

NUVEEN QUALITY PREFERRED INCOME FUND 2  
Form N-Q  
November 29, 2010

**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 811-21137

**Nuveen Quality Preferred Income Fund 2**

(Exact name of registrant as specified in charter)

**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: 12/31

Date of reporting period: 9/30/2010

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**

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**Portfolio of Investments (Unaudited)**  
**Nuveen Quality Preferred Income Fund 2 (JPS)**  
September 30, 2010

| Shares     | Description (1)  | Coupon  | Ratings (2) | Value         |
|------------|--|---------|-------------|---------------|
|            | <b>\$25 Par (or similar) Preferred Securities 68.1% (53.6% of Total Investments)</b> |         |             |               |
|            | <b>Capital Markets 5.4%</b>  |         |             |               |
| 381,200    | Ameriprise Financial, Inc.   | 7.750%  | A           | \$ 10,696,472 |
| 6,400      | Credit Suisse  | 7.900%  | A3          | 175,104       |
| 92,800     | Deutsche Bank Capital Funding Trust I  | 7.350%  | BBB         | 2,372,896     |
| 1,276,035  | Deutsche Bank Capital Funding Trust II   | 6.550%  | BBB         | 31,339,420    |
| 40,500     | Deutsche Bank Capital Funding Trust V  | 8.050%  | BBB         | 1,080,945     |
| 95,651     | Deutsche Bank Capital Funding Trust VIII   | 6.375%  | BBB         | 2,309,972     |
| 13,900     | Deutsche Bank Capital Funding Trust IX   | 6.625%  | BBB         | 344,025       |
| 256,400    | Deutsche Bank Contingent Capital Trust III   | 7.600%  | BBB         | 6,815,112     |
| 1,800      | Goldman Sachs Group Inc., Series 2003-11 (SATURNS)                                   | 5.625%  | A1          | 41,220        |
| 70,214     | Goldman Sachs Group Inc., Series GSC-3 (PPLUS)                                       | 6.000%  | A3          | 1,668,285     |
| 2,200      | Morgan Stanley Capital Trust III   | 6.250%  | BBB         | 53,130        |
| 2,800      | Morgan Stanley Capital Trust V   | 5.750%  | Baa2        | 66,724        |
|            | Total Capital Markets  |         |             | 56,963,305    |
|            | <b>Commercial Banks 6.2%</b>   |         |             |               |
| 216,324    | Banco Santander Finance  | 10.500% | A-          | 6,117,643     |
| 243,928    | BB&T Capital Trust VI  | 9.600%  | A3          | 6,976,341     |
| 66,429     | BB&T Capital Trust VII   | 8.100%  | A3          | 1,838,090     |
| 227,100    | Cobank ACB, 144A   | 7.000%  | N/R         | 10,269,189    |
| 82,000     | Cobank ACB   | 11.000% | A           | 4,504,875     |
| 42,800     | Cobank ACB   | 11.000% | A           | 2,345,975     |
| 1,500      | Fifth Third Capital Trust VI   | 7.250%  | Baa3        | 37,065        |
| 5,000      | Goldman Sachs Group Inc., Series GSC-4 Class A (PPLUS)                               | 6.000%  | A3          | 117,950       |
| 4,000      | Goldman Sachs Group Inc., Series GSG-1 (PPLUS)                                       | 6.000%  | A1          | 96,680        |
| 10,500,000 | HSBC Bank PLC  | 1.000%  | A           | 6,273,750     |
| 404,800    | HSBC Holdings PLC, (3)   | 8.000%  | A-          | 10,921,504    |
| 102,700    | HSBC Holdings PLC  | 6.200%  | A-          | 2,505,880     |
| 7,100,000  | National Australia Bank  | 8.000%  | A+          | 7,644,215     |
| 202,101    | National City Capital Trust II   | 6.625%  | BBB         | 5,034,336     |
|            | Total Commercial Banks   |         |             | 64,683,493    |
|            | <b>Consumer Finance 0.1%</b>   |         |             |               |
| 19,600     | HSBC USA Inc., Series H  | 6.500%  | A-          | 489,020       |
|            | <b>Diversified Financial Services 4.4%</b>   |         |             |               |
| 94,800     | Citigroup Capital Trust XII  | 8.500%  | Ba1         | 2,503,668     |
| 271,589    | Citigroup Capital XIII   | 7.875%  | Ba1         | 6,881,648     |
| 770,313    | ING Groep N.V.   | 7.200%  | Ba1         | 18,564,543    |
| 729,055    | ING Groep N.V.   | 7.050%  | Ba1         | 17,438,996    |
| 23,600     | JPMorgan Chase Capital Trust XI  | 5.875%  | A2          | 585,516       |
|            | Total Diversified Financial Services   |         |             | 45,974,371    |
|            | <b>Diversified Telecommunication Services 0.1%</b>                                   |         |             |               |
| 3,228      | BellSouth Capital Funding (CORTS)  | 7.120%  | A           | 82,213        |
| 22,341     | BellSouth Corporation (CORTS)  | 7.000%  | A           | 559,921       |
|            | Total Diversified Telecommunication Services   |         |             | 642,134       |
|            | <b>Electric Utilities 1.5%</b>   |         |             |               |
| 69,300     | Entergy Texas Inc.   | 7.875%  | BBB+        | 2,043,657     |
| 216,900    | PPL Capital Funding, Inc.  | 6.850%  | BBB-        | 5,734,836     |
| 315,707    | PPL Energy Supply LLC  | 7.000%  | BBB         | 8,290,466     |
|            | Total Electric Utilities   |         |             | 16,068,959    |
|            | <b>Food Products 0.5%</b>  |         |             |               |
| 53,400     | Dairy Farmers of America Inc., 144A  | 7.875%  | BBB-        | 4,717,559     |
|            | <b>Insurance 19.6%</b>   |         |             |               |
| 1,717,889  | Aegon N.V.   | 6.375%  | BBB         | 40,164,245    |
| 617,913    | Allianz SE   | 8.375%  | A+          | 16,838,129    |
| 963,483    | Arch Capital Group Limited   | 8.000%  | BBB         | 24,616,991    |
| 1,400      | Arch Capital Group Limited, Series B   | 7.875%  | BBB         | 35,840        |
| 381,961    | Assured Guaranty Municipal Holdings  | 6.250%  | A+          | 8,979,903     |
| 323,364    | Delphi Financial Group, Inc.   | 8.000%  | BBB         | 8,294,287     |
| 404,400    | Delphi Financial Group, Inc.   | 7.376%  | BB+         | 9,442,740     |

