

NUVEEN SELECT TAX FREE INCOME PORTFOLIO 3
Form N-Q
August 29, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT
COMPANY

Investment Company Act file number 811-06693

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

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

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

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

Date of fiscal year end: 3/31

Date of reporting period: 6/30/14

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

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

Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)

Nuveen Select Tax-Free Income Portfolio 3 (NXR)

June 30, 2014

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	LONG-TERM INVESTMENTS – 97.9%			
	MUNICIPAL BONDS – 97.9%			
	Alaska – 1.1%			
\$ 2,675	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/32	9/14 at 100.00	B2	\$ 2,180,393
12,500	California – 18.8% Anaheim Public Financing Authority, California, Subordinate Lease Revenue Bonds, Public Improvement Project, Series 1997C, 0.000%, 9/01/35 – AGM Insured	No Opt. Call	AA	4,173,125
1,000	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Los Angeles County Securitization Corporation, Series 2006A, 5.600%, 6/01/36	12/18 at 100.00	BB–	857,130
1,125	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 5.000%, 6/01/26	6/15 at 100.00	B–	1,047,353
2,595	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37	4/16 at 100.00	A+	2,662,262
890	California Statewide Community Development Authority, Revenue Bonds, Methodist Hospital Project, Series 2009, 6.750%, 2/01/38	8/19 at 100.00	Aa2	1,066,683
275	California Statewide Financing Authority, Tobacco Settlement Asset-Backed Bonds, Pooled Tobacco Securitization Program, Series 2002A, 5.625%, 5/01/29	9/14 at 100.00	BBB	273,609
2,275	Folsom Cordova Unified School District, Sacramento County, California, General Obligation Bonds, School Facilities Improvement District 4, Series 2007A, 0.000%, 10/01/28 – NPMG Insured	No Opt. Call	AA–	1,203,134
2,985	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 0.000%, 6/01/28 – AMBAC Insured	No Opt. Call	A1	1,741,240
	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed			

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Bonds, Series 2007A-1:

750	4.500%, 6/01/27	6/17 at 100.00	B	668,460
2,090	5.000%, 6/01/33	6/17 at 100.00	B	1,692,775
4,055	Kern Community College District, California, General Obligation Bonds, Series 2003A, 0.000%, 3/01/28 – FGIC Insured	No Opt. Call	Aa2	2,312,850
1,160	Mount San Antonio Community College District, Los Angeles County, California, General Obligation Bonds, Election of 2008, Series 2013A, 0.000%, 8/01/43	8/35 at 100.00	AA	670,190
11,985	Norwalk La Mirada Unified School District, Los Angeles County, California, General Obligation Bonds, Election of 2002, Series 2007C, 0.000%, 8/01/32 – AGM Insured	No Opt. Call	AA	5,378,149
3,000	Palomar Pomerado Health, California, General Obligation Bonds, Election of 2004, Series 2007A, 0.000%, 8/01/25 – NPMFG Insured	No Opt. Call	AA–	1,933,740
8,040	Placentia-Yorba Linda Unified School District, Orange County, California, Certificates of Participation, Series 2006, 0.000%, 10/01/34 – FGIC Insured	No Opt. Call	AA–	2,916,590
1,500	Placer Union High School District, Placer County, California, General Obligation Bonds, Series 2004C, 0.000%, 8/01/32 – AGM Insured	No Opt. Call	AA	652,020
8,000	Poway Unified School District, San Diego County, California, General Obligation Bonds, School Facilities Improvement District 2007-1, Series 2009A, 0.000%, 8/01/32	No Opt. Call	Aa2	3,589,920
3,940	Rancho Mirage Redevelopment Agency, California, Tax Allocation Bonds, Combined Whitewater and 1984 Project Areas, Series 2003A, 0.000%, 4/01/35 – NPMFG Insured	No Opt. Call	AA–	1,363,240
1,030	Riverside Public Financing Authority, California, Tax Allocation Bonds, University Corridor, Series 2007C, 5.000%, 8/01/37 – NPMFG Insured	8/17 at 100.00	AA–	1,046,130
1,250	San Jose, California, Airport Revenue Bonds, Series 2004D, 5.000%, 3/01/28 – NPMFG Insured	9/14 at 100.00	AA–	1,254,125
70,445	Total California Colorado – 5.2%			36,502,725
1,540	Arkansas River Power Authority, Colorado, Power Revenue Bonds, Series 2006, 5.250%, 10/01/40 – SYNCORA GTY Insured	10/16 at 100.00	BBB–	1,549,117
2,000	Colorado Health Facilities Authority, Colorado, Revenue Bonds, Sisters of Charity of Leavenworth Health Services Corporation, Series 2010A, 5.000%, 1/01/40	1/20 at 100.00	AA–	2,112,580
1,000	Colorado Health Facilities Authority, Colorado, Revenue Bonds, Valley View Hospital Association, Series 2007, 5.250%, 5/15/42	5/17 at 100.00	BBB+	1,022,940
1,935			A	2,106,267

