

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

NUVEEN QUALITY PREFERRED INCOME FUND 2
Form N-CSRS
September 07, 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 811-21137

Nuveen Quality Preferred Income Fund 2

(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: December 31

Date of reporting period: June 30, 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.

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

ITEM 1. REPORTS TO STOCKHOLDERS.

SEMIANNUAL REPORT June 30, 2005

Nuveen Investments
Closed-End
Exchange-Traded
Funds

NUVEEN QUALITY PREFERRED INCOME FUND
JTP

NUVEEN QUALITY PREFERRED INCOME FUND 2
JPS

NUVEEN QUALITY PREFERRED INCOME FUND 3
JHP

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

HIGH CURRENT INCOME FROM A PORTFOLIO OF INVESTMENT-GRADE PREFERRED SECURITIES

Logo: NUVEEN Investments

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

NOW YOU CAN RECEIVE YOUR
NUVEEN FUND REPORTS FASTER.

NO MORE WAITING.
SIGN UP TODAY TO RECEIVE NUVEEN FUND INFORMATION BY E-MAIL.

It only takes a minute to sign up for E-Reports. Once enrolled, you'll receive an e-mail as soon as your Nuveen Investments Fund information is ready -- no more waiting for delivery by regular mail. Just click on the link within the e-mail to see the report, and save it on your computer if you wish.

DELIVERY DIRECT TO
YOUR E-MAIL INBOX

IT'S FAST, EASY & FREE:

WWW.INVESTORDELIVERY.COM
if you get your Nuveen Fund dividends
and statements from your financial
advisor or brokerage account.

OR

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

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

I am pleased to report that for the period ended June 30, 2005, your Fund continued to provide you with attractive monthly income from a diversified portfolio of quality preferred securities. For more details about the management strategy and performance of your Fund, please see the Portfolio Managers' Comments and Performance Overview sections of this report.

As you'll see as you review this report, we continue to believe that your Fund provides a valuable source of regular monthly income, and that it also may provide

"WE CONTINUE TO BELIEVE THAT YOUR FUND PROVIDES A VALUABLE SOURCE OF REGULAR MONTHLY INCOME, AND THAT IT ALSO MAY PROVIDE AN OPPORTUNITY TO REDUCE THE OVERALL RISK OF YOUR ENTIRE INVESTMENT PORTFOLIO."

an opportunity to reduce the overall risk of your entire investment portfolio. This is because the price of your Fund's shares may move differently than the prices of other investments that you may own. Your financial advisor can explain the advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

I also urge you to consider receiving future Fund reports and other Fund information faster by using e-mail and the Internet. Sign up is quick and easy - see the inside front cover of this report for step-by-step instructions.

Earlier in 2005, The St. Paul Travelers Companies, Inc., which owned 79% of Nuveen Investments, Inc. (the parent of your Fund's investment adviser), sold a substantial portion of its stake in Nuveen. More recently, St. Paul sold the balance of its shares in Nuveen to us or to others. Please be assured that these transactions only affect Nuveen's corporate structure, and they do not have any impact on the investment objectives or management of your Fund.

For more than 100 years, Nuveen has specialized in offering quality investments such as your Fund to those seeking to accumulate and preserve wealth. Our mission continues to be to assist you and your financial advisor by offering the investment solutions and services that can help you secure your long-term

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

financial goals. We thank you for choosing us as a partner as you work toward that objective.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

August 15, 2005

Nuveen Closed-End Exchange-Traded Funds (JTP, JPS, JHP)

The Nuveen Quality Preferred Income Funds are subadvised by a team of specialists at Spectrum Asset Management, an affiliate of Principal CapitalSM. Mark Lieb, Bernie Sussman and Phil Jacoby, who have more than 50 years of combined experience in the preferred securities markets, lead the team. Here Mark, Bernie and Phil talk about their management strategy and the performance of each Fund for the six-month period ended June 30, 2005.

WHAT WAS YOUR OVERALL MANAGEMENT STRATEGY FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2005?

In a surprisingly strong bond market, our focus for this six-month period was on trying to maintain Fund income levels as much as possible without sacrificing quality. Contrary to what many market observers predicted, intermediate- and long-term interest rates dropped significantly during the first six months of 2005 at the same time as the Federal Reserve was raising short-term rates. As might be expected in this type of environment, a number of the Funds' higher coupon issues were called away and the proceeds generally had to be reinvested at lower current rates.

As the period progressed, we tried to turn some of this yield curve flattening to our advantage by shortening the durations - and therefore reducing the interest rate risk - of the Funds. We did this by purchasing securities with shorter effective maturities, since the flatter yield curve meant that we would give up less income to buy these less risky investments. Helping this process, certain sectors of both the \$1000 par capital securities market and the \$25 par listed securities market also afforded opportunities to reinvest in ways that provided more yield for a given level of interest rate risk.

Generally, as intermediate- and long-term bonds rallied during this reporting period, \$25 par issues tended to lag behind. This was especially true during the first three months of 2005, when the \$25 par sector experienced one of its worst quarters ever, both on an absolute basis as well as relative to the general fixed-income markets. While this hurt the overall performance of the Funds, it also meant that many \$25 par securities were available at yields that were the most attractive relative to the corporate bond market since 2001. To take advantage of this situation, we reallocated a small percentage of each Fund's portfolios into the \$25 par sector by selling some \$1000 par capital securities.

Other parts of the preferred market that appeared very attractive to us were

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

Dividends Received Deduction (DRD) and the Qualified Dividend Income (QDI) issues. Due to a recent change by Moody's in how they would evaluate an issuer's preferred securities, there was a large amount of issuance of this type of paper during this reporting period. In nearly all cases, the new issues were priced attractively to the current market and at levels that allowed investors to buy without giving up much income relative to fully taxable securities. Even though the Funds do not emphasize tax-advantaged income to either individuals or corporations as an objective, we increased our concentration in these types of issues since we believed that we were getting the tax advantages for little or no cost. Moreover, we believed that there were potential total return benefits that existed if these types of preferred investments ever begin to trade at levels that reflect their tax benefits.

HOW DID THE FUNDS PERFORM OVER THE SIX-MONTHS ENDED JUNE 30, 2005?

The performance of each Fund, as well as the performance of several widely followed market indexes, is shown in the nearby chart.

TOTAL RETURN ON NET ASSET VALUE*
For periods ended June 30, 2005

	6-MONTH	1-YEAR
JTP	2.33%	11.99%
JPS	2.40%	12.01%
JHP	2.07%	11.68%
Lehman Brothers Aggregate Bond Index ¹	2.52%	6.81%
Merrill Lynch Preferred Stock Hybrid Securities Index ²	-0.54%	8.00%

*Six-month returns are cumulative; one-year returns are annualized.

Past performance does not guarantee future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that a shareholder may have to pay on Fund distributions or upon the sale of Fund shares.

For more information, please see the individual Performance Overview pages in this report.