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|               |  |               |                    |                    |
|---------------|--|---------------|--------------------|--------------------|
| 301,900       | EverestRe Capital Trust II   | 6.200%        | Baa1               | 7,312,018          |
| 479,400       | Markel Corporation   | 7.500%        | BBB                | 12,684,924         |
| 579,704       | PartnerRe Limited, Series C  | 6.750%        | BBB+               | 14,678,105         |
| 107,300       | PLC Capital Trust III  | 7.500%        | BBB                | 2,707,179          |
| 443,898       | PLC Capital Trust IV   | 7.250%        | BBB                | 11,097,450         |
| 12,063        | Protective Life Corporation  | 7.250%        | BBB                | 300,369            |
| 200,842       | Prudential Financial Inc.  | 9.000%        | BBB+               | 5,728,014          |
| 322,005       | Prudential Financial Inc.  | 6.750%        | A-                 | 8,085,546          |
| 4,000,000     | Reinsurance Group of America Inc.  | 6.750%        | BBB-               | 3,524,712          |
| 139,500       | RenaissanceRe Holdings Limited, Series B                                     | 7.300%        | BBB+               | 3,516,795          |
| 410,974       | RenaissanceRe Holdings Limited, Series D                                     | 6.600%        | BBB+               | 10,241,472         |
| 1,200         | Torchmark Capital Trust III  | 7.100%        | BBB+               | 30,564             |
| 720,746       | W. R. Berkley Corporation, Capital Trust II                                  | 6.750%        | BBB-               | 18,126,762         |
|               | Total Insurance  |               |                    | 206,406,045        |
|               | <b>Media 7.3%</b>  |               |                    |                    |
| 23,077        | CBS Corporation  | 7.250%        | BBB-               | 580,156            |
| 746,750       | CBS Corporation  | 6.750%        | BBB-               | 18,892,775         |
| 1,084,356     | Comcast Corporation  | 7.000%        | BBB+               | 28,334,222         |
| 145,000       | Comcast Corporation  | 6.625%        | BBB+               | 3,761,300          |
| 965,340       | Viacom Inc.  | 6.850%        | BBB+               | 25,320,868         |
|               | Total Media  |               |                    | 76,889,321         |
|               | <b>Multi-Utilities 3.9%</b>  |               |                    |                    |
| 543,823       | Dominion Resources Inc.  | 8.375%        | BBB                | 15,830,688         |
| 148,500       | Scana Corporation  | 7.700%        | BBB-               | 4,223,340          |
| 771,182       | Xcel Energy Inc.   | 7.600%        | BBB                | 21,253,776         |
|               | Total Multi-Utilities  |               |                    | 41,307,804         |
|               | <b>Oil, Gas &amp; Consumable Fuels 1.9%</b>                                  |               |                    |                    |
| 803,273       | Nexen Inc.   | 7.350%        | BB+                | 20,338,872         |
|               | <b>Pharmaceuticals 0.0%</b>  |               |                    |                    |
| 5,000         | Bristol-Myers Squibb Company (CORTS)   | 6.250%        | A+                 | 126,750            |
|               | <b>Real Estate/Mortgage 17.1%</b>  |               |                    |                    |
| 951,265       | Commonwealth REIT  | 9.875%        | Baa3               | 24,114,568         |
| 42,480        | Commonwealth REIT  | 7.125%        | Baa3               | 1,049,681          |
| 267,403       | Developers Diversified Realty Corporation, Series G                          | 8.000%        | Ba1                | 6,709,141          |