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	Denver City and County, Colorado, Airport System Revenue Bonds, Subordinate Lien Series 2013B, 5.000%, 11/15/43	11/23 at 100.00		
1,295	E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/32 – NPFPG Insured	No Opt. Call	AA–	554,817
5,520	E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B, 0.000%, 9/01/28 – NPFPG Insured	9/20 at 63.98	AA–	2,710,044
13,290	Total Colorado			10,055,765
	District of Columbia – 0.1%			
185	District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.250%, 5/15/24	11/14 at 100.00	A1	184,943
	Florida – 0.5%			
1,000	Hillsborough County Industrial Development Authority, Florida, Hospital Revenue Bonds, Tampa General Hospital, Series 2006, 5.250%, 10/01/41	10/16 at 100.00	A3	1,025,740
	Illinois – 14.2%			
3,500	Chicago Board of Education, Illinois, General Obligation Bonds, Series 1999A, 0.000%, 12/01/28 – FGIC Insured	No Opt. Call	AA–	1,739,010
2,000	Chicago, Illinois, General Obligation Bonds, Project & Refunding Series 2006A, 4.625%, 1/01/31 – AGM Insured	1/16 at 100.00	AA	2,008,920
1,050	Illinois Finance Authority, Revenue Bonds, Loyola University of Chicago, Tender Option Bond Trust 1137, 9.406%, 7/01/15 (IF)	No Opt. Call	AA+	1,216,142
260	Illinois Finance Authority, Revenue Bonds, Rehabilitation Institute of Chicago, Series 2013A, 6.000%, 7/01/43	7/23 at 100.00	A–	289,219
1,600	Illinois Finance Authority, Revenue Bonds, Resurrection Health Care System, Series 1999B, 5.000%, 5/15/24 – AGM Insured	5/18 at 100.00	AA	1,713,632
2,185	Illinois Finance Authority, Revenue Bonds, YMCA of Southwest Illinois, Series 2005, 5.000%, 9/01/31 – RAAI Insured	9/15 at 100.00	Aa3	2,074,920
1,500	Illinois Finance Authority, Revenue Refunding Bonds, Silver Cross Hospital and Medical Centers, Series 2008A, 5.500%, 8/15/30	8/18 at 100.00	BBB+	1,562,685
750	Illinois Finance Authority, Student Housing Revenue Bonds, Educational Advancement Fund Inc., University Center Project, Series 2006B, 5.000%, 5/01/25	11/16 at 100.00	BBB+	764,693
1,500	Illinois Health Facilities Authority, Revenue Bonds, Evangelical Hospitals Corporation, Series 1992C, 6.250%, 4/15/22 (ETM)	No Opt. Call	N/R(4)	1,865,160
1,570	Illinois Housing Development Authority, Homeowner Mortgage Revenue Bonds, Series 2006C2, 5.050%, 8/01/27 (Alternative Minimum Tax)	2/16 at 100.00	AA	1,598,448
2,190	Illinois State, General Obligation Bonds, Refunding Series 2012, 5.000%, 8/01/23	No Opt. Call	A–	2,452,187