For the six months ended June 30, 2005, all three Funds underperformed the unleveraged, unmanaged Lehman Brothers Aggregate Bond Index and outperformed the Merrill Lynch Preferred Stock Hybrid Securities Index.

1 The Lehman Brothers Aggregate Bond Index is an unmanaged index that includes all investment-grade, publicly issued, fixed-rate, dollar-denominated, nonconvertible debt issues and commercial mortgage backed securities with maturities of at least one year and outstanding par values of \$150 million or more. Index returns do not include the effects of any sales charges or management fees. It is not possible to invest directly in an index.

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

- 2 The Merrill Lynch Preferred Stock Hybrid Securities Index is an unmanaged index of investment-grade, exchange-traded preferred stocks with outstanding market values of at least \$30 million and at least one year to maturity.

5

Helping the performance of the Funds during this period was the decision to focus on some of the recent DRD and QDI issuance. These purchases produced positive results quickly as many of these offerings traded immediately to premiums. The Funds also benefited from the trades that took profits on a number of \$1000 par capital security positions such as Centaur, Abbey National and KN Energy, with the proceeds then reinvested in both fully taxable and QDI \$25 par securities. All three Funds also were helped by the profits resulting from the liquidation of a number of convertible securities positions during the period. We sold our positions in Ameren, Keyspan, Public Service Enterprise and Alltel at significant gains after having enjoyed book yields of 8% or more from these issues over the past couple of years.

On the other hand, auto industry securities were a bad news story during the six month period. As of June 30, 2005, we had liquidated all of our holdings in GM and Delphi, and most of our holdings in Ford. In hindsight, we wish we had acted more quickly. The bonds and preferred securities of these issuers traded down considerably as market share concerns and unfunded pension and healthcare obligations took center stage in the press. Rating agency downgrades followed and even though most of our investments were in the senior debt of these companies, prices of all securities of these companies dropped as investors reacted to the unfavorable news.

In addition, the underperformance of the \$25 par sector relative to both the \$1000 par capital securities sector and the general bond market hurt the performance of the Funds. We believed this to be a temporary phenomenon, and we actually increased our concentrations in this sector. While we believe this may help the Funds over the longer term, it did constrain their performance over this six month period.

6

Distribution and Share Price INFORMATION

Each of these Funds uses financial leverage in an effort to enhance its dividend-paying capabilities. While this strategy adds volatility to a Fund's net asset value and share price, it generally enhances the amount of income the Fund has to distribute to its common shareholders. The extent of this benefit is tied in part to the short-term rates these Funds pay their FundPreferredTM shareholders. As short-term rates rose through this reporting period, the Funds paid higher dividends to their FundPreferred shareholders. As a result, the leveraging strategy - while still beneficial - did not provide as much income enhancement as it did before short-term interest rates began to rise. Over this reporting period JTP and JHP announced two reductions in their monthly distribution to shareholders, while JPS announced three distribution reductions.

Each of these Funds seeks to pay stable distributions at rates that reflect each Fund's past results and projected future performance. During certain periods,

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

each Fund may pay distributions 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 distributions, 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 distributions 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 in distributions to shareholders. As of June 30, 2005, each of the Funds in this report had positive UNII balances for both financial statement and tax purposes.

In addition, due to normal portfolio management 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)
JPS	\$0.1587	\$0.0300
JHP	\$0.0588	--

The relatively large distributions from JPS represented important parts of this Fund's total return for this period. Generally, these types of distributions were generated by bond calls or by sales of appreciated securities that occurred in the course of normal portfolio management activities. The proceeds of these calls or sales then were reinvested in securities paying lower, current interest rates. On balance, this had a slight negative impact on the Funds' earning power and was a minor factor in the reductions noted above.

As of June 30, 2005, the Funds' shares were trading at discounts to their NAVs as shown in the accompanying chart:

	6/30/05 DISCOUNT	6-MONTH AVERAGE DISCOUNT
JTP	-4.63%	-6.31%
JPS	-6.35%	-7.54%
JHP	-2.09%	-3.05%

7

Nuveen Quality Preferred Income Fund
JTP

Performance

OVERVIEW As of June 30, 2005

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

\$25 Par (or similar) Securities	52.8%
Capital Preferred Securities	43.3%
Convertible Preferred Securities	2.6%

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

Repurchase Agreements	1.1%
Corporate Bonds	0.2%

Bar Chart:

2004-2005 MONTHLY DIVIDENDS PER SHARE

Jul	0.101
Aug	0.101
Sep	0.101
Oct	0.101
Nov	0.101
Dec	0.097
Jan	0.097
Feb	0.097
Mar	0.097
Apr	0.097
May	0.097
Jun	0.0935

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

7/1/04	13.6
	13.69
	13.89
	13.88
	13.92
	13.9
	13.99
	13.71
	13.72
	13.77
	13.83
	13.87
	13.82
	13.65
	13.64
	13.74
	13.69
	13.58
	13.72
	13.86
	13.96
	13.96
	14.04
	14.13
	14.13
	14.01
	14.1
	14.16
	14.2
	14.13
	14.2
	14.26
	14.27
	14.3
	14.36
	14.44
	14.38
	14.37
	14.2
	14.27

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

14.46
14.46
14.5
14.6
14.55
14.48
14.54
14.55
14.54
14.59
14.55
14.5
14.56
14.55
14.56
14.57
14.59
14.61
14.67
14.58
14.62
14.58
14.7
14.61
14.6
14.56
14.57
14.65
14.69
14.69
14.75
14.79
14.77
14.7
14.63
14.65
14.62
14.63
14.68
14.63
14.64
14.58
14.62
14.67
14.72
14.8
14.85
14.92
14.94
14.97
14.63
14.22
14.47
14.52
14.55
14.49
14.57
14.59
14.71
14.7
14.73
14.75

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

14.75
14.77
14.86
14.74
14.65
14.6
14.42
14.55
14.66
14.6
14.52
14.49
14.51
14.36
14.15
13.96
13.81
13.61
13.65
13.83
13.83
13.73
13.71
13.74
13.82
13.93
14
13.99
13.99
14.03
14.11
14.14
14.27
14.28
14.2
14.16
14.18
14.24
14.24
14.25
14.23
14.27
14.25
14.19
14.21
14.25
14.35
14.44
14.49
14.54
14.65
14.74
14.67
14.67
14.6
14.49
14.28
14.27
14.22
14.27
14.17
14

14.03
14.18
14.25
14.34
14.29
14.24
14.21
14.17
14.19
14.2
14.1
14.09
13.85
13.65
13.51
13.32
13.3
13.16
12.96
12.85
13.02
12.95
12.63
12.68
13.08
13.2
13.14
13.17
12.97
13.02
13.09
13.13
13.14
13.17
12.96
12.87
12.88
13.1
13.06
13.03
13
13.02
13.1
13.21
13.27
13.33
13.43
13.43
13.4
13.45
13.4
13.38
13.31
13.33
13.42
13.38
13.44
13.43
13.49
13.49
13.49
13.55