| 19,908        | Developers Diversified Realty Corporation, Series H                          | 7.375%        | Ba1                | 477,593            |
| 162,167       | Duke Realty Corporation, Series L  | 6.600%        | Baa3               | 3,870,926          |
| 8,300         | Harris Preferred Capital Corporation, Series A                               | 7.375%        | A-                 | 210,488            |
| 73,200        | Kimco Realty Corporation, Series F   | 6.650%        | Baa2               | 1,786,812          |
| 799,689       | Kimco Realty Corporation, Series G   | 7.750%        | Baa2               | 20,488,032         |
| 30,000        | Kimco Realty Corporation, Series H   | 6.900%        | Baa2               | 741,900            |
| 89,050        | Prologis Trust, Series G   | 6.750%        | Baa3               | 2,088,223          |
| 11,500        | Public Storage, Inc., Series C   | 6.600%        | Baa1               | 288,995            |
| 110,300       | Public Storage, Inc., Series E   | 6.750%        | Baa1               | 2,757,500          |
| 10,900        | Public Storage, Inc., Series F   | 6.450%        | Baa1               | 270,647            |
| 17,530        | Public Storage, Inc., Series H   | 6.950%        | Baa1               | 441,931            |
| 11,700        | Public Storage, Inc., Series I   | 7.250%        | Baa1               | 295,425            |
| 34,100        | Public Storage, Inc., Series K   | 7.250%        | Baa1               | 863,071            |
| 67,600        | Public Storage, Inc., Series Y, (3)  | 6.850%        | Baa1               | 1,675,216          |
| 92,574        | Realty Income Corporation  | 7.375%        | Baa2               | 2,414,330          |
| 447,758       | Realty Income Corporation  | 6.750%        | Baa2               | 11,346,188         |
| 190,545       | Regency Centers Corporation  | 7.450%        | Baa3               | 4,800,781          |
| 221,836       | Regency Centers Corporation  | 7.250%        | Baa3               | 5,601,359          |
| 1,079,521     | Vornado Realty LP  | 7.875%        | BBB                | 28,844,801         |
| 1,791,104     | Wachovia Preferred Funding Corporation                                       | 7.250%        | A-                 | 46,282,123         |
| 159,700       | Weingarten Realty Trust  | 8.100%        | BBB                | 3,751,353          |
| 198,268       | Weingarten Realty Trust  | 6.500%        | Baa3               | 4,877,393          |
| 149,245       | Weingarten Realty Trust, Series E  | 6.950%        | Baa3               | 3,716,201          |
|               | Total Real Estate/Mortgage   |               |                    | 179,764,678        |
|               | <b>Wireless Telecommunication Services 0.1%</b>                              |               |                    |                    |
| 35,800        | Telephone and Data Systems Inc.  | 7.600%        | Baa2               | 900,012            |
| 3,900         | United States Cellular Corporation   | 7.500%        | Baa2               | 98,280             |
|               | Total Wireless Telecommunication Services                                    |               |                    | 998,292            |
|               | <b>Total \$25 Par (or similar) Preferred Securities (cost \$688,511,176)</b> |               |                    | <b>715,370,603</b> |
| <b>Shares</b> | <b>Description (1)</b>   | <b>Coupon</b> | <b>Ratings (2)</b> | <b>Value</b>       |
|               | <b>Convertible Preferred Securities 0.3% (0.2% of Total Investments)</b>     |               |                    |                    |
|               | <b>Commercial Banks 0.3%</b>   |               |                    |                    |
| 3,100,000     | Credit Suisse AG   | 7.875%        | BBB+               | \$ 3,211,135       |
|               | <b>Total Convertible Preferred Securities (cost \$3,215,887)</b>             |               |                    | <b>3,211,135</b>   |

