NWI) VIRGINIA DIVIDEND ADVANTAGE (NGB) VIRGINIA DIVIDEND ADVANTAGE 2 (NNB) 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 net assets over \$2 billion | .3750 |

Notes to
FINANCIAL STATEMENTS (continued)

Effective August 1, 2004, the annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as follows:

| COMPLEX-LEVEL ASSETS (1) | COMPLEX-LEVEL FEE RATE |
|----------------------------|------------------------|
| For the first \$55 billion | .2000% |
| For the next \$1 billion | .1800 |
| For the next \$1 billion | .1600 |
| For the next \$3 billion | .1425 |
| For the next \$3 billion | .1325 |
| For the next \$3 billion | .1250 |
| For the next \$5 billion | .1200 |
| For the next \$5 billion | .1175 |

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For the next \$15 billion .1150
 For Managed Assets over \$91 billion (2) .1400
 =====

- (1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to all types of leverage used by the Nuveen funds) of Nuveen-sponsored funds in the U.S.
- (2) With respect to the complex-wide Managed Assets over \$91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.

Each Fund paid through July 31, 2004, an annual management fee, payable monthly, at the rates set forth below, which were based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MARYLAND PREMIUM INCOME (NMY) VIRGINIA PREMIUM INCOME (NPV) MANAGEMENT FEE RATE |
|--|---|
| ----- | ----- |
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For the next \$3 billion | .5875 |
| For net assets over \$5 billion | .5750 |
| ===== | ===== |

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MARYLAND DIVIDEND ADVANTAGE (NFM) MARYLAND DIVIDEND ADVANTAGE 2 (NZR) MARYLAND DIVIDEND ADVANTAGE 3 (NWI) VIRGINIA DIVIDEND ADVANTAGE (NGB) VIRGINIA DIVIDEND ADVANTAGE 2 (NNB) MANAGEMENT FEE RATE |
|--|--|
| ----- | ----- |
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For net assets over \$2 billion | .5750 |
| ===== | ===== |

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 their 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

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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 (including net assets attributable to Preferred shares), 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 its fees and expenses beyond January 31, 2011.

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 (including net assets attributable to Preferred shares), 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.

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 (including net assets attributable to Preferred shares), 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.

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Notes to
FINANCIAL STATEMENTS (continued)

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 (including net assets attributable to Preferred shares), 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.

6. ANNOUNCEMENT REGARDING PARENT COMPANY OF ADVISER

In early April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers"), which owned 79% of Nuveen, (A) completed a public offering of a substantial portion of its equity stake in Nuveen, (B) sold Nuveen \$200 million of its Nuveen shares, (C) entered into an agreement with Nuveen to sell an additional \$400 million of its Nuveen shares on a "forward" basis with payment for and settlement of these shares delayed for several months, and (D) entered into agreements with two unaffiliated investment banking firms to sell an amount equal to most or all of its remaining Nuveen shares for current payment but for future settlement. The settlement of transactions (C) and (D) above would likely be deemed an "assignment" (as defined in the 1940 Act) of the investment management agreements between the Funds and the Adviser, which would result in the automatic termination of each agreement under the 1940 Act. The Board of Trustees will consider approval of new ongoing investment management agreements for each Fund and the submission of those agreements for approval by each respective Fund's shareholders, would take effect upon such approval. There can be no assurance that these approvals will be obtained.

7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on July 1, 2005, to shareholders of record on June 15, 2005, as follows:

| | | | |
|---------------------|----------------------|----------------------|----------------------|
| MARYLAND PREMIUM | MARYLAND DIVIDEND | MARYLAND DIVIDEND | MARYLAND DIVIDEND |
|---------------------|----------------------|----------------------|----------------------|

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| | INCOME (NMY) | ADVANTAGE (NFM) | ADVANTAGE 2 (NZR) | ADVANTAGE 3 (NWI) |
|--------------------|-----------------|--------------------|----------------------|----------------------|
| Dividend per share | \$.0690 | \$.0715 | \$.0730 | \$.0595 |

| | VIRGINIA PREMIUM INCOME (NPV) | VIRGINIA DIVIDEND ADVANTAGE (NGB) | VIRGINIA DIVIDEND ADVANTAGE 2 (NNB) |
|--------------------|--|--|--|
| Dividend per share | \$.0690 | \$.0755 | \$.0715 |

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Financial
HIGHLIGHTS

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Financial
HIGHLIGHTS

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 from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ |
| MARYLAND PREMIUM INCOME (NMY) | | | | | |
| Year Ended 5/31: | | | | | |
| 2005 | \$14.28 | \$.92 | \$.92 | \$ (.10) | \$ -- |
| 2004 | 15.10 | .96 | (.81) | (.06) | -- |
| 2003 | 14.04 | 1.02 | 1.00 | (.07) | -- |
| 2002 | 13.83 | 1.03 | .14 | (.13) | -- |
| 2001 | 12.83 | 1.03 | 1.01 | (.25) | -- |
| MARYLAND DIVIDEND ADVANTAGE (NFM) | | | | | |
| Year Ended 5/31: | | | | | |
| 2005 | 14.43 | .98 | .75 | (.10) | -- |
| 2004 | 15.47 | 1.01 | (1.07) | (.05) | -- |
| 2003 | 14.18 | 1.04 | 1.18 | (.08) | -- |

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| | | | | | | |
|----------|-------|------|-------|-------|----|---|
| 2002 | 13.90 | 1.04 | .22 | (.14) | -- | 1 |
| 2001 (a) | 14.33 | .22 | (.25) | (.05) | -- | (|

MARYLAND DIVIDEND
ADVANTAGE 2 (NZR)

Year Ended 5/31:

| | | | | | | |
|----------|-------|-----|--------|-------|----|---|
| 2005 | 14.64 | .94 | .90 | (.09) | -- | 1 |
| 2004 | 15.71 | .96 | (1.08) | (.06) | -- | (|
| 2003 | 14.01 | .97 | 1.62 | (.09) | -- | 2 |
| 2002 (b) | 14.33 | .57 | (.22) | (.06) | -- | |

MARYLAND DIVIDEND
ADVANTAGE 3 (NWI)

Year Ended 5/31:

| | | | | | | |
|----------|-------|-----|--------|-------|----|---|
| 2005 | 13.88 | .86 | .97 | (.10) | -- | 1 |
| 2004 | 14.89 | .87 | (1.03) | (.06) | -- | (|
| 2003 (c) | 14.33 | .52 | .75 | (.05) | -- | 1 |