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

	13.62
	13.75
	13.84
	13.82
	13.86
	13.86
	13.89
	14.03
	14
	14.02
	13.92
	13.92
	13.98
	13.99
	13.93
	13.75
	13.83
	13.8
	13.8
	13.83
	13.85
	13.86
	14
	14.02
	14.04
	13.99
	13.99
	13.96
6/30/05	14

PORTFOLIO STATISTICS

Common Share Price	\$14.00
Common Share Net Asset Value	\$14.68
Premium/(Discount) to NAV	-4.63%
Latest Dividend	\$.0935
Market Yield	8.01%
Net Assets Applicable to Common Shares (\$000)	\$946,257

INDUSTRIES

(as a % of total investments)

Commercial Banks	28.6%
Insurance	17.5%
Real Estate	16.3%
Diversified Financial Services	10.7%
Capital Markets	8.4%
Thriffs & Mortgage Finance	4.6%

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

Repurchase Agreements	1.1%

Other	12.8%

TOP FIVE ISSUERS
(EXCLUDING REPURCHASE AGREEMENTS)
(as a % of total investments)

Wachovia Corporation	3.4%

JPMorgan Chase & Company	3.1%

ING Groep NV	3.0%

HSBC Holdings Public Limited Company	2.6%

Zurich Financial Services	2.5%

AVERAGE ANNUAL TOTAL RETURN
(Inception 6/25/02)

	ON SHARE PRICE	ON NAV

6-Month (Cumulative)	4.23%	2.33%

1-Year	13.01%	11.99%

Since Inception	6.09%	9.37%

8

Nuveen Quality Preferred Income Fund 2
JPS

Performance

OVERVIEW As of June 30, 2005

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

\$25 Par (or similar) Securities	54.7%
Capital Preferred Securities	40.9%
Convertible Preferred Securities	2.7%
Repurchase Agreements	1.5%
Corporate Bonds	0.2%

Bar Chart:

2004-2005 MONTHLY DIVIDENDS PER SHARE¹

Jul	0.105
Aug	0.105
Sep	0.105
Oct	0.105

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

Nov	0.105
Dec	0.102
Jan	0.102
Feb	0.102
Mar	0.099
Apr	0.099
May	0.099
Jun	0.096

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

7/1/04	14.2
	14.32
	14.33
	14.31
	14.46
	14.48
	14.65
	14.47
	14.44
	14.43
	14.6
	14.55
	14.47
	14.34
	14.45
	14.43
	14.25
	14.24
	14.45
	14.52
	14.61
	14.61
	14.73
	14.7
	14.72
	14.61
	14.77
	14.8
	14.89
	14.8
	14.88
	14.87
	14.82
	14.85
	14.9
	14.92
	14.88
	14.84
	14.81
	14.81
	14.96
	15.02
	15.01
	15.1
	15.06
	14.95
	15.04
	15.09
	15.09

15.06
15.12
15.01
15.04
15.06
15.13
15.16
15.15
15.13
15.09
15.11
15.06
15.13
15.19
15.07
15
15.06
15.09
15.13
15.13
15.12
15.13
15.19
15.24
15.15
15.12
15.15
15.18
15.21
15.2
15.13
15.09
15.06
15.13
15.25
15.31
15.33
15.33
15.41
15.54
15.64
15.07
14.72
14.93
15.12
15.06
15.03
15.11
15.16
15.2
15.27
15.26
15.16
15.18
15.22
15.23
15.06
14.94
14.95
14.77
14.8
14.92

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

14.94
14.92
14.88
14.94
14.8
14.66
14.54
14.36
14.3
14.36
14.55
14.59
14.5
14.4
14.41
14.35
14.36
14.4
14.48
14.58
14.54
14.78
14.85
14.84
14.84
14.76
14.81
14.79
14.88
14.96
14.95
14.95
14.98
14.94
14.94
15.04
15.04
15.03
15.09
15.16
15.16
15.26
15.37
15.31
15.31
15.3
15.12
14.86
14.92
14.9
14.85
14.72
14.65
14.82
14.93
14.97
15.05
15.06
14.94
14.8
14.69
14.73

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

14.8
14.55
14.5
14.24
13.99
13.83
13.58
13.77
13.6
13.4
13.2
13.25
13.31
13.08
13.12
13.49
13.63
13.65
13.6
13.47
13.63
13.57
13.69
13.6
13.68
13.47
13.33
13.37
13.46
13.67
13.55
13.55
13.47
13.44
13.54
13.62
13.75
13.9
13.9
13.95
13.97
14.05
14
14
13.94
14.01
13.94
13.96
13.92
13.92
13.97
13.97
13.99
14.07
14.08
14.17
14.23
14.32
14.31
14.32
14.37
14.4

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

	14.44
	14.4
	14.49
	14.48
	14.44
	14.32
	14.25
	14.22
	14.08
	14.2
	14.29
	14.31
	14.25
	14.37
	14.36
	14.41
	14.25
	14.25
	14.38
6/30/05	14.45

PORTFOLIO STATISTICS

Common Share Price	\$14.45
Common Share Net Asset Value	\$15.43
Premium/(Discount) to NAV	-6.35%
Latest Dividend	\$.0960
Market Yield	7.97%
Net Assets Applicable to Common Shares (\$000)	\$1,844,588

INDUSTRIES

(as a % of total investments)

Commercial Banks	26.1%
Insurance	20.2%
Real Estate	13.8%
Diversified Financial Services	9.9%
Capital Markets	9.4%
Thrifts & Mortgage Finance	4.5%
Electric Utilities	3.8%
Repurchase Agreements	1.5%
Other	10.8%

TOP FIVE ISSUERS

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

(EXCLUDING REPURCHASE AGREEMENTS)
(as a % of total investments)

Wachovia Corporation	3.4%
JPMorgan Chase & Company	3.1%
ING Groep NV	3.0%
EverestRe Group	2.6%
Sun Life Financial Services of Canada	2.5%

AVERAGE ANNUAL TOTAL RETURN
(Inception 9/24/02)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	4.57%	2.40%
1-Year	13.17%	12.01%
Since Inception	7.60%	11.72%

- 1 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2004 of \$0.1887 per share.