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| Principal Amount (000) | Description (1)   | Coupon | Maturity | Ratings (2) | Value             |
|------------------------|---|--------|----------|-------------|-------------------|
|                        | <b>Corporate Bonds 1.7% (1.3% of Total Investments)</b> |        |          |             |                   |
|                        | <b>Capital Markets 0.0%</b>                             |        |          |             |                   |
| \$ 600                 | Man Group PLC   | 5.000% | 8/09/17  | Baa3        | \$ 509,389        |
|                        | <b>Commercial Banks 0.7%</b>                            |        |          |             |                   |
| 1,000                  | Den Norske Bank   | 0.875% | 2/18/35  | Baa1        | 592,500           |
| 1,000                  | Den Norske Bank   | 0.541% | 2/24/37  | Baa1        | 585,000           |
| 5,100                  | LBG Capital I PLC, 144A                                 | 7.875% | 11/01/20 | BB-         | 5,049,000         |
| 650                    | Swedbank ForeningsSparbanken AB, 144A                   | 7.500% | 9/11/12  | Ba1         | 638,059           |
| 7,750                  | Total Commercial Banks                                  |        |          |             | 6,864,559         |
|                        | <b>Diversified Financial Services 0.3%</b>              |        |          |             |                   |
| 2,600                  | Fortis Hybrid Financing                                 | 8.250% | 8/27/49  | BBB         | 2,619,500         |
|                        | <b>Electric Utilities 0.7%</b>                          |        |          |             |                   |
| 8,000                  | FPL Group Capital Inc.                                  | 6.650% | 6/15/17  | BBB         | 7,690,160         |
| <b>\$ 18,950</b>       | <b>Total Corporate Bonds (cost \$16,812,886)</b>        |        |          |             | <b>17,683,608</b> |