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1,000	Kankakee & Will Counties Community Unit School District 5, Illinois, General Obligation Bonds, Series 2006, 0.000%, 5/01/23 – AGM Insured Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A:	No Opt. Call	Aa3	741,110
2,500	0.000%, 12/15/30 – NPFPG Insured	No Opt. Call	AAA	1,198,000
4,775	0.000%, 12/15/31 – NPFPG Insured	No Opt. Call	AAA	2,158,491
5,000	0.000%, 12/15/36 – NPFPG Insured	No Opt. Call	AAA	1,671,100
2,000	0.000%, 6/15/37 – NPFPG Insured	No Opt. Call	AAA	630,780
1,300	Schaumburg, Illinois, General Obligation Bonds, Series 2004B, 5.250%, 12/01/34 (Pre-refunded 12/01/14) – FGIC Insured	12/14 at 100.00	AAA	1,327,989
2,000	Springfield, Illinois, Electric Revenue Bonds, Senior Lien Series 2007, 5.000%, 3/01/22 – NPFPG Insured	3/17 at 100.00	AA–	2,176,760
310	University of Illinois, Health Services Facilities System Revenue Bonds, Series 2013, 6.000%, 10/01/42	10/23 at 100.00	A	346,468
36,990	Total Illinois Indiana – 3.8%			27,535,714
3,520	Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Methodist Hospitals Inc., Series 2001, 5.375%, 9/15/22	9/14 at 100.00	BBB	3,525,104
840	Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 – AGM Insured	No Opt. Call	AA	867,754
2,295	Shelbyville Central Renovation School Building Corporation, Indiana, First Mortgage Bonds, Series 2005, 4.375%, 7/15/25 (Pre-refunded 7/15/15) – NPFPG Insured	7/15 at 100.00	AA+(4)	2,394,901
1,000	Zionsville Community Schools Building Corporation, Indiana, First Mortgage Bonds, Series 2005Z, 0.000%, 7/15/28 – AGM Insured	No Opt. Call	AA	601,760
7,655	Total Indiana Iowa – 2.6%			7,389,519
2,745	Iowa Finance Authority, Health Facility Revenue Bonds, Care Initiatives Project, Series 2006A, 5.000%, 7/01/20	7/16 at 100.00	BB+	2,842,557
1,330	Iowa Finance Authority, Iowa, Midwestern Disaster Area Revenue Bonds, Iowa Fertilizer Company Project, Series 2013, 5.000%, 12/01/19	No Opt. Call	BB–	1,400,809
950	Iowa Tobacco Settlement Authority, Tobacco Asset-Backed Revenue Bonds, Series 2005B, 5.600%, 6/01/34	6/17 at 100.00	B+	857,252
5,025	Total Iowa Kansas – 1.1%			5,100,618