9

Nuveen Quality Preferred Income Fund 3
JHP

Performance

OVERVIEW As of June 30, 2005

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

\$25 Par (or similar) Securities	58.4%
Capital Preferred Securities	38.0%
Convertible Preferred Securities	2.5%
Repurchase Agreements	0.9%
Corporate Bonds	0.2%

Bar Chart:

2004-2005 MONTHLY DIVIDENDS PER SHARE¹

Jul	0.103
Aug	0.103
Sep	0.103
Oct	0.103
Nov	0.103
Dec	0.1
Jan	0.1

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

Feb	0.1
Mar	0.1
Apr	0.1
May	0.1
Jun	0.0965

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

7/1/04	13.71
	13.89
	14.1
	14.11
	14.25
	14.28
	14.45
	14.36
	14.31
	14.27
	14.37
	14.3
	14.32
	14.16
	14.23
	14.22
	14.15
	14.24
	14.35
	14.34
	14.34
	14.34
	14.44
	14.43
	14.47
	14.42
	14.49
	14.46
	14.54
	14.39
	14.42
	14.52
	14.61
	14.6
	14.64
	14.57
	14.57
	14.6
	14.51
	14.53
	14.61
	14.68
	14.87
	14.91
	14.92
	14.89
	14.91
	14.98
	14.98
	14.88
	14.95
	14.98

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

14.95
14.93
14.92
15
14.93
14.97
14.94
14.86
14.97
14.95
14.95
14.94
14.82
14.88
14.89
14.93
14.93
14.93
14.95
14.95
15.02
14.92
14.97
14.91
14.87
14.88
14.92
14.9
14.91
14.9
14.84
14.93
14.94
14.99
15
15.09
15.09
15.19
14.93
14.66
14.85
14.85
14.9
14.89
14.94
14.99
14.92
15
14.96
15
15.01
15.03
15.06
15
14.86
14.82
14.72
14.77
14.87
14.83
14.82
14.83

14.93
14.72
14.62
14.49
14.3
14.25
14.21
14.23
14.23
14.29
14.22
14.3
14.32
14.38
14.44
14.42
14.48
14.42
14.47
14.46
14.55
14.68
14.77
14.78
14.71
14.74
14.72
14.84
14.85
14.85
14.85
14.75
14.89
15.02
15
15.08
15.15
15.14
15.27
15.28
15.32
15.3
15.3
15.14
15.05
15.06
15.02
14.93
14.79
14.6
14.61
14.66
14.86
14.95
14.92
14.85
14.8
14.86
14.86
14.93
14.77
14.75

14.45
14.37
14.16
14.06
13.96
13.9
13.81
13.6
13.39
13.51
13.35
13.39
13.69
14.15
14.1
14.06
13.99
13.93
13.9
13.82
13.85
13.91
13.88
13.68
13.7
13.81
13.99
14
14.08
13.89
13.93
14.11
14.15
14.27
14.39
14.39
14.43
14.47
14.45
14.4
14.45
14.38
14.35
14.3
14.17
14.3
14.18
14.2
14.45
14.31
14.28
14.21
14.27
14.35
14.22
14.4
14.5
14.61
14.63
14.49
14.41
14.45

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

	14.69
	14.5
	14.47
	14.65
	14.74
	14.56
	14.47
	14.6
	14.51
	14.54
	14.52
	14.54
	14.55
	14.49
	14.42
	14.54
6/30/05	14.53

PORTFOLIO STATISTICS

Common Share Price	\$14.53
Common Share Net Asset Value	\$14.84
Premium/(Discount) to NAV	-2.09%
Latest Dividend	\$.0965
Market Yield	7.97%
Net Assets Applicable to Common Shares (\$000)	\$350,887

INDUSTRIES

(as a % of total investments)

Commercial Banks	24.3%
Insurance	22.8%
Real Estate	12.9%
Diversified Financial Services	11.2%
Capital Markets	9.9%
Thriffs & Mortgage Finance	4.2%
Consumer Finance	2.9%
Repurchase Agreements	0.9%
Other	10.9%

TOP FIVE ISSUERS

(EXCLUDING REPURCHASE AGREEMENTS)

(as a % of total investments)

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

Wachovia Corporation	3.8%

ING Groep NV	3.3%

JPMorgan Chase & Company	3.0%

Union Planters Corporation	2.5%

Zurich Financial Services	2.5%

AVERAGE ANNUAL TOTAL RETURN
(Inception 12/18/02)

	ON SHARE PRICE	ON NAV

6-Month (Cumulative)	4.80%	2.07%

1-Year	17.06%	11.68%

Since Inception	7.36%	10.12%

1 The Fund also paid shareholders a capital gains distribution in December 2004 of \$0.0588 per share.

10

Shareholder MEETING REPORT

The annual shareholder meeting was held on March 22, 2005, in Chicago at Nuveen's headquarters.

	JTP		JPS	

APPROVAL OF THE BOARD MEMBERS				
WAS REACHED AS FOLLOWS:				
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
=====				
Robert P. Bremner				
For	62,271,854	--	115,370,348	
Withhold	764,305	--	945,001	

Total	63,036,159	--	116,315,349	
=====				
Lawrence H. Brown				
For	62,265,166	--	115,377,065	
Withhold	770,993	--	938,284	

Total	63,036,159	--	116,315,349	

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

=====					
Jack B. Evans					
For	62,285,293	--		115,397,150	
Withhold	750,866	--		918,199	

Total	63,036,159	--		116,315,349	
=====					
William C. Hunter					
For	62,287,700	--		115,368,108	
Withhold	748,459	--		947,241	

Total	63,036,159	--		116,315,349	
=====					
David J. Kundert					
For	62,283,388	--		115,371,707	
Withhold	752,771	--		943,642	

Total	63,036,159	--		116,315,349	
=====					
William J. Schneider					
For	--	16,654	--		30,0
Withhold	--	39	--		1

Total	--	16,693	--		30,1
=====					
Timothy R. Schwertfeger					
For	--	16,654	--		30,0
Withhold	--	39	--		1

Total	--	16,693	--		30,1
=====					

11

Shareholder
MEETING REPORT (continued)

		JTP		JPS

APPROVAL OF THE BOARD MEMBERS				
WAS REACHED AS FOLLOWS:				
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
=====				
Judith M. Stockdale				
For	62,278,191	--	115,374,498	
Withhold	757,968	--	940,851	

Total	63,036,159	--	116,315,349	
=====				
Eugene S. Sunshine				
For	62,287,681	--	115,388,082	

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

Withhold	748,478	--	927,267

Total	63,036,159	--	116,315,349
=====			

12

Nuveen Quality Preferred Income Fund (JTP)
Portfolio of
INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING ----- MOODY'S

<p>\$25 PAR (OR SIMILAR) SECURITIES - 77.0% (52.8% OF TOTAL INVESTMENTS)</p>			
<p>AUTOMOBILES - 0.1%</p>			
5,300	Daimler Chrysler (CORTS)	7.250%	A3
25,801	Ford Motor Company, Series F (CORTS)	8.000%	Baa3