| Principal Amount (000)/ Shares | Description (1)  | Coupon  | Maturity | Ratings (2) | Value        |
|--------------------------------|--|---------|----------|-------------|--------------|
|                                | <b>Capital Preferred Securities 51.8% (40.6% of Total Investments)</b> |         |          |             |              |
|                                | <b>Capital Markets 0.6%</b>  |         |          |             |              |
| 8,200                          | Credit Suisse Guernsey   | 1.066%  | 5/15/17  | A3          | \$ 5,791,250 |
|                                | <b>Commercial Banks 25.5%</b>  |         |          |             |              |
| 5,500                          | AB Svensk Exportkredit, (3)  | 6.375%  | 10/27/49 | Aa3         | 4,742,815    |
| 20,400                         | AgFirst Farm Credit Bank   | 8.393%  | 12/15/11 | A           | 19,941,000   |
| 2,800                          | AgFirst Farm Credit Bank   | 7.300%  | 12/15/53 | A           | 2,454,452    |
| 10,724                         | Banco Santander Finance  | 10.500% | 9/29/49  | A-          | 12,180,105   |
| 481                            | Barclays Bank PLC, 144A  | 7.434%  | 12/15/17 | A-          | 495,430      |
| 2,400                          | Barclays Bank PLC, 144A  | 6.860%  | 6/15/32  | A-          | 2,292,000    |
| 5,000                          | Barclays Bank PLC  | 6.278%  | 12/15/34 | A-          | 4,475,000    |
| 6,353                          | BB&T Capital Trust IV  | 6.820%  | 6/12/37  | A3          | 6,376,824    |
| 8,650                          | BBVA International Unipersonal   | 5.919%  | 4/18/17  | A-          | 7,487,388    |
| 7,000                          | BNP Paribas, 144A  | 7.195%  | 12/25/37 | A           | 7,000,000    |
| 9,385                          | Credit Agricole, S.A, 144A   | 8.375%  | 12/31/49 | A-          | 10,088,875   |
| 22,074                         | Credit Agricole, S.A   | 9.750%  | 12/26/54 | A-          | 23,928,216   |
| 8,500                          | Credit Suisse thru Claudius Limited                                    | 8.250%  | 6/27/49  | A3          | 9,010,000    |
| 1,500                          | First Empire Capital Trust I   | 8.234%  | 2/01/27  | Baa2        | 1,460,583    |
| 17,095                         | First Union Capital Trust II, Series A                                 | 7.950%  | 11/15/29 | A-          | 19,451,512   |
| 6,800                          | Fulton Capital Trust I   | 6.290%  | 2/01/36  | BBB-        | 5,524,388    |
| 5,500                          | HSBC Bank PLC  | 0.850%  | 6/11/49  | A           | 3,300,000    |
| 4,650                          | HSBC Capital Funding LP, Debt  | 10.176% | 6/30/50  | A-          | 6,103,125    |
| 1,300                          | HSBC Financial Capital Trust IX  | 5.911%  | 11/30/15 | Baa1        | 1,226,875    |
| 6,000                          | KeyCorp Capital III  | 7.750%  | 7/15/29  | Baa3        | 5,573,424    |
| 11,900                         | Nordea Bank AB   | 8.375%  | 3/25/15  | A-          | 12,798,450   |
| 8,000                          | North Fork Capital Trust II  | 8.000%  | 12/15/27 | Baa3        | 8,140,000    |
| 5,600                          | Northgroup Preferred Capital Corporation, 144A                         | 6.378%  | 10/15/57 | A           | 5,428,035    |
| 21,030                         | Rabobank Nederland, 144A   | 11.000% | 6/30/19  | AA-         | 27,419,944   |
| 8,000                          | Reliance Capital Trust I, Series B                                     | 8.170%  | 5/01/28  | N/R         | 6,733,480    |
| 28,316                         | Societe Generale   | 8.750%  | 10/07/49 | BBB+        | 29,864,885   |
| 5,000                          | Sparebanken Rogaland, Notes, 144A                                      | 6.443%  | 5/01/49  | Ba1         | 4,576,230    |
| 650                            | Standard Chartered PLC, 144A   | 7.014%  | 7/30/37  | BBB         | 633,154      |
| 1,500                          | Suntrust Capital Trust VIII  | 6.100%  | 12/01/66 | Baa3        | 1,399,376    |
|                                | (4) Union Planters Preferred Fund, 144A                                | 7.750%  | 7/15/53  | Ba3         | 18,135,000   |
|                                | Total Commercial Banks   |         |          |             | 268,240,566  |
|                                | <b>Consumer Finance 0.5%</b>   |         |          |             |              |
| 4,819                          | Capital One Capital IV Corporation                                     | 6.745%  | 2/17/32  | Baa3        | 4,843,095    |
|                                | <b>Diversified Financial Services 3.6%</b>                             |         |          |             |              |
| 3,400                          | Bank One Capital III   | 8.750%  | 9/01/30  | A2          | 4,128,501    |
| 500                            | CitiGroup Capital XXI  | 8.300%  | 12/21/37 | Ba1         | 527,500      |
| 12,811                         | Countrywide Capital Trust III, Series B                                | 8.050%  | 6/15/27  | Baa3        | 13,515,605   |
| 2,500                          | JPMorgan Chase & Company   | 7.900%  | 4/30/18  | BBB+        | 2,688,178    |
| 3,000                          | JPMorgan Chase Capital Trust XVIII                                     | 6.950%  | 8/17/36  | A2          | 3,086,349    |
| 1,775                          | JPMorgan Chase Capital Trust XX Series T                               | 6.550%  | 9/29/36  | A2          | 1,805,487    |
| 8,000                          | JPMorgan Chase Capital Trust XXVII                                     | 7.000%  | 11/01/39 | A2          | 8,239,224    |
| 3,200                          | MBNA Corporation, Capital Trust A                                      | 8.278%  | 12/01/26 | Baa3        | 3,304,000    |
|                                | Total Diversified Financial Services                                   |         |          |             | 37,294,844   |

