

NUVEEN DIVIDEND ADVANTAGE MUNICIPAL FUND 3
Form DEFA14A
June 19, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Nuveen Dividend Advantage Municipal Fund 3 (NZF)
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Nuveen Dividend Advantage Municipal Fund 3 (NZF)

Important Information for Shareholders

The following updates and supplements certain information contained in the proxy statement (Proxy Statement) furnished to the shareholders of Nuveen Dividend Advantage Municipal Fund 3 (NZF or the Fund) in connection with the solicitation by the Board of Trustees (the Board) of the Fund of proxies to be voted at the annual meeting of shareholders of the Fund to be held on Tuesday, August 5, 2014, and any adjournment(s), postponement(s) or delay(s) thereof (the Annual Meeting).

The following restates the information with respect to the number of Preferred Shares outstanding as of June 6, 2014, the Record Date, as set forth under the heading Shares Outstanding in the Proxy Statement.

| <u>Fund</u> | <u>Preferred Shares</u> |
|-------------|---|
| NZF | iMTP, Series 2017: 30,000 VMTP, Series 2017: 910 |

THE FUND S BOARD RECOMMENDS YOU VOTE FOR EACH PROPOSAL

Your vote is very important. We encourage you as a shareholder to participate in the Fund s governance by returning your vote as soon as possible. If enough shareholders do not cast their votes, the Fund may not be able to hold its meeting or the vote on each issue, and additional solicitation costs may need to be incurred in order to obtain sufficient shareholder participation.

Please vote using one of the following options:

1. VOTE ONLINE

Log on to the website listed on your proxy card. Please have your proxy card in hand to access your control number (located in the box) and follow the on screen instructions.

2. VOTE BY TOUCH-TONE TELEPHONE

Call the toll free number listed on your proxy card. Please have your proxy card in hand to access your control number (located in the box) and follow the recorded instructions.

3. VOTE BY MAIL

Complete, sign and date the enclosed proxy card(s) then return them in the enclosed postage paid envelope.

Thank you for your prompt attention to this matter.