<p>CAPITAL MARKETS - 5.5%</p>			
1,250	ABN AMRO North America, Series L, 144A	6.460%	A3
60,900	Bear Stearns Capital Trust III	7.800%	A2
31,300	BNY Capital Trust V, Series F	5.950%	A1
228,095	Compass Capital Trust III	7.350%	A3
30,700	First Union Capital II, Series II (CORTS)	7.500%	A1
11,300	First Union Institutional Capital II (CORTS)	8.200%	A1
8,700	Goldman Sachs Capital I, Series A (CORTS)	6.000%	A1
6,500	Goldman Sachs Group Inc. (CORTS)	6.300%	A3
500	Goldman Sachs Group Inc. (SATURNS)	5.750%	Aa3
81,500	JPMorgan Chase Capital Trust IX, Series I	7.500%	A1
108,549	Lehman Brothers Holdings Capital Trust III, Series K	6.375%	A2
63,400	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%	A2
13,200	Lehman Brothers Holdings Capital Trust V, Series M	6.000%	A2
103,420	Lehman Brothers Holdings Capital Trust VI, Series N	6.240%	A2
35,000	Lehman Brothers Holdings Inc., Series C	5.940%	N/R
50,000	Lehman Brothers Holdings Inc., Series F	6.500%	A3
81,600	Merrill Lynch Capital Trust	7.000%	A1
71,800	Merrill Lynch Preferred Capital Trust IV	7.120%	A1
88,600	Merrill Lynch Preferred Capital Trust V	7.280%	A1
196,100	Merrill Lynch Preferred Capital Trust	7.750%	A1
178,400	Morgan Stanley Capital Trust II	7.250%	A1
226,700	Morgan Stanley Capital Trust III	6.250%	A1
249,095	Morgan Stanley Capital Trust IV	6.250%	A1
10,800	Morgan Stanley Capital Trust V	5.750%	A1
3,400	Morgan Stanley (PPLUS)	7.050%	Aa3

<p>COMMERCIAL BANKS - 10.1%</p>			
24,800	Abbey National plc, Series B	7.250%	A1
68,500	Abbey National plc, Series B	7.375%	A2

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

130,000	ABN AMRO Capital Fund Trust V	5.900%	A2
28,000	ABN AMRO Capital Trust Fund VII	6.080%	A2
103,100	ASBC Capital I	7.625%	Baa1
7,200	BAC Capital Trust I	7.000%	Aa3
64,500	BAC Capital Trust II	7.000%	Aa3
80,000	BAC Capital Trust III	7.000%	Aa3
185,450	Banco Santander	6.410%	A2
52,300	Banco Totta & Acores Finance, Series A	8.875%	A3
66,000	Banesto Holdings, Series A, 144A	10.500%	A2
59,400	Bank One Capital Trust VI	7.200%	A1
198,900	Chittenden Capital Trust I	8.000%	Baa1
116,800	Cobank ABC, 144A	7.000%	N/R
133,700	Comerica Capital Trust I	7.600%	A3
33,900	Fleet Capital Trust VII	7.200%	Aa3
3,800	KeyCorp Capital Trust V	5.875%	A3
62,900	KeyCorp (PCARS)	7.500%	A3
18,500	KeyCorp, Series 2001-7 (CORTS)	7.750%	A3
31,300	KeyCorp, Series B (CORTS)	8.250%	A3
64,900	National Commerce Capital Trust II	7.700%	A1
55,300	National Westminster Bank plc, Series A	7.875%	Aa2

13

Nuveen Quality Preferred Income Fund (JTP) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
COMMERCIAL BANKS (continued)			
200,000	PFCI Capital Corporation	7.750%	A3
5,000	PNC Capital Trust	6.125%	A3
30,900	Regions Finance Trust I	8.000%	A2
13,500	Royal Bank of Scotland Group plc, Series L	5.750%	A1
27,400	Royal Bank of Scotland Group plc, Series M	6.400%	A1
216,762	Royal Bank of Scotland Group plc, Series N	6.350%	A1
23,500	SunTrust Capital Trust IV	7.125%	A1
79,000	SunTrust Capital Trust V	7.050%	A1
175,000	USB Capital Trust III	7.750%	Aa3
423,005	USB Capital Trust IV	7.350%	Aa3
46,800	USB Capital Trust V	7.250%	Aa3
36,700	VNB Capital Trust I	7.750%	Baa1
28,500	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%	Baa1
6,236	Well Fargo Capital Trust IX	5.625%	Aa2
25,500	Wells Fargo Capital Trust IV	7.000%	Aa2
179,700	Wells Fargo Capital Trust V	7.000%	Aa2
15,900	Wells Fargo Capital Trust VI	6.950%	Aa2
15,900	Wells Fargo Capital Trust VII	5.850%	Aa2
379,250	Zions Capital Trust B	8.000%	Baa1
COMPUTERS & PERIPHERALS - 0.0%			
1,800	IBM Inc., Trust Certificates, Series 2001-2	7.100%	A1

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

1,400	IBM Trust II (CORTS)	7.125%	A1

CONSUMER FINANCE - 0.2%			
60,300	Household Capital Trust VI	8.250%	A2
25,400	Household Capital Trust VII	7.500%	A2

DIVERSIFIED FINANCIAL SERVICES - 7.6%			
17,000	BBVA Preferred Capital Ltd., Series B	7.750%	A1
32,476	CIT Group Incorporated (CORTS)	7.750%	A3
5,000	Citigroup Capital Trust IX	6.000%	Aa2
237,600	Citigroup Capital Trust VII	7.125%	Aa2
272,700	Citigroup Capital Trust VIII	6.950%	Aa2
51,500	Citigroup Capital Trust XI	6.000%	Aa2
66,300	Citigroup Inc., Series H	6.231%	Aa3
39,400	Citigroup Inc., Series M	5.864%	Aa3
3,000	General Electric Capital Corporation (CORTS)	6.000%	Aaa
2,000	General Electric Capital Corporation	5.875%	N/R
7,400	General Electric Capital Corporation	6.100%	Aaa
1,800	Goldman Sachs Group Inc., Series 2004-04 (SATURNS)	6.000%	A1
569,000	ING Group NV	7.050%	N/R
1,015,458	ING Group NV	7.200%	A2
32,600	JPM Capital Trust I, Series 2001-1, Class A-1 (CORTS)	7.850%	A1
73,600	JPMorgan Chase Capital Trust X	7.000%	A1
90,106	JPMorgan Chase Capital Trust XI	5.875%	A1
68,900	JPMorgan Chase Capital Trust XVI	6.350%	A1
20,000	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%	A1
46,000	Merrill Lynch Capital Trust II	8.000%	A1

DIVERSIFIED TELECOMMUNICATION SERVICES - 0.4%			
3,300	BellSouth Capital Funding (CORTS)	7.100%	A1
1,400	BellSouth Corporation (CORTS)	7.000%	Aa3
14,800	BellSouth Corporation, Series 2001-3 (SATURNS)	7.125%	A2
5,900	BellSouth Inc. (CORTS)	7.000%	A2
83,200	SBC Communications Inc.	7.000%	A2
1,600	Verizon Communications (CORTS)	7.625%	A2
5,000	Verizon Communications, Series 2004-1 (SATURNS)	6.125%	A2
23,700	Verizon New England Inc., Series B	7.000%	A2
18,500	Verizon South Inc., Series F	7.000%	A2

ELECTRIC UTILITIES - 3.5%			
77,740	DTE Energy Trust I	7.800%	Baa3
95,305	Entergy Louisiana Inc.	7.600%	Baa1
293,196	Georgia Power Company	5.700%	Aaa
118,651	Georgia Power Company	5.900%	A2
2,100	Gulf Power Capital Trust III	7.375%	A3