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Lawrence, Kansas, Hospital Revenue Bonds, Lawrence Memorial Hospital, Refunding Series 2006:				
1,425	5.125%, 7/01/26	7/16 at 100.00	A1	1,469,275
700	4.875%, 7/01/36	7/16 at 100.00	A1	711,949
2,125	Total Kansas Maryland – 0.3%			2,181,224
550	Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/23 – SYNCORA GTY Insured Michigan – 2.4%	9/16 at 100.00	BB+	572,484
355	Detroit Water and Sewerage Department, Michigan, Sewage Disposal System Revenue Bonds, Refunding Senior Lien Series 2012A, 5.250%, 7/01/39	7/22 at 100.00	BB+	353,580
3,535	Detroit, Michigan, Sewer Disposal System Revenue Bonds, Second Lien, Series 2006B, 4.625%, 7/01/34 – FGIC Insured	7/16 at 100.00	AA–	3,392,327
640	Detroit, Michigan, Water Supply System Second Lien Revenue Refunding Bonds, Series 2006C, 5.000%, 7/01/33 – AGM Insured	No Opt. Call	AA	640,058
250	Royal Oak Hospital Finance Authority, Michigan, Hospital Revenue Bonds, William Beaumont Hospital, Refunding Series 2009V, 8.250%, 9/01/39 (Pre-refunded 9/01/18)	9/18 at 100.00	Aaa	324,240
4,780	Total Michigan Mississippi – 0.4%			4,710,205
725	Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 Missouri – 1.5%	9/14 at 100.00	A	730,343
270	Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Mass Transit Sales Tax Appropriation Bonds, Refunding Combined Lien Series 2013A, 5.000%, 10/01/28	10/18 at 100.00	AA+	303,915
2,500	Missouri Highways and Transportation Commission, State Road Revenue Bonds, Refunding Senior Lien Series 2006, 5.000%, 2/01/15	No Opt. Call	AAA	2,571,950
2,770	Total Missouri Montana – 0.8%			2,875,865
1,440	Montana Facilities Finance Authority, Revenue Bonds, Sisters of Charity of Leavenworth Health Services Corporation, Composite Deal Series 2010A, 4.750%, 1/01/40 Nevada – 2.7%	1/20 at 100.00	AA–	1,512,101
1,000	Clark County, Nevada, Passenger Facility Charge Revenue Bonds, Las Vegas-McCarran International Airport, Series 2010A, 5.250%, 7/01/42	1/20 at 100.00	A+	1,081,440
1,625	Las Vegas Valley Water District, Nevada, General Obligation Bonds, Series 2005A, 5.000%, 6/01/18 – FGIC Insured	6/15 at 100.00	AA+	1,695,931

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2,500	North Las Vegas, Nevada, General Obligation Bonds, Series 2006, 5.000%, 5/01/36 – NPPG Insured	5/16 at 100.00	AA-	2,420,750
5,125	Total Nevada			5,198,121
	New Jersey – 2.3%			
2,000	New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A, 5.000%, 7/01/34 – NPPG Insured	7/14 at 100.00	AA-	2,020,460
4,570	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C, 0.000%, 12/15/28 – AMBAC Insured	No Opt. Call	A	2,421,963
6,570	Total New Jersey			4,442,423
	New Mexico – 2.6%			
1,000	New Mexico Mortgage Finance Authority, Multifamily Housing Revenue Bonds, St Anthony, Series 2007A, 5.250%, 9/01/42 (Alternative Minimum Tax)	9/17 at 100.00	N/R	1,008,920
4,000	University of New Mexico, FHA-Insured Hospital Mortgage Revenue Bonds, University of Mexico Hospital Project, Series 2004, 4.625%, 1/01/25 – AGM Insured	7/14 at 100.00	AA	4,006,240
5,000	Total New Mexico			5,015,160
	New York – 6.4%			
1,025	Dormitory Authority of the State of New York, FHA Insured Mortgage Hospital Revenue Bonds, Kaleida Health, Series 2006, 4.700%, 2/15/35	8/16 at 100.00	AAA	1,041,103
3,750	Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2004A, 5.000%, 9/01/34 – BHAC Insured	9/14 at 100.00	AA+	3,778,238
1,250	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Refunding Series 2012F, 5.000%, 11/15/26	11/22 at 100.00	AA-	1,434,400
2,500	New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2007B, 4.750%, 11/01/27	5/17 at 100.00	AAA	2,744,925
3,000	New York State Thruway Authority, State Personal Income Tax Revenue Bonds, Series 2004A, 5.000%, 3/15/24 (Pre-refunded 9/15/14) – AMBAC Insured	9/14 at 100.00	AAA	3,030,690
265	Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Eighth Series 2010, 6.000%, 12/01/42	12/20 at 100.00	BBB	302,951
11,790	Total New York			12,332,307
	Ohio – 3.8%			
	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:			
1,345	5.375%, 6/01/24	6/17 at 100.00	B-	1,147,406
1,465	6.000%, 6/01/42	6/17 at 100.00	B+	1,173,670
435	5.875%, 6/01/47	6/17 at 100.00	B	344,707
3,720	Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue	6/22 at 100.00	B	3,125,730