Total Returns

| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value** | Based on Common Share Net Asset Value** |
|--|--|---|---------------------------|----------------------------------|---|
|--|--|---|---------------------------|----------------------------------|---|

MARYLAND PREMIUM
INCOME (NMY)

Year Ended 5/31:

| | | | | | |
|------|-------|---------|---------|---------|--------|
| 2005 | \$ -- | \$15.12 | \$15.78 | 15.64% | 12.52% |
| 2004 | -- | 14.28 | 14.45 | (10.77) | .64 |
| 2003 | -- | 15.10 | 17.15 | 15.22 | 14.33 |
| 2002 | -- | 14.04 | 15.73 | 4.77 | 7.71 |
| 2001 | -- | 13.83 | 15.85 | 26.24 | 14.18 |

MARYLAND DIVIDEND
ADVANTAGE (NFM)

Year Ended 5/31:

| | | | | | |
|----------|-------|-------|-------|------|--------|
| 2005 | -- | 15.13 | 15.63 | 6.22 | 11.60 |
| 2004 | -- | 14.43 | 15.62 | 2.99 | (.69) |
| 2003 | .01 | 15.47 | 16.08 | 9.98 | 15.55 |
| 2002 | -- | 14.18 | 15.44 | 1.98 | 8.21 |
| 2001 (a) | (.14) | 13.90 | 15.99 | 8.02 | (1.53) |

MARYLAND DIVIDEND
ADVANTAGE 2 (NZR)

Year Ended 5/31:

| | | | | | |
|----------|-------|-------|-------|--------|--------|
| 2005 | -- | 15.45 | 15.41 | 14.71 | 12.22 |
| 2004 | -- | 14.64 | 14.28 | (2.90) | (1.16) |
| 2003 | .01 | 15.71 | 15.60 | 12.71 | 18.39 |
| 2002 (b) | (.15) | 14.01 | 14.61 | .52 | 1.01 |

MARYLAND DIVIDEND

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ADVANTAGE 3 (NWI)

Year Ended 5/31:

| | | | | | |
|----------|-------|-------|-------|--------|--------|
| 2005 | -- | 14.82 | 14.40 | 14.98 | 12.67 |
| 2004 | -- | 13.88 | 13.24 | (5.97) | (1.51) |
| 2003 (c) | (.20) | 14.89 | 14.90 | 2.53 | 7.31 |

Ratios/Supplemental Data

| | Before Credit/Reimbursement | | After Credit | |
|--|---|--|---|--|
| | Ratio of Expenses to Average Net Assets Applicable to Common Shares (000) | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ |

MARYLAND PREMIUM INCOME (NMY)

Year Ended 5/31:

| | | | | |
|------|-----------|-------|-------|-------|
| 2005 | \$160,496 | 1.24% | 6.22% | 1.23% |
| 2004 | 151,107 | 1.24 | 6.54 | 1.23 |
| 2003 | 159,415 | 1.26 | 7.00 | 1.25 |
| 2002 | 147,795 | 1.32 | 7.33 | 1.31 |
| 2001 | 145,201 | 1.31 | 7.58 | 1.31 |

MARYLAND DIVIDEND ADVANTAGE (NFM)

Year Ended 5/31:

| | | | | |
|----------|--------|-------|-------|------|
| 2005 | 63,051 | 1.26 | 6.11 | .79 |
| 2004 | 60,041 | 1.24 | 6.34 | .78 |
| 2003 | 64,338 | 1.26 | 6.54 | .79 |
| 2002 | 58,925 | 1.35 | 6.81 | .82 |
| 2001 (a) | 57,740 | 1.17* | 4.33* | .75* |

MARYLAND DIVIDEND ADVANTAGE 2 (NZR)

Year Ended 5/31:

| | | | | |
|----------|--------|-------|-------|------|
| 2005 | 64,500 | 1.23 | 5.74 | .77 |
| 2004 | 61,064 | 1.24 | 5.90 | .78 |
| 2003 | 65,490 | 1.26 | 6.07 | .80 |
| 2002 (b) | 58,370 | 1.22* | 5.55* | .79* |

MARYLAND DIVIDEND ADVANTAGE 3 (NWI)

Year Ended 5/31:

| | | | | |
|----------|--------|-------|-------|------|
| 2005 | 79,443 | 1.23 | 5.40 | .74 |
| 2004 | 74,369 | 1.22 | 5.59 | .73 |
| 2003 (c) | 79,700 | 1.18* | 5.01* | .70* |

Preferred Shares at End of Period

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| | Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share |
|--|---|---|--------------------------------|
| ===== | | | |
| MARYLAND PREMIUM INCOME (NMY) | | | |
| ----- | | | |
| Year Ended 5/31: | | | |
| 2005 | \$79,100 | \$25,000 | \$75,726 |
| 2004 | 79,100 | 25,000 | 72,758 |
| 2003 | 79,100 | 25,000 | 75,384 |
| 2002 | 79,100 | 25,000 | 71,712 |
| 2001 | 79,100 | 25,000 | 70,891 |
| | | | |
| MARYLAND DIVIDEND ADVANTAGE (NFM) | | | |
| ----- | | | |
| Year Ended 5/31: | | | |
| 2005 | 32,000 | 25,000 | 74,259 |
| 2004 | 32,000 | 25,000 | 71,907 |
| 2003 | 32,000 | 25,000 | 75,264 |
| 2002 | 32,000 | 25,000 | 71,035 |
| 2001 (a) | 32,000 | 25,000 | 70,109 |
| | | | |
| MARYLAND DIVIDEND ADVANTAGE 2 (NZR) | | | |
| ----- | | | |
| Year Ended 5/31: | | | |
| 2005 | 32,000 | 25,000 | 75,390 |
| 2004 | 32,000 | 25,000 | 72,706 |
| 2003 | 32,000 | 25,000 | 76,164 |
| 2002 (b) | 32,000 | 25,000 | 70,601 |
| | | | |
| MARYLAND DIVIDEND ADVANTAGE 3 (NWI) | | | |
| ----- | | | |
| Year Ended 5/31: | | | |
| 2005 | 39,000 | 25,000 | 75,925 |
| 2004 | 39,000 | 25,000 | 72,672 |
| 2003 (c) | 39,000 | 25,000 | 76,090 |
| ===== | | | |

* Annualized.

** Total Investment Return 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. Total Return 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. Total returns are not annualized.

*** After custodian fee credit and expense reimbursement, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

(a) For the period January 23, 2001 (commencement of operations) through May 31, 2001.

