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NUVEEN MARYLAND DIVIDEND ADVANTAGE MUNICIPAL FUND 3

Form 425

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Subject Companies:

Nuveen Maryland Premium Income Municipal Fund

Commission File No. 811-07486

Nuveen Maryland Dividend Advantage Municipal Fund

Commission File No. 811-09471

Nuveen Maryland Dividend Advantage Municipal Fund 2

Commission File No. 811-10349

Nuveen Maryland Dividend Advantage Municipal Fund 3

Commission File No. 811-21153

Frequently Asked Questions

Maryland/Virginia State Municipal Fund Mergers

What actions did the Nuveen Closed-End Fund Board of Trustees approve?

On October 28, 2011, the Fund Board approved proposals to recommend a series of mergers of Nuveen single-state municipal closed-end funds. The specific merger proposals are listed below:

Acquiring Fund	Symbol	Acquired Fund	Symbol
Nuveen Maryland Premium Income Municipal Fund	NMY	Nuveen Maryland Dividend Advantage Municipal Fund	NFM
		Nuveen Maryland Dividend Advantage Municipal Fund 2	NZR
Nuveen Virginia Premium Income Municipal Fund	NPV	Nuveen Maryland Dividend Advantage Municipal Fund 3 Nuveen Virginia Dividend Advantage Municipal Fund	NWI NGB
		Nuveen Virginia Dividend Advantage Municipal Fund 2	NNB

Why has the Nuveen Closed-End Fund Board of Trustees recommended these proposals?

The acquiring and acquired funds have substantially similar investment portfolios as well as investment objectives and policies. The proposed mergers are intended to enhance the acquiring funds' trading appeal and lower operating expenses by creating a single, larger fund in each state. In approving the proposed mergers, the Fund Board concluded that the proposed mergers would be in the best interests of each Fund and its shareholders.

What are the proposed mergers potential benefits to me as a fund common shareholder?

The proposed mergers will create a single, larger fund for each state. This is expected to offer the following benefits to fund shareholders:

1. Lower fund expense ratio (excluding the costs of leverage) as fixed costs are spread over a larger asset base;
2. Enhanced secondary market trading because a larger fund is expected to make it easier for investors to buy and sell fund shares;
3. Lower trading costs through reduced bid/ask spreads due to a larger common share float; and
4. Increased fund flexibility in managing the structure and cost of its leverage over time.

How will MuniFund Term Preferred (MTP) shareholders be impacted by the mergers?

Upon the closing of each reorganization, acquired fund MTP shareholders will receive in exchange for each of their fund shares one share of newly issued MTP from the acquiring fund with the same terms and par value as the shares exchanged. Both acquiring and acquired fund MTP shareholders are expected to benefit from the larger fund size and ability to invest in a more diverse pool of securities.

Will Nuveen merge other state closed-end funds?

The Nuveen Closed-End Fund Board of Trustees regularly considers various actions that may be taken to enhance the secondary market for a fund's common shares. This may include, but is not limited to, the consideration of other potential fund mergers

What actions do