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	Bonds, Senior Lien, Series 2007A-3, 6.250%, 6/01/37			
	Ohio Turnpike Commission, Turnpike Revenue Bonds,	2/23 at		
1,475	Infrastructure Project, Junior Lien Series	100.00	A+	1,596,142
	2013A-1, 5.000%, 2/15/48			
8,440	Total Ohio			7,387,655
	Pennsylvania – 1.9%			
	Dauphin County Industrial Development Authority, Pennsylvania,	No Opt.		
2,435	Water Development Revenue	Call	A–	2,775,559
	Refunding Bonds, Dauphin Consolidated Water Supply Company,			
	Series 1992B, 6.700%, 6/01/17			
	Pennsylvania Turnpike Commission, Motor License	12/20 at		
1,000	Fund-Enhanced Subordinate Special Revenue	100.00	AA	1,001,990
	Bonds, Series 2010B, 0.000%, 12/01/30			
3,435	Total Pennsylvania			3,777,549
	Puerto Rico – 2.4%			
	Puerto Rico Highway and Transportation Authority, Highway	No Opt.		
945	Revenue Bonds, Series 2007N, 5.250%,	Call	B	817,520
	7/01/31 – AMBAC Insured			
	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue	8/19 at		
1,000	Bonds, First Subordinate Series	100.00	A+	832,260
	2009A, 6.000%, 8/01/42			
	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue			
	Bonds, Series 2007A:			
		No Opt.		
1,170	0.000%, 8/01/40 – NPFPG Insured	Call	AA–	213,970
		No Opt.		
12,000	0.000%, 8/01/41 – NPFPG Insured	Call	AA–	2,056,200
		No Opt.		
9,015	0.000%, 8/01/54 – AMBAC Insured	Call	AA–	647,187
24,130	Total Puerto Rico			4,567,137
	Rhode Island – 0.6%			
	Rhode Island Economic Development Corporation, Airport	7/15 at		
1,150	Revenue Bonds, Refunding Series 2005A,	100.00	AA–	1,155,198
	4.625%, 7/01/26 – NPFPG Insured (Alternative Minimum Tax)			
	South Carolina – 3.2%			
	Dorchester County School District 2, South Carolina, Installment	12/14 at		
3,000	Purchase Revenue Bonds,	100.00	AA–(4)	3,064,500
	GROWTH, Series 2004, 5.250%, 12/01/29 (Pre-refunded 12/01/14)			
	Medical University Hospital Authority, South Carolina,	8/14 at		
1,500	FHA-Insured Mortgage Revenue Bonds,	100.00	AA–(4)	1,509,555
	Series 2004A, 5.250%, 8/15/20 (Pre-refunded 8/15/14) – NPFPG			
	Insured			
	Piedmont Municipal Power Agency, South Carolina, Electric	No Opt.		
1,500	Revenue Refunding Bonds, Series	Call	A3	1,546,110
	1991A, 6.500%, 1/01/15 – NPFPG Insured			
6,000	Total South Carolina			6,120,165
	South Dakota – 0.5%			
	South Dakota Health and Educational Facilities Authority, Revenue	11/14 at		
1,000	Bonds, Sioux Valley	100.00	A+	1,004,500
	Hospitals, Series 2004A, 5.250%, 11/01/34			
	Tennessee – 0.5%			