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**Diversified Telecommunication Services**

|  |   |         |          |      |                    |
|--|---|---------|----------|------|--------------------|
| <b>3.2%</b>  |   |         |          |      |                    |
| 31   | Centaur Funding Corporation, Series B               | 9.080%  | 4/21/20  | BBB  | 34,121,094         |
| <b>Electric Utilities 0.6%</b>                                 |   |         |          |      |                    |
| 6,400  | Dominion Resources Inc.                             | 7.500%  | 6/30/16  | BBB  | 6,535,539          |
| <b>Insurance 17.1%</b>   |   |         |          |      |                    |
| 2,200  | AXA S.A., 144A                                      | 6.463%  | 12/14/18 | Baa1 | 1,930,500          |
| 12,680   | AXA S.A., 144A                                      | 6.379%  | 12/14/36 | Baa1 | 11,126,700         |
| 6,750  | AXA-UAP   | 8.600%  | 12/15/30 | A3   | 7,823,918          |
| 117  | Axis Capital Holdings Limited                       | 7.500%  | 12/01/15 | BBB  | 10,386,300         |
| 9,300  | Catlin Insurance Company Limited                    | 7.249%  | 1/19/17  | BBB+ | 7,626,000          |
| 19,500   | Glen Meadows Pass Through Trust                     | 6.505%  | 2/15/17  | Ba1  | 15,600,000         |
| 6,600  | Great West Life and Annuity Insurance Company, 144A | 7.153%  | 5/16/16  | A-   | 6,468,000          |
| 4,203  | Liberty Mutual Group, 144A                          | 7.800%  | 3/15/37  | Baa3 | 4,013,865          |
| 3,446  | Lincoln National Corporation                        | 7.000%  | 5/17/16  | BBB  | 3,273,700          |
| 2,500  | Lincoln National Corporation                        | 6.050%  | 4/20/17  | BBB  | 2,206,250          |
| 16,600   | MetLife Capital Trust IV, 144A                      | 7.875%  | 12/15/37 | BBB  | 17,513,000         |
| 1,200  | Nationwide Financial Services Capital Trust         | 7.899%  | 3/01/37  | Baa2 | 998,896            |
| 12,600   | National Financial Services Inc.                    | 6.750%  | 5/15/37  | Baa2 | 11,019,015         |
| 10,600   | Oil Insurance Limited, 144A                         | 7.558%  | 6/30/11  | Baa1 | 9,426,993          |
| 15,600   | Old Mutual Capital Funding, Notes                   | 8.000%  | 6/22/53  | Baa3 | 15,561,000         |
| 6,300  | Progressive Corporation                             | 6.700%  | 6/15/67  | A2   | 6,261,072          |
| 6,600  | Prudential Financial Inc.                           | 8.875%  | 6/15/18  | BBB+ | 7,425,000          |
| 8,250  | Prudential PLC                                      | 6.500%  | 6/29/49  | A-   | 7,915,875          |
| 3,300  | Swiss Re Capital I                                  | 6.854%  | 5/25/16  | A-   | 3,089,279          |
| 30,900   | XL Capital Ltd                                      | 6.500%  | 10/15/57 | BBB- | 25,801,500         |
| 3,600  | ZFS FINANCE USA TRUST II, 144A                      | 6.450%  | 12/15/65 | A    | 3,456,000          |
| 957  | ZFS Finance USA Trust V                             | 6.500%  | 5/09/67  | A    | 899,580            |
| Total Insurance  |   |         |          |      | 179,822,443        |
| <b>Road &amp; Rail 0.6%</b>                                    |   |         |          |      |                    |
| 6,400  | Burlington Northern Santa Fe Funding Trust I        | 6.613%  | 1/15/26  | BBB  | 6,447,898          |
| <b>U.S. Agency 0.1%</b>  |   |         |          |      |                    |
| 1  | Farm Credit Bank of Texas                           | 10.000% | 12/15/60 | A3   | 729,531            |
| <b>Total Capital Preferred Securities (cost \$536,621,547)</b> |   |         |          |      | <b>543,826,260</b> |

