

Nuveen California Municipal Value Fund 2  
Form N-Q  
July 30, 2009

**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 811-22272

**Nuveen California Municipal Value Fund 2**

(Exact name of registrant as specified in charter)

**Nuveen Investments**

**333 West Wacker Drive, Chicago, Illinois 60606**

(Address of principal executive offices) (Zip code)

**Kevin J. McCarthy Vice President and Secretary**

**333 West Wacker Drive, Chicago, Illinois 60606**

(Name and address of agent for service)

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

Date of fiscal year end: 2/28

Date of reporting period: 5/31/09

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

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

**Item 1. Schedule of Investments**

**Portfolio of Investments (Unaudited)**

**Nuveen California Municipal Value Fund 2 (NCB)**

*May 31, 2009*

**Principal**

**Amount (000) Description (1)**

Edgar Filing: Nuveen California Municipal Value Fund 2 - Form N-Q

**Consumer Staples – 5.2% (5.2% of Total Investments)**

\$ 3,500 Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1, 5.500%, 6/01/45

**Education and Civic Organizations – 11.6% (11.5% of Total Investments)**

500 California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/25  
 2,510 California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2009, 5.500%, 11/01/39  
 1,965 California State Public Works Board, Lease Revenue Bonds, University of California Department of Education Riverside Campus Project, Series 2009B, 5.750%, 4/01/23

4,975 Total Education and Civic Organizations

**Health Care – 27.8% (27.7% of Total Investments)**

1,000 ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage Insured Health Facility Revenue Bonds, Saint Rose Hospital, Series 2009A, 6.000%, 5/15/29  
 2,500 California Health Facilities Financing Authority, Revenue Bonds, Catholic Healthcare West, Series 2009A, 6.000%, 7/01/39  
 2,000 California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.250%, 3/01/45  
 2,000 California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System West, Series 2007B, 5.000%, 3/01/37 – AGC Insured  
 125 California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41  
 1,500 California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2004D, 5.050%, 8/15/38 – FSA Insured  
 800 Hospital Authority of Delaware County, Indiana, Hospital Revenue Bonds, Cardinal Health System, Series 2006, 5.000%, 8/01/24  
 1,000 Illinois Finance Authority, Revenue Bonds, OSF Healthcare System, Series 2007A, 5.750%, 11/15/37  
 850 Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37  
 1,000 Wisconsin Health and Educational Facilities Authority, Revenue Bonds, ProHealth Care, Inc. Obligated Group, Series 2009, 6.625%, 2/15/32

12,775 Total Health Care

**Housing/Single Family – 12.6% (12.5% of Total Investments)**

1,485 California Housing Finance Agency, California, Home Mortgage Revenue Bonds, Series 2008L, 5.500%, 8/01/38  
 2,500 California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006K, 4.625%, 8/01/26 (Alternative Minimum Tax)  
 2,000 California State Department of Veteran Affairs, Home Purchase Revenue Bonds, Series 2007b, 5.150%, 12/01/27 (Alternative Minimum Tax)

5,985 Total Housing/Single Family

Edgar Filing: Nuveen California Municipal Value Fund 2 - Form N-Q

**Industrials – 1.6% (1.6% of Total Investments)**

900 California Enterprise Development Authority, Sewer Facilities Revenue, Anheuser-Busch Project, Senior Lien Series 2007, 5.300%, 9/01/47 (Alternative Minimum Tax)

---

**Materials – 1.0% (1.0% of Total Investments)**

585 Courtland Industrial Development Board, Alabama, Solid Waste Revenue Bonds, International Paper Company Project, Series 2005A, 5.200%, 6/01/25 (Alternative Minimum Tax)

---

**Tax Obligation/General – 7.2% (7.2% of Total Investments)**

2,100 Carlsbad Unified School District, San Diego County, California, General Obligation Bonds, Series 2009B, 0.000%, 5/01/34 (WI/DD, Settling 6/02/09)

1,895 Pacific Grove Unified School District, California, General Obligation Bonds, Series 2009C, 5.375%, 8/01/39

---

3,995 Total Tax Obligation/General

---

**Tax Obligation/Limited – 8.0% (7.9% of Total Investments)**

1,500 San Francisco City and County, California, Certificates of Participation, Multiple Capital Improvement Projects, Series 2009A, 5.250%, 4/01/31

2,000 Westlake Village, California, Certificates of Participation, Financing Project, Series 2009, 5.000%, 6/01/39

---

3,500 Total Tax Obligation/Limited

---

**Transportation – 2.3% (2.3% of Total Investments)**

1,000 San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2002, Issue 32G, 5.000%, 5/01/24 – FGIC Insured

---

**Utilities – 10.6% (10.5% of Total Investments)**

2,495 Roseville Natural Gas Financing Authority, California, Gas Revenue Bonds, Series 2007, 5.000%, 2/15/17

2,400 Southern California Public Power Authority, Natural Gas Project 1 Revenue Bonds, Series 2007A, 5.250%, 11/01/24

---

4,895 Total Utilities

---

**Water and Sewer – 12.7% (12.6% of Total Investments)**

2,000 Orange County Sanitation District, California, Certificates of Participation, Series 2007, Trust 3020, 17.363%, 2/01/35 (IF)

1,000 San Diego Public Facilities Financing Authority, California, Sewerage Revenue Bonds, Refunding Series 2009B, 5.250%, 5/15/25 (WI/DD, Settling 6/09/09)

2,500 Western Municipal Water District Facilities Authority, California, Water Revenue Bonds, Series 2009B, 5.000%, 10/01/39

---

5,500 Total Water and Sewer

---

\$ 47,610 Total Investments (cost \$41,926,926) – 100.6%

Edgar Filing: Nuveen California Municipal Value Fund 2 - Form N-Q

---

Other Assets Less Liabilities – (0.6)%

---

Net Assets Applicable to Common Shares – 100%

---

**Fair Value Measurements**

During the current fiscal period, the Fund adopted the provisions of Statement of Financial Accounting Standards No. 157 (SFAS No. 157) "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure about fair value measurements. In determining the 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).

The inputs or methodology 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 May 31, 2009:

	Level 1	Level 2	Level 3	Total
Investments	\$ —	\$43,188,990	\$ —	\$43,188,990

**Income Tax Information**

The following information is determined in accordance with income tax regulations, which may differ from accounting principles generally accepted in the United States.

At May 31, 2009, the cost of investments was \$41,920,088.

Gross unrealized appreciation and gross unrealized depreciation of investments at May 31, 2009, were as follows:

Gross unrealized:	
Appreciation	\$1,317,725
Depreciation	(48,823)
Net unrealized appreciation (depreciation) of investments	\$1,268,902

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common Shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

WI/DD Purchased on a when-issued or delayed delivery basis.

(IF) Inverse floating rate investment.



**Item 2. Controls and Procedures.**

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

**Item 3. Exhibits.**

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

## SIGNATURES

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

(Registrant) Nuveen California Municipal Value Fund 2

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

Date July 30, 2009

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 July 30, 2009

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

Date July 30, 2009