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795	Chattanooga Health, Educational and Housing Facility Board, Tennessee, Hospital Revenue Bonds, Catholic Health Initiatives, Series 2013A, 5.250%, 1/01/45 Texas – 9.6%	1/23 at 100.00	A+	868,426
1,500	Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2005, 5.000%, 1/01/45 (Pre-refunded 1/01/15) – FGIC Insured	1/15 at 100.00	AA–(4)	1,536,585
250	Central Texas Regional Mobility Authority, Revenue Bonds, Senior Lien Series 2011, 6.000%, 1/01/41	1/21 at 100.00	Baa2	279,290
4,640	Grand Parkway Transportation Corporation, Texas, System Toll Revenue Bonds, First Tier Series 2013A, 5.500%, 4/01/53	10/23 at 100.00	BBB+	5,100,056
1,345	Harris County-Houston Sports Authority, Texas, Revenue Bonds, Junior Lien Series 2001H: 0.000%, 11/15/32 – NPFPG Insured	11/31 at 94.05	AA–	498,228
2,510	0.000%, 11/15/36 – NPFPG Insured	11/31 at 73.51	AA–	685,004
2,235	Harris County-Houston Sports Authority, Texas, Revenue Bonds, Third Lien Series 2004A-3, 0.000%, 11/15/32 – NPFPG Insured	11/24 at 62.70	AA–	772,841
2,695	Harris County-Houston Sports Authority, Texas, Special Revenue Bonds, Refunding Senior Lien Series 2001A: 0.000%, 11/15/34 – NPFPG Insured	11/30 at 78.27	AA–	896,384
4,095	0.000%, 11/15/38 – NPFPG Insured	11/30 at 61.17	AA–	1,039,229
1,275	Kerrville Health Facilities Development Corporation, Texas, Revenue Bonds, Sid Peterson	2/16 at 100.00	BBB	1,295,018
2,255	Memorial Hospital Project, Series 2005, 5.375%, 8/15/35 Love Field Airport Modernization Corporation, Texas, Special Facilities Revenue Bonds,	11/20 at 100.00	BBB–	2,417,788
290	Southwest Airlines Company, Series 2010, 5.250%, 11/01/40 North Texas Tollway Authority, First Tier System Revenue Refunding Bonds, Capital Appreciation	1/25 at 100.00	AA	344,462
2,000	Series 2008I, 0.000%, 1/01/42 – AGC Insured Texas Municipal Gas Acquisition and Supply Corporation III, Gas Supply Revenue Bonds, Series	No Opt. Call	A3	2,118,720
2,410	2012, 5.000%, 12/15/32 Texas Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier Series	No Opt. Call	A–	1,586,551
27,500	2002A, 0.000%, 8/15/25 – AMBAC Insured Total Texas Utah – 1.0%			18,570,156
5,465	Utah Transit Authority, Sales Tax Revenue Bonds, Series 2007A, 0.000%, 6/15/36 Virginia – 3.6%	6/17 at 38.77	AA–	1,860,996
3,500	Chesapeake, Virginia, Transportation System Senior Toll Road Revenue Bonds, Capital	7/28 at 100.00	BBB	2,287,775

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Appreciation Series 2012B, 0.000%, 7/15/32				
1,000	Henrico County Economic Development Authority, Virginia, Residential Care Facility Revenue Bonds, Westminster Canterbury of Richmond, Series 2006, 5.000%, 10/01/35	9/14 at 100.00	BBB+	1,020,580
1,500	Route 460 Funding Corporation, Virginia, Toll Road Revenue Bonds, Series 2012A, 5.125%, 7/01/49 Virginia Small Business Financing Authority, Senior Lien Revenue Bonds, Elizabeth River Crossing, Opco LLC Project, Series 2012:	No Opt. Call	BBB-	1,558,635
500	6.000%, 1/01/37 (Alternative Minimum Tax)	7/22 at 100.00	BBB-	552,410
1,510	5.500%, 1/01/42 (Alternative Minimum Tax)	7/22 at 100.00	BBB-	1,607,410
8,010	Total Virginia Washington – 2.8%			7,026,810
990	Washington Health Care Facilities Authority, Revenue Bonds, Fred Hutchinson Cancer Research Center, Series 2011A, 5.625%, 1/01/35	1/21 at 100.00	A	1,068,962
4,000	Washington Health Care Facilities Authority, Revenue Bonds, Providence Health & Services, Series 2012A, 5.000%, 10/01/32	10/22 at 100.00	AA	4,438,000
4,990	Total Washington Wisconsin – 1.2%			5,506,962
1,250	Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 2012B, 5.000%, 2/15/32	2/22 at 100.00	A-	1,338,184
985	Wisconsin, General Obligation Refunding Bonds, Series 2003-3, 5.000%, 11/01/26	9/14 at 100.00	AA	988,851
2,235	Total Wisconsin			2,327,035
\$ 271,290	Total Municipal Bonds (cost \$173,919,777)			189,718,239