(b) For the period September 25, 2001 (commencement of operations) through May 31, 2002.

(c) For the period September 25, 2002 (commencement of operations) through May

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31, 2003.

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 | | | | |
|--|--|-----------------------------|---|---|--|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ To |
| ===== | | | | | |
| VIRGINIA PREMIUM INCOME (NPV) | | | | | |
| ----- | | | | | |
| Year Ended 5/31: | | | | | |
| 2005 | \$14.95 | \$.93 | \$.93 | \$ (.09) | \$ -- \$1 |
| 2004 | 15.93 | .97 | (.99) | (.05) | -- (|
| 2003 | 14.69 | 1.00 | 1.21 | (.07) | -- 2 |
| 2002 | 14.59 | 1.04 | .03 | (.11) | -- |
| 2001 | 13.36 | 1.08 | 1.21 | (.25) | -- 2 |
| VIRGINIA DIVIDEND ADVANTAGE (NGB) | | | | | |
| ----- | | | | | |
| Year Ended 5/31: | | | | | |
| 2005 | 14.42 | .99 | 1.13 | (.09) | -- 2 |
| 2004 | 15.43 | 1.02 | (1.05) | (.05) | -- (|
| 2003 | 14.23 | 1.02 | 1.10 | (.07) | -- 2 |
| 2002 | 13.87 | 1.02 | .32 | (.13) | -- |
| 2001 (a) | 14.33 | .24 | (.28) | (.05) | -- (|
| VIRGINIA DIVIDEND ADVANTAGE 2 (NNB) | | | | | |
| ----- | | | | | |
| Year Ended 5/31: | | | | | |
| 2005 | 14.79 | .96 | 1.13 | (.09) | (.01) 1 |
| 2004 | 16.02 | .99 | (1.22) | (.06) | -- (|
| 2003 | 14.31 | .97 | 1.69 | (.08) | -- 2 |
| 2002 (b) | 14.33 | .41 | .09 | (.04) | -- |
| ===== | | | | | |

Total Returns

| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value** | Based on Common Share Net Asset Value** |
|--|--|---|---------------------------|----------------------------------|---|
|--|--|---|---------------------------|----------------------------------|---|

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VIRGINIA PREMIUM
INCOME (NPV)

| Year Ended 5/31: | | | | | |
|------------------|-------|---------|---------|---------|--------|
| 2005 | \$ -- | \$15.82 | \$17.65 | 24.54% | 12.13% |
| 2004 | -- | 14.95 | 14.95 | (10.70) | (.42) |
| 2003 | -- | 15.93 | 17.67 | 15.27 | 14.99 |
| 2002 | -- | 14.69 | 16.17 | 6.64 | 6.71 |
| 2001 | -- | 14.59 | 16.00 | 18.45 | 15.53 |

VIRGINIA DIVIDEND
ADVANTAGE (NGB)

| Year Ended 5/31: | | | | | |
|------------------|-------|-------|-------|--------|--------|
| 2005 | -- | 15.52 | 16.99 | 19.11 | 14.46 |
| 2004 | -- | 14.42 | 15.07 | (8.11) | (.50) |
| 2003 | .01 | 15.43 | 17.35 | 21.45 | 14.92 |
| 2002 | -- | 14.23 | 15.09 | 5.10 | 8.89 |
| 2001 (a) | (.16) | 13.87 | 15.18 | 2.61 | (1.73) |

VIRGINIA DIVIDEND
ADVANTAGE 2 (NNB)

| Year Ended 5/31: | | | | | |
|------------------|-------|-------|-------|--------|--------|
| 2005 | -- | 15.70 | 16.74 | 21.96 | 13.75 |
| 2004 | -- | 14.79 | 14.65 | (3.81) | (1.84) |
| 2003 | -- | 16.02 | 16.14 | 14.58 | 18.51 |
| 2002 (b) | (.13) | 14.31 | 14.90 | 1.71 | 2.30 |

Ratios/Supplemental Data

| | Before Credit/Reimbursement | | After Cred | |
|---|---|--|---|--|
| | Ratio of Expenses to Average Net Assets Applicable to Common Shares (000) | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ |
| Ending Net Assets Applicable to Common Shares (000) | | | | |

VIRGINIA PREMIUM
INCOME (NPV)

| Year Ended 5/31: | | | | |
|------------------|-----------|-------|-------|------|
| 2005 | \$140,340 | 1.20% | 5.98% | 1.19 |
| 2004 | 132,122 | 1.20 | 6.33 | 1.19 |
| 2003 | 140,223 | 1.25 | 6.61 | 1.24 |
| 2002 | 128,655 | 1.28 | 7.01 | 1.27 |
| 2001 | 127,145 | 1.23 | 7.51 | 1.21 |

VIRGINIA DIVIDEND
ADVANTAGE (NGB)

| Year Ended 5/31: | | | | |
|------------------|--------|------|------|-----|
| 2005 | 48,474 | 1.28 | 6.13 | .81 |
| 2004 | 44,988 | 1.24 | 6.39 | .77 |

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| | | | | |
|----------|--------|-------|-------|-----|
| 2003 | 48,102 | 1.28 | 6.45 | .81 |
| 2002 | 44,308 | 1.37 | 6.68 | .84 |
| 2001 (a) | 43,155 | 1.27* | 4.76* | .80 |

VIRGINIA DIVIDEND
ADVANTAGE 2 (NNB)

| | | | | |
|------------------|--------|-------|-------|-----|
| ----- | | | | |
| Year Ended 5/31: | | | | |
| 2005 | 89,626 | 1.19 | 5.74 | .74 |
| 2004 | 84,248 | 1.20 | 5.99 | .74 |
| 2003 | 91,065 | 1.21 | 6.01 | .75 |
| 2002 (b) | 81,325 | 1.14* | 5.00* | .70 |
| ===== | | | | |

Preferred Shares at End of Period

| | | | |
|-------|-------------|-------------|-----------|
| ----- | | | |
| | Aggregate | Liquidation | Asset |
| | Amount | and Market | Coverage |
| | Outstanding | Value | Per Share |
| | (000) | Per Share | |
| ===== | | | |

VIRGINIA PREMIUM
INCOME (NPV)

| | | | |
|------------------|----------|----------|----------|
| ----- | | | |
| Year Ended 5/31: | | | |
| 2005 | \$63,800 | \$25,000 | \$79,992 |
| 2004 | 63,800 | 25,000 | 76,772 |
| 2003 | 63,800 | 25,000 | 79,946 |
| 2002 | 63,800 | 25,000 | 75,413 |
| 2001 | 63,800 | 25,000 | 74,822 |