SHARES	DESCRIPTION(1)	COUPON	MOODY'S

ELECTRIC UTILITIES - 3.5%			
77,740	DTE Energy Trust I	7.800%	Baa3
95,305	Entergy Louisiana Inc.	7.600%	Baa1
293,196	Georgia Power Company	5.700%	Aaa
118,651	Georgia Power Company	5.900%	A2
2,100	Gulf Power Capital Trust III	7.375%	A3

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

251,073	Interstate Power and Light Company, Series B	8.375%	Baa3
1,800	National Rural Utilities Cooperative Finance Corporation	7.600%	A3
17,800	National Rural Utilities Cooperative Finance Corporation	7.400%	A3
143,743	National Rural Utilities Cooperative Finance Corporation	5.950%	A3
7,000	Tennessee Valley Authority, Series D	6.750%	Aaa
187,000	Virginia Power Capital Trust	7.375%	Baa1

	FOOD PRODUCTS - 0.7%		
64,000	Dairy Farmers of America Inc., 144A	7.875%	Ba1

	GAS UTILITIES - 0.1%		
32,300	AGL Capital Trust II	8.000%	Baa2

	INDUSTRIAL CONGLOMERATES - 0.1%		
19,400	General Electric Company, Series GE (CORTS)	6.800%	Aaa

	INSURANCE - 14.5%		
673,500	Ace Ltd., Series C	7.800%	Baa2
1,102,550	Aegon NV	6.375%	A3
1,800	Allstate Corporation (PCARS)	7.150%	A2
10,500	AMBAC Financial Group Inc.	7.000%	Aa2
21,500	AMBAC Financial Group Inc.	5.950%	Aa2
1,800	AMBAC Financial Group Inc.	5.875%	Aa2
18,700	American General Capital III	8.050%	Aa3
202,000	Delphi Financial Group Inc.	8.000%	Baa3
271,600	EverestRe Capital Trust II	6.200%	Ba1
79,400	EverestRe Group Limited	7.850%	Ba1
2,000	Financial Security Assurance Holdings	6.875%	Aa2
1,400	Financial Security Assurance Holdings	5.600%	Aa2
189,777	Hartford Capital Trust III, Series C	7.450%	Ba1
50,700	Hartford Life Capital Trust II, Series B	7.625%	Ba1
79,200	Lincoln National Capital Trust V, Series E	7.650%	Ba1
31,500	Lincoln National Capital Trust VI	6.750%	Ba1
24,427	MBIA Inc.	8.000%	Aa2
1,900	MetLife Inc.	5.875%	A2
556,700	MetLife Inc., Series B	6.500%	Ba1
250,000	PartnerRe Limited, Series C	6.750%	Ba1
67,300	PartnerRe Limited, Series D	6.500%	Ba1
113,800	PartnerRe Limited	7.900%	A3
79,400	PLC Capital Trust III	7.500%	Ba1
410,200	PLC Capital Trust IV	7.250%	Ba1
264,165	Prudential plc	6.750%	Ba1
61,100	RenaissanceRe Holdings Ltd., Series B	7.300%	Baa2
13,900	RenaissanceRe Holdings Ltd., Series C	6.080%	Baa2
125,650	RenaissanceRe Holdings Ltd., Series A	8.100%	Baa2
40,000	Safeco Capital Trust I (CORTS)	8.700%	Baa2
34,300	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%	Baa2
2,000	Safeco Capital Trust III (CORTS)	8.072%	Baa2
62,500	Torchmark Capital Trust I	7.750%	Ba1
17,800	W.R. Berkley Capital Trust, Series 2002-1, (CBTCS)	8.125%	Baa3
4,600	W.R. Berkley (CORTS)	8.250%	Baa3
391,854	XL Capital Ltd., Series A	8.000%	Ba1

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

75,200	XL Capital Ltd., Series B	7.625%	Baa1
--------	---------------------------	--------	------

IT SERVICES - 0.1%

28,700	Vertex Industries Inc. (PPLUS)	7.625%	A2
--------	--------------------------------	--------	----

15

Nuveen Quality Preferred Income Fund (JTP) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

			RATING
SHARES	DESCRIPTION(1)	COUPON	MOODY'S

MEDIA - 0.3%			
5,300	The Walt Disney Company	7.000%	Baa1
123,700	Viacom Inc.	7.300%	A3

MULTI-UTILITIES & UNREGULATED POWER - 0.7%			
96,200	Dominion CNG Capital Trust I	7.800%	Baa1
59,100	Dominion Resources Capital Trust II	8.400%	Baa2
98,300	Energy East Capital Trust I	8.250%	Baa3

OIL & GAS - 1.8%			
531,632	Nexen Inc.	7.350%	Baa3
108,500	TransCanada Pipeline	8.250%	A3

PHARMACEUTICALS - 0.1%			
23,000	Bristol Myers Squibb Company (CORTS)	6.250%	A1
5,500	Bristol-Myers Squibb Company Trust (CORTS)	6.800%	A1

REAL ESTATE - 23.8%			
49,658	AMB Property Corporation, Series M	6.750%	Baa2
13,400	AvalonBay Communities, Inc., Series H	8.700%	Baa2
409,400	BRE Properties, Series B	8.080%	Baa3
17,800	BRE Properties, Series C	6.750%	Baa3
42,644	BRE Properties, Series D	6.750%	Baa3
541,048	CarrAmerica Realty Corporation, Series E	7.500%	Baa3
385,100	Developers Diversified Realty Corporation, Series H	7.375%	Ba1
46,200	Developers Diversified Realty Corporation, Series G	8.000%	Ba1
56,500	Developers Diversified Realty Corporation, Series F	8.600%	Ba1
156,800	Duke Realty Corporation, Series L	6.600%	Baa2
157,779	Duke-Weeks Realty Corporation, Series B	7.990%	Baa2
10,800	Duke-Weeks Realty Corporation, Series I	8.450%	Baa2
1,097,400	Equity Office Properties Trust, Series G	7.750%	Baa3
24,700	Equity Residential Properties Trust, Series D	8.600%	Baa2
30,400	Equity Residential Properties Trust	9.125%	Baa2
10,600	First Industrial Realty Trust Inc., Series C	8.625%	Baa3