Principal
Amount

(000)	Description (1)	Coupon	Maturity	Ratings (3)	Value
	CORPORATE BONDS – 0.0%				
	Transportation – 0.0%				
\$ 89	Las Vegas Monorail Company, Senior Interest Bonds (5), (6)	5.500%	7/15/19	N/R	\$ 15,983
24	Las Vegas Monorail Company, Senior Interest Bonds (5), (6)	3.000%	7/15/55	N/R	3,290
\$ 113	Total Corporate Bonds (cost \$6,786)				19,273
	Total Long-Term Investments (cost \$173,926,563)				189,737,512
	Other Assets Less Liabilities – 2.1% (7)				4,018,630
					\$
	Net Assets – 100%				193,756,142

Investments in Derivatives as of June
30, 2014

Interest Rate Swaps outstanding:

Counterparty	Notional Amount	Fund	Floating Rate Index	Fixed Rate (Annualized)	Fixed Rate Payment Frequency	Effective Date (8)	Termination Date (7)	Unrealized Appreciation (Depreciation) (7)
		Pay/Receive						
Barclays	\$ 2,700,000	Receive	USD-BMA	2.728%	Quarterly	5/28/15	5/28/24	\$ (90,531)
Barclays	4,600,000	Receive	USD-BMA	2.597	Quarterly	6/12/15	6/12/26	(27,400)
JPMorgan	4,500,000	Receive	USD-BMA	3.230	Quarterly	6/01/15	6/01/35	(166,264)
	\$11,800,000							\$(284,195)

Fair Value Measurements

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Municipal Bonds	\$ —	\$189,718,239	\$ —	\$189,718,239
Corporate Bonds	—	—	19,273	19,273
Investments in Derivatives:				
Interest Rate Swaps*	—	(284,195)	—	(284,195)
Total	\$ —	\$189,434,044	\$19,273	\$189,453,317

* Represents net unrealized appreciation (depreciation).

Income Tax Information

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

As of June 30, 2014, the cost of investments (excluding investments in derivatives) was \$172,815,738.

Gross unrealized appreciation and gross unrealized depreciation of investments (excluding investments in derivatives) as of June 30, 2014, were as follows:

Gross unrealized:	
Appreciation	\$18,133,874
Depreciation	(1,212,100)
Net unrealized appreciation (depreciation) of investments	\$16,921,774

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
 - (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
 - (3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
 - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
 - (5) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Directors/Trustees. For fair value measurement disclosure purposes, investment classified as Level 3.
 - (6) During January 2010, Las Vegas Monorail Company ("Las Vegas Monorail") filed for federal bankruptcy protection. During March 2012, Las Vegas Monorail emerged from federal bankruptcy with the acceptance of a reorganization plan assigned by the Federal Bankruptcy Court. Under the reorganization plan, the Fund surrendered its Las Vegas Monorail Project Revenue Bonds, First Tier, Series 2000 and in turn received two senior interest corporate bonds: the first with an annual coupon rate of 5.500% maturing on July 15, 2019 and the second with an annual coupon rate of 3.000% (5.500% after December 31, 2015) maturing on July 15, 2055. The Fund's custodian is not accruing income on the Fund's records for either senior interest corporate bond. Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative
 - (7) instruments as listed within Investments in Derivatives as of the end of the reporting period.
 - (8) Effective date represents the date on which both the Fund and Counterparty commence interest payment accruals on each contract.
- (ETM) Escrowed to maturity.
 (IF) Inverse floating rate investment.
 USD-BMA United States Dollar-Bond Market Association.

Item 2. Controls and Procedures.

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

Item 3. Exhibits.

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

SIGNATURES

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

(Registrant) Nuveen Select Tax-Free Income Portfolio 3

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

Date: August 29, 2014

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

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

Date: August 29, 2014

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

Date: August 29, 2014