VIRGINIA DIVIDEND
ADVANTAGE (NGB)

| | | | |
|------------------|--------|--------|--------|
| ----- | | | |
| Year Ended 5/31: | | | |
| 2005 | 24,000 | 25,000 | 75,493 |
| 2004 | 24,000 | 25,000 | 71,863 |
| 2003 | 24,000 | 25,000 | 75,106 |
| 2002 | 24,000 | 25,000 | 71,154 |
| 2001 (a) | 24,000 | 25,000 | 69,953 |

VIRGINIA DIVIDEND
ADVANTAGE 2 (NNB)

| | | | |
|------------------|--------|--------|--------|
| ----- | | | |
| Year Ended 5/31: | | | |
| 2005 | 42,000 | 25,000 | 78,349 |
| 2004 | 42,000 | 25,000 | 75,148 |
| 2003 | 42,000 | 25,000 | 79,206 |
| 2002 (b) | 42,000 | 25,000 | 73,408 |
| ===== | | | |

* Annualized.

** Total Investment Return 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. Total Return 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. Total returns are not annualized.

*** After custodian fee credit and expense reimbursement, where applicable.

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- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.
- (a) For the period January 26, 2001 (commencement of operations) through May 31, 2001.
- (b) For the period November 15, 2001 (commencement of operations) through May 31, 2002.

See accompanying notes to financial statements.

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Board Members
AND OFFICERS

The management of the Fund, including general supervision of the duties performed for the Fund by the Adviser, is the responsibility of the Board Members of the Fund. 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 Fund 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 Fund, their principal 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 AND ADDRESS | POSITION(S) HELD WITH THE FUND | YEAR FIRST ELECTED OR APPOINTED (2) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|--------------------------------------|---|---|
|--------------------------------|--------------------------------------|---|---|

BOARD MEMBER WHO IS AN INTERESTED PERSON OF THE FUND:

| | | | |
|---|---|------|--|
| Timothy R. Schwertfeger(1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606 | Chairman of the Board and Trustee | 1994 | Chairman and Director (since 1996) of N Inc. and Nuveen Investments, LLC; Direc Chairman (since 1996) of Nuveen Advisor Institutional Advisory Corp.(3); Chairm 1997) of Nuveen Asset Management; Direc of Institutional Capital Corporation; C (since 1999) of Rittenhouse Asset Manag Chairman of Nuveen Investments Advisers |
|---|---|------|--|

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUND:

| | | | |
|--|--------------|------|---|
| Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Private Investor and Management Consult |
|--|--------------|------|---|

| | | | |
|--|--------------|------|---|
| Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1993 | Retired (1989) as Senior Vice President Trust Company; Director, Community Advi Highland Park and Highwood, United Way Shore (since 2002). |
|--|--------------|------|---|

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| | | | |
|--|--------------|------|---|
| Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1999 | President, The Hall-Perrine Foundation, corporation (since 1996); Director and Fire Group, a publicly held company; Ad University of Iowa; Director, Gazette C of Coe College; Director, Iowa College Director, Alliant Energy; formerly, Dir Bank of Chicago; formerly, President an SCI Financial Group, Inc., a regional f |
| William C. Hunter 3/6/48 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2004 | Dean and Distinguished Professor of Fin Business at the University of Connectio previously, Senior Vice President and D at the Federal Reserve Bank of Chicago (since 1997), Credit Research Center at Director of Xerox Corporation (since 20 |
| David J. Kundert 10/28/42 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2005 | Retired (2004) as Chairman, JPMorgan FL Management, President and CEO, Banc One Advisors Corporation, and President, On Funds; prior thereto, Executive Vice Pr Corporation and Chairman and CEO, Banc Management Group; Board of Regents, Lut currently a member of the American and Bar Associations. |

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| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUND | YEAR FIRST ELECTED OR APPOINTED (2) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|--------------------------------------|---|---|
|--------------------------------|--------------------------------------|---|---|

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUND (CONTINUED):

| | | | |
|---|--------------|------|---|
| William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Chairman, formerly, Senior Partner and Officer, Miller-Valentine Partners Ltd. investment company; formerly, Vice Pres Realty, a construction company; Board M Finance Committee, member of the Audit Health Partners, the not-for-profit com Valley Hospital; Board Member, formerly Development Coalition; President, Dayto Orchestra Association; formerly, Member Advisory Board, National City Bank, Day Business Advisory Council, Cleveland Fe |
| Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 | Executive Director, Gaylord and Dorothy Foundation (since 1994); prior thereto, Great Lakes Protection Fund (from 1990 |
| Eugene S. Sunshine | Board member | 2005 | Senior Vice President for Business and |

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1/22/50
 333 W. Wacker Drive
 Chicago, IL 60606

Northwestern University; Director (since 2002) of the Board of Options Exchange; Director (since 2002) of Mentor Holdings, a privately-held, national and community-based services; Chairman of the Board of Directors, Rubicon, an insurance company; Director by Northwestern University; Director (since 2002) of Evanston of Commerce and Evanston Investment development organization.

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

 OFFICERS OF THE FUND:

| | | | |
|--|------------------------------------|------|--|
| Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606 | Chief Administrative Officer | 1988 | Managing Director (since 2002), Assistant Associate General Counsel, formerly, Vice Assistant General Counsel of Nuveen Investment Management Director (since 2002), General Assistant Secretary, formerly, Vice President of Advisory Corp. and Nuveen Institutional Managing Director (since 2002), Assistant Associate General Counsel, formerly, Vice President (since 2000), of Nuveen Asset Management Director (since 2004) and Assistant Secretary of Nuveen Investments, Inc.; Assistant Investment Management Company, LLC (since 2002); President and Assistant Secretary of Nuveen Advisers Inc. (since 2002); Managing Director General Counsel and Assistant Secretary of Nuveen Asset Management, Inc. (since 2003); Chartered Financial Analyst. |
|--|------------------------------------|------|--|

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Board Members
 AND OFFICERS (CONTINUED)

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

 OFFICERS OF THE FUND (CONTINUED):

| | | | |
|---|---------------------------------|------|---|
| Julia L. Antonatos 9/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2004 | Managing Director (since 2005), previously (since 2002), formerly, Assistant Vice President of Nuveen Investments, LLC; Chartered Financial Analyst |
| Michael T. Atkinson 2/3/66 | Vice President and Assistant | 2000 | Vice President (since 2002), formerly, President (since 2000) of Nuveen Investments |

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333 W. Wacker Drive
Chicago, IL 60606

Secretary

Peter H. D'Arrigo
11/28/67
333 W. Wacker Drive
Chicago, IL 60606

Vice President
and Treasurer

1999

Vice President of Nuveen Investments, L
Vice President and Treasurer of Nuveen
(since 1999); Vice President and Treasu
Corp. and Nuveen Institutional Advisory
Vice President and Treasurer of Nuveen
(since 2002) and of Nuveen Investments
Assistant Treasurer of NWQ Investment M
Company, LLC (since 2002); Vice Preside
Nuveen Rittenhouse Asset Management, In
Chartered Financial Analyst.