|  |  |                   |
|--|--|-------------------|
| <b>Shares</b>  | <b>Description (1)</b>   | <b>Value</b>      |
| <b>Investment Companies 3.7% (2.9% of Total Investments)</b> |  |                   |
| 838,654  | BlackRock Credit Allocation Income Trust II                          | \$ 8,772,321      |
| 1,025,979  | Flaherty and Crumrine/Claymore Preferred Securities Income Fund Inc. | 17,339,045        |
| 728,065  | John Hancock Preferred Income Fund III                               | 12,719,296        |
| <b>Total Investment Companies (cost \$51,111,125)</b>        |  | <b>38,830,662</b> |

|  |  |               |                 |                    |                         |
|--|--|---------------|-----------------|--------------------|-------------------------|
| <b>Principal Amount (000)</b>  | <b>Description (1)</b>   | <b>Coupon</b> | <b>Maturity</b> | <b>Ratings (2)</b> | <b>Value</b>            |
| <b>Short-Term Investments 1.8% (1.4% of Total Investments)</b>                 |  |               |                 |                    |                         |
| <b>U.S. Government and Agency Obligations 0.6% (0.5% of Total Investments)</b> |  |               |                 |                    |                         |
| \$ 7,000   | U.S. Treasury Notes  | 1.500%        | 10/31/10        | AAA                | \$ 7,008,204            |
| <b>Repurchase Agreements 1.2% (0.9% of Total Investments)</b>                  |  |               |                 |                    |                         |
| 12,281   | Repurchase Agreement with Fixed Income Clearing Corporation, dated 9/30/10, repurchase price \$12,280,748, collateralized by \$11,775,000 U.S. Treasury Notes, 4.625%, due 2/29/12, value \$12,529,778 | 0.080%        | 10/01/10        | N/A                | 12,280,721              |
| \$ 19,281  | <b>Total Short-Term Investments (cost \$19,304,784)</b>  |               |                 |                    | <b>19,288,925</b>       |
| <b>Total Investments (cost \$1,315,577,405)</b>                                |  |               |                 |                    | <b>1,338,211,193</b>    |
| <b>127.4%</b>  |  |               |                 |                    |                         |
| <b>Borrowings (27.6)% (5), (6)</b>   |  |               |                 |                    | <b>(289,500,000)</b>    |
| <b>Other Assets Less Liabilities 0.2%</b>                                      |  |               |                 |                    | <b>1,926,973</b>        |
| <b>Net Assets Applicable to Common Shares 100%</b>                             |  |               |                 |                    | <b>\$ 1,050,638,166</b> |