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

19,000	Firststar Realty LLC, 144A	8.875%	Aa3
57,900	Harris Preferred Capital Corporation, Series A	7.375%	A1
2,200	HRPT Properties Trust, Series A	9.875%	Baa3
1,019,610	HRPT Properties Trust, Series B	8.750%	Baa3
22,000	New Plan Excel Realty Trust, Series D	7.800%	Baa3
416,000	New Plan Excel Realty Trust, Series E	7.625%	N/R
10,000	Prologis Trust, Series F	6.750%	Baa2
107,000	Prologis Trust, Series G	6.750%	Baa2
328,400	PS Business Parks Inc.	7.000%	Ba1
57,000	PS Business Parks Inc., Series I	6.875%	Ba1
240,000	PS Business Parks Inc., Series L	7.600%	Ba1
2,700	Public Storage Inc.	7.125%	Baa2
64,800	Public Storage Inc., Series C	6.600%	Baa2
90,000	Public Storage Inc., Series D	6.180%	Baa2
2,900	Public Storage Inc., Series E	6.750%	Baa2
25,100	Public Storage Inc., Series Q	8.600%	Baa2
107,000	Public Storage Inc., Series R	8.000%	Baa2
202,600	Public Storage Inc., Series S	7.875%	Baa2
11,500	Public Storage Inc., Series T	7.625%	Baa2
40,680	Public Storage Inc., Series U	7.625%	Baa2
345,600	Public Storage Inc., Series V	7.500%	Baa2
6,971	Public Storage Inc., Series X	6.450%	Baa2
91,200	Realty Income Corporation	7.375%	Baa3
47,500	Regency Centers Corporation	7.450%	Baa3
21,200	Regency Centers Corporation	7.250%	Baa3
20,500	Simon Property Group, Inc., Series F	8.750%	Baa2
176,600	Simon Property Group, Inc., Series G	7.890%	Baa2
13,600	United Dominion Realty Trust	8.600%	Baa3
323,633	Vornado Realty Trust, Series G	6.625%	Baa3

16

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
REAL ESTATE (continued)			
319,300	Wachovia Preferred Funding Corporation	7.250%	A2
2,000	Weingarten Realty Trust, Preferred Securities	6.750%	Baa1
2,500	Weingarten Realty Trust, Series E	6.950%	Baa1
SPECIALTY RETAIL - 0.1%			
40,000	Sherwin Williams Company, Series III (CORTS)	7.250%	A2
THRIFTS & MORTGAGE FINANCE - 5.0%			
5,600	Countrywide Capital Trust II, Series II (CORTS)	8.000%	Baa1
795,520	Countrywide Capital Trust IV	6.750%	Baa1
214,900	Fannie Mae	0.000%	Aa3
110,300	Fannie Mae	3.780%	Aa3
58,300	Federal Home Loan Mortgage Corporation	6.000%	Aa3
65,600	Federal Home Loan Mortgage Corporation	6.140%	Aa3
58,600	Federal Home Loan Mortgage Corporation	5.100%	Aa3

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

	U.S. AGENCY - 0.1%		
19,000	Federal Home Loan Mortgage Corporation	5.300%	Aa3
	WIRELESS TELECOMMUNICATION SERVICES - 2.2%		
355,846	Telephone and Data Systems Inc.	7.600%	Baa1
159,700	United States Cellular Corporation	8.750%	Baa1
271,900	United States Cellular Corporation	7.500%	Baa1
	Total \$25 Par (or similar) Securities (cost \$699,230,017)		
	CONVERTIBLE PREFERRED SECURITIES - 3.7% (2.6% OF TOTAL INVESTMENTS)		
	DIVERSIFIED FINANCIAL SERVICES - 0.8%		
154,000	Citigroup Global Markets	2.000%	Aa1
	ELECTRIC UTILITIES - 0.2%		
30,000	FPL Group Inc.	8.000%	N/R
	FOOD & STAPLES RETAILING - 0.6%		
269,148	Albertson's, Inc.	7.250%	Baa2
	HEALTHCARE EQUIPMENT & SUPPLIES - 0.3%		
54,500	Baxter International Inc.	7.000%	Baa1
	INSURANCE - 0.1%		
50,000	XL Capital Ltd.	6.500%	A2
	MULTI-UTILITIES & UNREGULATED POWER - 1.6%		
260,200	Dominion Resources Inc.	8.750%	Baa1
	THRIFTS & MORTGAGE FINANCE - 0.1%		
54,000	PMI Group Inc.	5.875%	A1
	Total Convertible Preferred Securities (cost \$32,048,267)		

17

Nuveen Quality Preferred Income Fund (JTP) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
CAPITAL PREFERRED SECURITIES - 63.0% (43.3% OF TOTAL INVESTMENTS)			
CAPITAL MARKETS - 6.7%			
2,500	Bank of New York Capital I, Series B	7.970%	12/31/26
2,000	BT Capital Trust, Series B1	7.900%	1/15/27
1,000	BT Institutional Capital Trust B, 144A	7.750%	12/01/26
7,900	BT Preferred Capital Trust II	7.875%	2/25/27
2,250	C.A. Preferred Fund Trust II	7.000%	10/30/49
11,250	C.A. Preferred Funding Trust	7.000%	1/30/49
26,463	First Union Institutional Capital Securities I	8.040%	12/01/26
5,500	UBS Preferred Funding Trust I	8.622%	10/29/49
COMMERCIAL BANKS - 31.6%			
9,000	AB Svensk Exportkredit, 144A	6.375%	10/27/49
18,250	Abbey National Capital Trust I	8.963%	12/30/49
3,000	AgFirst Farm Credit Bank	7.300%	12/15/53
2,500	Bank One Capital III	8.750%	9/01/30
2,000	BankAmerica Institutional Capital Trust, Series B, 144A	7.700%	12/31/26
5,700	BankBoston Capital Trust II, Series B	7.750%	12/15/26
1,500	BanPonce Trust I, Series A	8.327%	2/01/27
7,200	Barclays Bank plc, 144A	8.550%	6/15/49
10	BBVA Privanza International Gibraltar, 144A	7.764%	9/30/47
3,000	Centura Capital Trust I, 144A	8.845%	6/01/27
3,000	Corestates Capital Trust I, 144A	8.000%	12/15/26
1,700	DBS Capital Funding Corporation, 144A	7.657%	3/15/49
1,000	First Chicago NBD Institutional Capital,144A	7.950%	12/01/26
1,000	First Empire Capital Trust II	8.277%	6/01/27
1,500	First Midwest Bancorp Inc.	6.950%	12/01/33
5,750	HSBC Capital Funding LP, 144A	9.547%	12/31/49
17,150	HSBC Capital Funding LP, Debt	10.176%	6/30/50
12,000	KBC Bank Fund Trust III, 144A	9.860%	11/02/49
2,000	KeyCorp Capital III	7.750%	7/15/29
2,000	KeyCorp Institutional Capital Trust A	7.826%	12/01/26
8,850	Lloyds TSB Bank plc, Subordinated Note	6.900%	11/22/49
11,150	NB Capital Trust II	7.830%	12/15/26
7,655	Nordbanken AB, 144A	8.950%	11/29/49
1,000	North Fork Capital Trust I, Capital Securities	8.700%	12/15/26
8,000	Peoples Heritage Capital Trust I, Series B	9.060%	2/01/27
19,000	PNC Institutional Capital Securities, 144A	7.950%	12/15/26
2,000	Popular North American Capital Trust I	6.564%	9/15/34
16,000	RBS Capital Trust B	6.800%	12/31/49
17,500	Reliance Capital Trust I, Series B	8.170%	5/01/28
1,400	Republic New York Capital II, Capital Securities	7.530%	12/04/26
1,100	Royal Bank of Scotland Group plc	7.648%	8/31/49
2,000	SocGen Real Estate Company LLC, 144A	7.640%	12/29/49
5,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/01/49
23,000	Summit Capital Trust I, Capital Securities	8.400%	3/15/27
1,800	Swedbank ForeningsSparbanken AB, 144A	9.000%	12/29/49
6,676	Union Planters Capital Trust A	8.200%	12/15/26
4,000	Wachovia Capital Trust I, Capital Securities, 144A	7.640%	1/15/27
7,250	Washington Mutual Capital Trust I	8.375%	6/01/27
1,050	Wells Fargo Capital Securities	7.950%	12/01/26
3,000	Zions Institutional Capital Trust, Series A	8.536%	12/15/26