Jessica R. Droeger
9/24/64
333 W. Wacker Drive
Chicago, IL 60606

Vice President
and Secretary

1998

Vice President (since 2002) and Assista
(since 1998), formerly, Assistant Vice
Nuveen Investments, LLC; Vice President
and Assistant Secretary (since 1998), f
Vice President of Nuveen Advisory Corp.
Institutional Advisory Corp.(3); and (s
Asset Management.

Lorna C. Ferguson
10/24/45
333 W. Wacker Drive
Chicago, IL 60606

Vice President

1998

Managing Director (since 2004) formerly
Nuveen Investments, LLC; Managing Direc
formerly, Vice President (since 1998) o
and Nuveen Institutional Advisory Corp.
(since 2005) of Nuveen Asset Management

William M. Fitzgerald
3/2/64
333 W. Wacker Drive
Chicago, IL 60606

Vice President

1995

Managing Director (since 2002) of Nuvee
LLC; Managing Director (since 2001), fo
(since 1995) of Nuveen Advisory Corp. a
Advisory Corp.(3); Managing Director (s
Asset Management; Vice President (since
Investment Advisers Inc.; Chartered Fin

Stephen D. Foy
5/31/54
333 W. Wacker Drive
Chicago, IL 60606

Vice President
and Controller

1998

Vice President (since 1993) and Funds C
of Nuveen Investments, LLC; formerly, V
Funds Controller (1998-2004) of Nuveen
Certified Public Accountant.

James D. Grassi
4/13/56
333 W. Wacker Drive
Chicago, IL 60606

Vice President
and Chief
Compliance
Officer

2004

Vice President and Deputy Director of C
of Nuveen Investments, LLC, Nuveen Inve
Nuveen Asset Management and Rittenhouse
Inc.; previously, Vice President and De
(2004) of Nuveen Advisory Corp. and Nuve
Corp. (3); formerly, Senior Attorney (1
Trust Company.

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| NAME, BIRTHDATE AND ADDRESS | HELD WITH THE FUNDS | ELECTED OR APPOINTED (4) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|------------------------|-----------------------------|--|
|--------------------------------|------------------------|-----------------------------|--|

OFFICERS OF THE FUND (CONTINUED):

| | | | |
|--|----------------|------|--|
| David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2000 | Vice President (since 2000) of Nuveen I LLC; Certified Public Accountant. |
|--|----------------|------|--|

| | | | |
|--|----------------|------|---|
| Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Vice President (since 1999) of Nuveen I |
|--|----------------|------|---|

| | | | |
|--|--|------|---|
| Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 1988 | Vice President, Assistant Secretary and Counsel of Nuveen Investments, LLC; Vic Assistant Secretary of Nuveen Advisory Institutional Advisory Corp.(3); Vice P and Assistant Secretary of Nuveen Inves Asset Management; Vice President (since Secretary and Assistant General Counsel Rittenhouse Asset Management; Vice Pres Secretary of Nuveen Investments Adviser Assistant Secretary of NWQ Investment M Company, LLC (since 2002). |
|--|--|------|---|

- (1) Mr. Schwertfeger is an "interested person" of the Fund, as defined in the Investment Company Act of 1940, because he is an officer and board member of the Adviser.
- (2) Board members serve an indefinite term until his/her successor is elected. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (3) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005.
- (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.

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ANNUAL INVESTMENT
MANAGEMENT AGREEMENT
APPROVAL PROCESS

At a meeting held on May 10-12, 2005, the Board of Trustees of each Fund, including the independent Trustees, unanimously approved the Investment Management Agreement between each Fund and NAM.

THE APPROVAL PROCESS

To assist the Board in its evaluation of an advisory contract with NAM, the independent Trustees received a report in adequate time in advance of their meeting which outlined, among other things, the services provided by NAM; the

organization of NAM, including the responsibilities of various departments and key personnel; the Fund's past performance as well as the Fund's performance compared to funds of similar investment objectives compiled by an independent third party (a "Peer Group") and if available, with recognized or, in certain cases, customized benchmarks; the profitability of NAM and certain industry profitability analyses for advisers to unaffiliated investment companies; the expenses of NAM in providing the various services; the advisory fees of NAM, including comparisons of such fees with the management fees of comparable funds in its Peer Group as well as comparisons of NAM's management fees with the fees NAM assesses to other types of investment products or accounts, if any; the soft dollar practices of NAM; and the expenses of each Fund, including comparisons of the Fund's expense ratios (after any fee waivers) with the expense ratios of its Peer Group. This information supplements that received by the Board throughout the year regarding Fund performance, expense ratios, portfolio composition, trade execution and sales activity.

In addition to the foregoing materials, independent legal counsel to the independent Trustees provided, in advance of the meeting, a legal memorandum outlining, among other things, the duties of the Trustees under the 1940 Act as well as the general principles of relevant state law in reviewing and approving advisory contracts; the requirements of the 1940 Act in such matters; an adviser's fiduciary duty with respect to advisory agreements and compensation; the standards used by courts in determining whether investment company boards of directors have fulfilled their duties and factors to be considered by the board in voting on advisory agreements.

At the Board meeting, NAM made a presentation to and responded to questions from the Board. After the presentations and after reviewing the written materials, the independent Trustees met privately with their legal counsel to review the Board's duties in reviewing advisory contracts and consider the renewal of the advisory contract. It is with this background that the Trustees considered each Investment Management Agreement with NAM. The independent Trustees, in consultation with independent counsel, reviewed the factors set out in judicial decisions and SEC directives relating to the renewal of advisory contracts. As outlined in more detail below, the Trustees considered all factors they believed relevant with respect to each Fund, including the following: (a) the nature, extent and quality of the services to be provided by NAM; (b) the investment performance of the Fund and NAM; (c) the costs of the services to be provided and profits to be realized by NAM and its affiliates from the relationship with the Fund; (d) the extent to which economies of scale would be realized as the Fund grows; and (e) whether fee levels reflect these economies of scale for the benefit of Fund investors.