**Fair Value Measurements**

In determining the fair value of the Fund's investments, various inputs are used. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - Significant unobservable inputs (including management's assumptions in determining the fair value of investments).

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The inputs or methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of September 30, 2010:

|                        | Level 1        | Level 2        | Level 3 | Total            |
|------------------------|----------------|----------------|---------|------------------|
| Investments:           |                |                |         |                  |
| Preferred Securities*  | \$ 650,053,202 | \$ 612,354,796 | \$      | \$ 1,262,407,998 |
| Corporate Bonds        |                | 17,683,608     |         | 17,683,608       |
| Investment Companies   | 38,830,662     |                |         | 38,830,662       |
| Short-Term Investments | 19,288,925     |                |         | 19,288,925       |
| Total                  | \$ 708,172,789 | \$ 630,038,404 | \$      | \$ 1,338,211,193 |

\* Preferred Securities includes Convertible Preferred Securities, \$25 Par (or similar) Preferred Securities and Capital Preferred Securities held by the Fund at the end of the reporting period, if any.

The following is a reconciliation of the Fund's Level 3 investments held at the beginning and end of the measurement period:

|  | Level 3<br>Corporate Bonds |
|--|----------------------------|
| Balance at the beginning of period                       | \$ 6,150,000               |
| Gains (losses):  |                            |
| Net realized gains (losses)                              |                            |
| Net change in unrealized appreciation (depreciation)     | 311,715                    |
| Net purchases at cost (sales at proceeds)                | 1,182,500                  |
| Net discounts (premiums)                                 |                            |
| Net transfers in to (out of) at end of period fair value | (7,644,215)                |
| Balance at the end of period                             | \$                         |

### Income Tax Information

The following information is presented on an income tax basis based on the information currently available to the Fund. Differences between amounts for financial statement and federal income tax purposes are primarily due to recognition of premium amortization, timing differences in the recognition of income and timing differences in recognizing certain gains and losses on investment transactions. 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.

At September 30, 2010, the cost of investments was \$1,319,126,275.

Gross unrealized appreciation and gross unrealized depreciation of investments at September 30, 2010, were as follows:

|   |               |
|---|---------------|
| Gross unrealized:   |               |
| Appreciation  | \$ 62,354,544 |
| Depreciation  | (43,269,626)  |
| Net unrealized appreciation (depreciation) of investments | \$ 19,084,918 |

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
  - (2) Ratings: Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investor 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.
  - (3) Non-income producing; issuer has not declared a dividend within the past twelve months.
  - (4) Principal Amount (000) rounds to less than \$1,000.
  - (5) Borrowings as a percentage of Total Investments is 21.6%.
  - (6) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of September 30, 2010, investments with a value of \$970,706,705 have been pledged as collateral for Borrowings.
- N/A Not applicable.  
N/R Not rated.
- 144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.
- CORTS Corporate Backed Trust Securities.  
PPLUS PreferredPlus Trust.





**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: EX-99 CERT Attached hereto.

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**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 Quality Preferred Income Fund 2

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

Date November 29, 2010

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 November 29, 2010

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

Date November 29, 2010

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

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