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

DIVERSIFIED FINANCIAL SERVICES - 7.2%			
1,500	BNP Paribas Capital Trust, 144A	9.003%	12/29/49
4,250	BNP Paribas Capital Trust	7.200%	12/31/49
5,000	Chase Capital Trust I, Series A	7.670%	12/01/26
25,500	HBOS Capital Funding LP, Notes	6.850%	3/01/49
19,500	JPM Capital Trust II	7.950%	2/01/27
8,100	Old Mutual Capital Funding, Notes	8.000%	6/22/53

18			

DIVERSIFIED TELECOMMUNICATION SERVICES - 1.6%			
11,250	Centaur Funding Corporation, Series B, 144A	9.080%	4/21/20

INSURANCE - 10.7%			
7,570	Ace Capital Trust II	9.700%	4/01/30
1,000	Allstate Financing II	7.830%	12/01/45
2,000	American General Capital II	8.500%	7/01/30
7,500	Berkeley Capital Trust	8.197%	12/15/45
2,500	Mangrove Bay, Class 3, 144A	6.102%	7/15/33
4,000	MIC Financing Trust I	8.375%	2/01/27
7,000	Prudential plc	6.500%	6/29/49
2,000	RenaissanceRe Capital Trust	8.540%	3/01/27
26,216	Sun Life Canada Capital Trust, Capital Securities, 144A	8.526%	5/06/47
31,373	Zurich Capital Trust I, 144A	8.376%	6/01/37

OIL & GAS - 3.6%			
4,000	KN Capital Trust I, Preferred Securities	8.560%	4/15/27
5,860	KN Capital Trust III	7.630%	4/15/28
20,900	Phillips 66 Capital Trust II	8.000%	1/15/37

THRIFTS & MORTGAGE FINANCE - 1.6%			
8,500	Dime Capital Trust I, Series A	9.330%	5/06/27
5,000	Great Western Financial Trust II, Series A	8.206%	2/01/27

Total Capital Preferred Securities (cost \$566,119,794)			

CORPORATE BONDS - 0.4% (0.2% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.4%			
1,150	Ford Motor Company, Debenture	7.400%	11/01/46
4,200	Ford Motor Company, Debenture	7.400%	5/15/97

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

Total Corporate Bonds (cost \$4,351,418)

19

Nuveen Quality Preferred Income Fund (JTP) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL
AMOUNT (000)/
SHARES

DESCRIPTION(1)

REPURCHASE AGREEMENTS - 1.5% (1.1% OF TOTAL INVESTMENTS)

State Street Bank, 2.600%, dated 6/30/05, due 7/01/05,
repurchase price \$14,641,274, collateralized by \$10,340,000
\$ 14,640 U.S. Treasury Bonds, 8.125%, due 8/15/19, value \$14,936,326
=====

Total Repurchase Agreements (cost \$14,640,217)

Total Investments (cost \$1,316,389,713) - 145.6%

Other Assets Less Liabilities - 0.9%

Fund Preferred Shares, at Liquidation Value - (46.5)%

Net Assets Applicable to Common Shares - 100%

INTEREST RATE SWAP TRANSACTIONS OUTSTANDING AT JUNE 30, 2005:

COUNTERPARTY	NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE
Citibank, N.A.	\$110,000,000	3.1300%	3.32
Citibank, N.A.	110,000,000	3.8600	3.32
Citibank, N.A.	110,000,000	4.3500	3.32

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.

* Ratings: Below Baa by Moody's Investor Service, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade.

** Based on LIBOR (London Interbank Offered Rate)

144A 144A securities are those which are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold in transactions exempt from registration which are normally those transactions with qualified

Edgar Filing: NUVEEN QUALITY PREFERRED INCOME FUND 2 - Form N-CSRS

institutional buyers.

(CBTCS) Corporate Backed Trust Certificates.

(CORTS) Corporate Backed Trust Securities.

(PCARS) Public Credit and Repackaged Securities.

(PPLUS) PreferredPlus Trust.

(SATURNS) Structured Asset Trust Unit Repackaging.

N/R Security is not rated.

See accompanying notes to financial statements.

20

Nuveen Quality Preferred Income Fund 2 (JPS)
Portfolio of
INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING ----- MOODY'S
\$25 PAR (OR SIMILAR) SECURITIES - 77.9% (54.7% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.1%			
4,300	Daimler Chrysler (CORTS)	7.500%	A3
2,400	Daimler Chrysler (CORTS)	8.250%	A3
3,000	Daimler Chrysler (CORTS)	6.875%	A3
3,400	DaimlerChrysler AG (CORTS)	7.875%	A3
23,300	DaimlerChrysler Corp. (PPLUS)	7.250%	A3
32,403	Ford Motor Company, Series F (CORTS)	8.000%	Baa3
11,015	Ford Motor Company	0.000%	Baa1

CAPITAL MARKETS - 4.7%			
103,100	Bear Stearns Capital Trust III	7.800%	A2
19,300	BNY Capital Trust IV, Series E	6.875%	A1
47,800	BNY Capital Trust V, Series F	5.950%	A1
383,825	Compass Capital Trust III	7.350%	A3
26,900	CSFB USA, Series 2002-10 (SATURNS)	7.000%	Aa3
63,300	First Union Capital II, Series II (CORTS)	7.500%	A1
31,300	First Union Institutional Capital II (CORTS)	8.200%	A1
2,100	Goldman Sachs Capital I, Series A (CORTS)	6.000%	A1
2,000	Goldman Sachs Group Inc. (PPLUS)	6.000%	Aa3
3,800	Goldman Sachs Group Inc. (SATURNS)	5.750%	Aa3
366,000	JPMorgan Chase Capital Trust IX, Series I	7.500%	A1
323,400	Lehman Brothers Holdings Capital Trust III, Series K	6.375%	A2
102,900	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%	A2
37,800	Lehman Brothers Holdings Capital Trust V, Series M	6.000%	A2
42,000	Lehman Brothers Holdings Inc., Series C	5.940%	N/R
70,000	Lehman Brothers Holdings Inc., Series F	6.500%	A3