A. NATURE, EXTENT AND QUALITY OF SERVICES

In evaluating the nature, extent and quality of NAM's services, the Trustees reviewed information concerning the types of services that NAM or its affiliates provide and are expected to provide to the Nuveen Funds; narrative and statistical information concerning the Fund's performance record and how such performance compares to the Fund's Peer Group and, if available, recognized benchmarks or, in certain cases, customized benchmarks (as described in further detail in Section B below); information describing NAM's organization and its various departments, the experience and responsibilities of key personnel, and available resources. In the discussion of key personnel, the Trustees received materials regarding the changes or additions in personnel of NAM. The Trustees further noted the willingness of the personnel of NAM to engage in open, candid discussions with the Board. The Trustees further considered the quality of NAM's investment process in making portfolio management decisions, including any refinements or improvements to the portfolio management processes, enhancements to technology and systems that are available to portfolio managers, and any additions of new personnel which may strengthen or expand the research and investment capabilities of NAM. In their review of advisory contracts for the fixed income funds, the Trustees also noted that Nuveen won the Lipper Award for

Best Fund Family: Fixed Income-Large Asset Class, for 2004. Given the Trustees' experience with the Funds, other Nuveen funds and NAM, the Trustees noted that they were familiar with and continue to have a good understanding of the organization, operations and personnel of NAM.

In addition to advisory services, the independent Trustees considered the quality of the administrative or non-advisory services provided. In this regard, NAM provides the Fund with such administrative and other services (exclusive of, and in addition to, any such services provided by others for the Funds) and officers and other personnel as are necessary for the operations of the respective Fund. In addition to investment management services, NAM and its affiliates provide each Fund with a wide range of services, including: preparing shareholder reports; providing daily accounting; providing quarterly financial statements; overseeing and coordinating the

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activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal support (such as helping to prepare registration statements, amendments thereto and proxy statements and responding to regulatory inquiries); and performing other Fund administrative tasks necessary for the operation of the respective Fund (such as tax reporting and fulfilling regulatory filing requirements). In addition, in evaluating the administrative services, the Trustees considered, in particular, NAM's policies and procedures for assuring compliance with applicable laws and regulations in light of the new SEC regulations governing compliance. The Trustees noted NAM's focus on compliance and its compliance systems. In their review, the Trustees considered, among other things, the additions of experienced personnel to NAM's compliance group and modifications and other enhancements to NAM's computer systems. In addition to the foregoing, the Trustees also noted that NAM outsources certain services that cannot be replicated without significant costs or at the same level of expertise. Such outsourcing has been a beneficial and efficient use of resources by keeping expenses low while obtaining quality services.

In addition to the above, in reviewing the variety of additional services that NAM or its affiliates must provide to closed-end funds, such as the Funds, the independent Trustees determined that Nuveen's commitment to supporting the secondary market for the common shares of its closed-end funds is particularly noteworthy. In this regard, the Trustees noted Nuveen's efforts to sponsor numerous forums for analysts and specialists regarding the various Nuveen closed-end funds, its creation of a new senior position dedicated to providing secondary market support services and enhancing communications with investors and analysts, and its advertising and media relations efforts designed to raise investor and analyst awareness of the closed-end funds.

With respect to services provided to municipal funds, such as the Funds, the Trustees also noted, among other things, the enhancements NAM implemented to its municipal portfolio management processes (e.g., the increased use of benchmarks to guide and assess the performance of its portfolio managers); the implementation of a risk management program; and the various initiatives being undertaken to enhance or modify NAM's computer systems as necessary to support the innovations of the municipal investment team (such as, the ability to assess certain historical data in order to create customized benchmarks, perform attribution analysis and facilitate the use of derivatives as hedging instruments). With respect to certain of the Funds with a less seasoned portfolio, the Trustees also noted the hedging program implemented for such Funds and the team responsible for developing, implementing and monitoring the hedging procedures. The hedging program was designed to help maintain the

applicable Fund's duration within certain benchmarks.

Based on their review, the Trustees found that, overall, the nature, extent and quality of services provided (and expected to be provided) to the Funds under the Investment Management Agreements were of a high level and were quite satisfactory.

B. THE INVESTMENT PERFORMANCE OF THE FUND AND ADVISER

As previously noted, the Board received a myriad of performance information regarding each Fund and its Peer Group, if available. Among other things, the Board received materials reflecting a Fund's historic performance, the Fund's performance compared to its Peer Group and, if available, its performance compared to recognized and, in certain cases, customized benchmarks. Further, in evaluating the performance information, in certain limited instances, the Trustees noted that the closest Peer Group for a Fund still would not adequately reflect such Fund's investment objectives and strategies, thereby limiting the usefulness of the comparisons of such Fund's performance with that of the Peer Group.

For state municipal funds, such as the Funds, the performance data included, among other things, the respective Fund's performance relative to its peers. More specifically, a Fund's one, three and five year total returns (as available) for the periods ending December 31, 2004 were evaluated relative to the unaffiliated funds in its respective Peer Group (including the returns of individual peers as well as the Peer Group average) as well as additional performance information with respect to all the funds in the Peer Group, subject to the following. Certain state municipal Funds do not have a corresponding Peer Group in which case their performance is measured against a state-specific municipal index compiled by an independent third party. Such indices measure bond performance rather than fund performance. The closed-end Funds that utilize such indices are from Connecticut, Georgia, Maryland, Missouri, North Carolina, Texas and Virginia. Based on their review, the Trustees determined that each Fund's absolute and relative investment performance over time had been satisfactory.

C. FEES, EXPENSES AND PROFITABILITY

1. FEES AND EXPENSES

In evaluating the management fees and expenses that a Fund is expected to bear, the Trustees considered the Fund's current management fee structure and the Fund's expected expense ratios in absolute terms as well as compared with the fees and expense ratios of the unaffiliated funds in its Peer Group. The Trustees reviewed the financial information of NAM, including its respective revenues, expenses and profitability. In reviewing fees, the Trustees, among other things, reviewed comparisons of the Fund's gross management fees (fees after fund-level and complex-wide level breakpoints but before reimbursement and fee waivers), net management fees (after breakpoints and reimbursements and fee waivers) and total expense ratios (before and after waivers) with those of the unaffiliated funds in the Peer Group and peer averages. In this regard, the Trustees noted that the relative ranking of the Nuveen Funds on fees and expenses was aided by the significant level of fee reductions provided by the fund-level and complex-wide breakpoint schedules, and the fee waivers and reimbursements provided by Nuveen for certain Funds launched since 1999. The complex-wide breakpoint schedule was instituted in 2004 and is described in further detail below in Section D entitled "Economies of Scale." In their review of the fee and expense information provided, including, in particular, the expense ratios of the unaffiliated funds in the respective Peer Group, the Trustees determined that each Fund's net total expense ratio was within an acceptable range compared to such peers.

2. COMPARISONS WITH THE FEES OF OTHER CLIENTS

The Trustees further compared the fees of NAM to the fees NAM assessed for

other types of clients investing in municipal funds (such as municipal managed accounts). With respect to such separately managed accounts, the advisory fees for such accounts

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ANNUAL INVESTMENT MANAGEMENT
AGREEMENT APPROVAL PROCESS (continued)

are generally lower than those charged to the comparable Fund. The Trustees noted, however, the additional services that are provided and the costs incurred by Nuveen in managing and operating registered investment companies, such as the Funds, compared to individually managed separate accounts. For instance, as described above, NAM and its affiliates provide numerous services to the Funds including, but not limited to, preparing shareholder reports; providing daily accounting; preparing quarterly financial statements; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal support; and administering all other aspects of the Fund's operations. Further, the Trustees noted the increased compliance requirements for funds in light of new SEC regulations and other legislation. These services are generally not required to the same extent, if at all, for separate accounts. In addition to the differences in services, the Trustees also considered, among other things, the differences in product distribution, investment policies, investor profiles and account sizes. Accordingly, the Trustees believe that the nature and number of services provided to operate a Fund merit the higher fees than those to separate managed accounts.

3. PROFITABILITY OF ADVISER

In conjunction with its review of fees, the Trustees also considered NAM's profitability. The Trustees reviewed NAM's revenues, expenses and profitability margins (on both a pre-tax and after-tax basis). In reviewing profitability, the Trustees recognized that one of the most difficult issues in determining profitability is establishing a method of allocating expenses. Accordingly, the Trustees reviewed NAM's assumptions and methodology of allocating expenses. In this regard, the methods of allocation used appeared reasonable but the Board noted the inherent limitations in allocating costs among various advisory products. The Trustees also recognized that individual fund or product line profitability of other advisers is generally not publicly available. Further, profitability may be affected by numerous factors including the types of funds managed, expense allocations, business mix, etc. and therefore comparability of profitability is somewhat limited. Nevertheless, to the extent available, the Trustees considered NAM's profit margin compared to the profitability of various publicly-traded investment management companies and/or investment management companies that publicly disclose some or all of their financial results compiled by three independent third-party service providers. The Trustees also reviewed the revenues, expenses and profit margins of various unaffiliated advisory firms with similar amounts of assets under management for the last year prepared by NAM. Based on their review, the Trustees were satisfied that NAM's level of profitability from its relationship with each Fund was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Trustees also considered any other revenues paid to NAM as well as any indirect benefits (such as soft dollar arrangements, if any) NAM and its affiliates are

expected to receive that are directly attributable to their management of the Funds, if any. See Section E below for additional information. Based on their review of the overall fee arrangements of the applicable Fund, the Trustees 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
In reviewing the compensation, the Trustees have long understood the benefits of economies of scale as the assets of a fund grows and have sought to ensure that shareholders share in these benefits. One method for shareholders to share in economies of scale is to include breakpoints in the advisory fee schedules that reduce fees as fund assets grow. Accordingly, the Trustees received and reviewed the schedules of advisory fees for each Fund, including fund-level breakpoints thereto. In addition, after lengthy negotiations with management, the Board in May, 2004 approved a complex-wide fee arrangement pursuant to which fees of the funds in the Nuveen complex, including the Funds, are reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement was introduced on August 1, 2004 and the Trustees reviewed data regarding the reductions of fees for the Funds for the period of August 1, 2004 to December 31, 2004. In evaluating the complex-wide fee arrangement, the Trustees considered, among other things, the historic and expected fee savings to shareholders as assets grow, the amount of fee reductions at various asset levels, and that the arrangement would extend to all Funds in the Nuveen complex. The Trustees also considered the impact, if any, the complex-wide fee arrangement may have on the level of services provided. Based on their review, the Trustees concluded that the breakpoint schedule and complex-wide fee arrangement currently was acceptable and desirable in providing benefits from economies of scale to shareholders.

E. INDIRECT BENEFITS

In evaluating fees, the Trustees also considered any indirect benefits or profits NAM or its affiliates may receive as a result of its relationship with each Fund. In this regard, the Trustees considered any benefits from soft dollar arrangements. The Trustees noted that although NAM manages a large amount of assets, it has very little, if any, brokerage to allocate. This is due to the fact that NAM

typically manages the portfolios of the municipal funds in the Nuveen complex and municipal bonds generally trade on a principal basis. Accordingly, NAM does not currently have any soft dollar arrangements and does not pay excess brokerage commissions (or spreads on principal transactions) in order to receive research services. In addition to soft dollar arrangements, the Trustees also considered any other revenues, if any, received by NAM or its affiliates. With respect to Funds with outstanding preferred shares and new Funds, the Trustees considered revenues received by Nuveen for serving as agent for broker-dealers at its preferred trading desk and for acting as co-manager in the initial public offering of new closed-end exchange-traded funds.

F. OTHER CONSIDERATIONS

Nuveen, until recently, was a majority-owned subsidiary of St. Paul Travelers. As noted, St. Paul earlier this year announced its intention to divest its equity stake in Nuveen. Nuveen is the parent of NAM. Pursuant to a series of transactions, St. Paul has begun to reduce its interest in Nuveen which will ultimately result in a change of control of Nuveen and therefore NAM. As mandated by the 1940 Act, such a change in control would result in an assignment of the advisory agreement with NAM and the automatic termination of such agreement. Accordingly, the Board also considered for each Fund the approval of

a New Investment Management Agreement with each Fund in light of, and which would take effect upon, the anticipated change of control. More specifically, the Board considered for each Fund a New Investment Management Agreement on substantially identical terms to the existing Investment Management Agreement, to take effect after the change of control has occurred and the contract has been approved by Fund shareholders. In its review, the Board considered whether the various transactions necessary to divest St. Paul's interest will have an impact on the various factors they considered in approving NAM, such as the scope and quality of services to be provided following the change of control. In reviewing the St. Paul transactions, the Board considered, among other things, the impact, if any, on the operations and organizational structure of NAM; the possible benefits and costs of the transactions to the respective Fund; the potential implications of any arrangements used by Nuveen to finance certain of the transactions; the ability of NAM to perform its duties after the transactions; whether a Fund's fee structure or expense ratio would change; any changes to the current practices of the respective Fund; any changes to the terms of the advisory agreement; and any anticipated changes to the operations of NAM. Based on its review, the Board determined that St. Paul's divestiture would not affect the nature and quality of services provided by NAM, the terms of the Investment Management Agreement, including the fees thereunder, and would not materially affect the organization or operations of NAM. Accordingly, the Board determined that their analysis of the various factors regarding their approval of NAM would continue to apply after the change of control.

G. APPROVAL

The Trustees did not identify any single factor discussed previously as all-important or controlling. The Trustees, including a majority of independent Trustees, concluded that the terms of the Investment Management Agreements were fair and reasonable, that the respective Fund Adviser's fees are reasonable in light of the services provided to each Fund, that the renewal of the NAM Investment Management Agreements should be approved, and that the new, post-change of control NAM Investment Management Agreements be approved and recommended to shareholders.

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REINVEST AUTOMATICALLY
EASILY AND CONVENIENTLY

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

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS
DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Exchange-Traded Fund allows you to conveniently reinvest dividends and/or capital gains 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 tax-free compounding. Just like dividends or distributions in cash, there may be times when income or capital gains taxes may be payable on dividends or 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 month you'll receive a statement showing your total dividends and 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 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. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or 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. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

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 investment 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 DIVIDENDS AND/OR 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.

OTHER USEFUL INFORMATION

Effective Jan. 1, 2005, the asset management services and operations of Nuveen Advisory Corp. (NAC) and Nuveen Institutional Advisory Corp (NIAC) became part of Nuveen Asset Management (NAM). This internal consolidation is intended to simplify the delivery of services to the investment management clients of Nuveen Investments. It does not affect the investment objectives or portfolio management of any Fund.

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

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Each Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2004, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at 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 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public References Section at 450 Fifth Street NW, Washington, D.C. 20549.

CEO CERTIFICATION DISCLOSURE

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

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

GLOSSARY OF TERMS USED IN THIS REPORT

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.

AVERAGE EFFECTIVE MATURITY: The average of all the maturities of the bonds in a Fund's portfolio, computed by weighting each maturity date (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.

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

MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.

NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

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.

(Sidebar)

BOARD OF DIRECTORS/TRUSTEES

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ROBERT P. BREMNER
LAWRENCE H. BROWN
JACK B. EVANS
WILLIAM C. HUNTER
DAVID J. KUNDERT
WILLIAM J. SCHNEIDER
TIMOTHY R. SCHWERTFEGER
JUDITH M. STOCKDALE
EUGENE S. SUNSHINE

FUND MANAGER
NUVEEN ASSET MANAGEMENT
333 WEST WACKER DRIVE
CHICAGO, IL 60606

CUSTODIAN
STATE STREET BANK & TRUST
BOSTON, MA

TRANSFER AGENT AND
SHAREHOLDER SERVICES
STATE STREET BANK & TRUST
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

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period covered by this report. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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NUVEEN INVESTMENTS:
SERVING INVESTORS
FOR GENERATIONS

Photo of: 2 women looking at a photo album.

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility.

Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio. Our clients have come to appreciate this diversity, as well as our continued

adherence to proven, long-term investing principles.

WE OFFER MANY DIFFERENT INVESTING SOLUTIONS FOR OUR CLIENTS' DIFFERENT NEEDS.

Managing more than \$115 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

FIND OUT HOW WE CAN HELP YOU REACH YOUR FINANCIAL GOALS.

To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest.

Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For 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.

(Sidebar)

LEARN MORE
ABOUT NUVEEN FUNDS AT
WWW.NUVEEN.COM/ETF

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

Logo: NUVEEN Investments

EAN-A-0505D

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a 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/etf. (To view the code, click on the Investor Resources drop down menu box, 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 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, Chairman of the Audit Committee, 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

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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 entered into on or after May 6, 2003, 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 | AUDIT-RELATED FEES BILLED TO FUND |
|--|------------------------------|--------------------------------------|
| May 31, 2005 | \$ 8,411 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | N/A | 0% |
| May 31, 2004 | \$ 7,994 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | N/A | 0% |

The above "All Other Fees" are fees paid to audit firms to perform agreed upon procedures required by the rating agencies to rate fund preferred shares. The above "Tax Fees" were billed for professional services for tax advice, tax

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compliance, and tax planning.

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 ("Control Affiliate") 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 table also shows 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 TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | BI AND SE |
|--|---|---|-----------------|
| May 31, 2005 | \$ 0 | \$ 282,575 | |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | |
| May 31, 2004 | \$ 0 | \$ 0 | |
| Percentage approved pursuant to pre-approval exception | N/A | N/A | |

The above "Tax Fees" are primarily fees billed to the Adviser for Fund tax return preparation.

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. For engagements entered into on or after May 6, 2003, 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 de minimis exception described above). The Audit Committee

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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) | TOT BILL AFFI PRO |
|-------------------|--|---|----------------------------|
| May 31, 2005 | \$ 3,232 | \$ 282,575 | |
| May 31, 2004 | \$ 3,482 | \$ 0 | |

The above "Non-Audit Fees billed to Adviser" for 2005 include "Tax-Fees" billed to Adviser in the amount of \$282,575 from 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.

The registrant's Board of Directors or Trustees has a separately designated audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Lawrence H. Brown, Jack B. Evans and William J. Schneider.

ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

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

In the rare event that a municipal issuer held by the Fund were to issue a proxy or that the Fund were to receive a proxy issued by a cash management security, the Adviser 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 Fund's Board of Directors or Trustees or its representative. In the case of a conflict of interest, the proxy would be submitted to the applicable Fund's Board to determine how the proxy should be voted. A member of the Adviser's legal department would oversee the

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administration of the voting, and ensure that records were maintained in accordance with Rule 204-2(c)(2) under the Investment Advisers Act of 1940 (17 CFR 275.204-2(c)(2)), reports were filed with the SEC on Form N-PX, and the results were provided to the Board of Directors or Trustees and made available to shareholders as required by applicable rules.

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

Not applicable at this time.

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/etf and there were no amendments during the period covered by this report. (To view the code, click on the Investor Resources drop down menu box, 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

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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/ Jessica R. Droeger

Jessica R. Droeger
Vice President and Secretary

Date: August 8, 2005

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 8, 2005

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

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

Date: August 8, 2005

* Print the name and title of each signing officer under his or her signature.