

Nuveen California Municipal Value Fund 2  
Form N-Q  
July 30, 2013

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: 5/31/13

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, 2013

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Consumer Staples – 5.5% (5.6% of Total Investments)			
\$ 3,500	Tobacco Securitization Authority of Northern California, Tobacco Settlement Asset-Backed Bonds, Series 2005A-1, 5.500%, 6/01/45	6/15 at 100.00	B–	\$ 3,167,570
	Education and Civic Organizations – 7.8% (7.8% of Total Investments)			
500	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/25	10/15 at 100.00	A3	533,495
920	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2009, 5.500%, 11/01/39	11/19 at 100.00	A2	1,010,206
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	4/19 at 100.00	A2	2,327,444
150	California Statewide Communities Development Authority, School Facility Revenue Bonds, Alliance College-Ready Public Schools, Series 2011A, 7.000%, 7/01/46	7/21 at 100.00	BBB–	167,940
4,000	Oceanside Unified School District, San Diego County, California, General Obligation Bonds, Election 2008 Series 2010B, 0.000%, 8/01/49 – AGM Insured	No Opt. Call	AA–	401,640
7,535	Total Education and Civic Organizations Health Care – 24.0% (24.1% of Total Investments)			4,440,725
1,000	ABAG Finance Authority for Non-Profit Corporations, California, Cal-Mortgage	5/19 at 100.00	A	1,127,320

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

	Insured Health Facility Revenue Bonds, Saint Rose Hospital, Series 2009A, 6.000%, 5/15/29 California Health Facilities Financing Authority, Revenue Bonds, Catholic Healthcare West,	7/19 at 100.00	A	2,259,499
1,900	Series 2009A, 6.000%, 7/01/39 California Health Facilities Financing Authority, Revenue Bonds, Childrens Hospital of Orange	11/19 at 100.00	A	1,207,740
1,000	County, Series 2009A, 6.500%, 11/01/38 California Municipal Financing Authority, Certificates of Participation, Community Hospitals	2/17 at 100.00	BBB	893,053
850	of Central California, Series 2007, 5.250%, 2/01/27 California Statewide Communities Development Authority, Revenue Bonds, Adventist Health System	3/18 at 100.00	AA-	738,255
700	West, Series 2007B, 5.000%, 3/01/37 – AGC Insured California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanante System, Series 2006: 5.000%, 3/01/41	3/16 at 100.00	A+	667,406
625	5.250%, 3/01/45	3/16 at 100.00	A+	2,157,440
2,000	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Series 2004D, 5.050%, 8/15/38 – AGM Insured Delaware County Hospital Authority, Indiana, Hospital Revenue Bonds, Cardinal Health System,	8/18 at 100.00	AA	1,627,755
1,500	Series 2006, 5.000%, 8/01/24 Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37 Palomar Pomerado Health Care District, California, Certificates of Participation, Series 2010,	8/16 at 100.00	Baa2	849,456
800	6.000%, 11/01/41 San Buenaventura, California, Revenue Bonds, Community Memorial Health System, Series 2011,	8/17 at 100.00	BBB	919,615
850	7.500%, 12/01/41 Total Health Care Housing/Multifamily – 1.0% (1.0% of Total Investments)	11/20 at 100.00	Baa3	781,296
725	California Municipal Finance Authority, Mobile Home Park Revenue Bonds, Caritas	12/21 at 100.00	BB	462,939
380				13,691,774
12,330		8/20 at 100.00	BBB	250,829
230				

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

	Projects			
	Series 2010A, 6.400%, 8/15/45			
	California Municipal Finance Authority,			
	Mobile Home Park Revenue Bonds, Caritas			
70	Projects	8/22 at 100.00	BBB	74,248
	Series 2012A, 5.500%, 8/15/47			
	California Municipal Finance Authority,			
	Mobile Home Park Revenue Bonds, Caritas			
250	Projects	8/22 at 100.00	A1	262,890
	Series 2012B, 7.250%, 8/15/47			
550	Total Housing/Multifamily			587,967
	Housing/Single Family – 6.0% (6.1% of Total			
	Investments)			
	California Housing Finance Agency,			
	California, Home Mortgage Revenue Bonds,			
955	Series 2008L,	2/18 at 100.00	BBB	970,815
	5.500%, 8/01/38			
	California Housing Finance Agency, Home			
	Mortgage Revenue Bonds, Series 2006K,			
2,500	4.625%, 8/01/26	2/16 at 100.00	BBB	2,465,900
	(Alternative Minimum Tax)			
3,455	Total Housing/Single Family			3,436,715
	Long-Term Care – 2.1% (2.1% of Total			
	Investments)			
	California Health Facilities Financing			
	Authority, Insured Revenue Bonds,			
1,000	Community Program for	2/21 at 100.00	A	1,208,240
	Persons with Developmental Disabilities,			
	Series 2011A, 6.250%, 2/01/26			
	Materials – 1.1% (1.1% of Total Investments)			
	Courtland Industrial Development Board,			
	Alabama, Solid Waste Revenue Bonds,			
585	International	6/15 at 100.00	BBB	612,472
	Paper Company Project, Series 2005A,			
	5.200%, 6/01/25 (Alternative Minimum Tax)			
	Tax Obligation/General – 9.0% (9.1% of Total			
	Investments)			
	California State, General Obligation Bonds,			
	Various Purpose Series 2007, 5.000%, 6/01/37			
2,000	–	6/17 at 100.00	A1	2,153,240
	NPFG Insured			
	Carlsbad Unified School District, San Diego			
2,100	County, California, General Obligation Bonds,	5/24 at 100.00	AA	1,739,031
	Series 2009B, 0.000%, 5/01/34			
	Oakland, California, General Obligation			
	Bonds, Measure DD Series 2009B, 5.250%,			
1,120	1/15/29	1/19 at 100.00	Aa2	1,250,984
5,220	Total Tax Obligation/General			5,143,255
	Tax Obligation/Limited – 17.9% (18.1% of			
	Total Investments)			
500		3/20 at 100.00	A2	595,625

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

	California State Public Works Board, Lease Revenue Bonds, Various Capital Projects, Series 2010A-1, 6.000%, 3/01/35			
160	Fontana Redevelopment Agency, California, Jurupa Hills Redevelopment Project, Tax Allocation	10/13 at 100.00	A-	160,610
	Refunding Bonds, 1997 Series A, 5.500%, 10/01/27			
145	Inglewood Redevelopment Agency, California, Tax Allocation Bonds, Merged Redevelopment Project, Subordinate Lien Series 2007A-1, 5.000%, 5/01/25 – AMBAC Insured	5/17 at 100.00	BB+	148,251
1,000	Lancaster Redevelopment Agency, California, Tax Allocation Bonds, Combined Redevelopment Project Areas Housing Programs, Series 2009, 6.875%, 8/01/39	8/19 at 100.00	BBB	1,138,350
1,135	National City Community Development Commission, California, Tax Allocation Bonds, National City Redevelopment Project, Series 2011: 5.000%, 8/01/16	No Opt. Call	A-	1,249,567
80	6.500%, 8/01/24	8/21 at 100.00	A-	99,048
30	Novato Redevelopment Agency, California, Tax Allocation Bonds, Hamilton Field Redevelopment Project, Series 2011, 6.750%, 9/01/40	9/21 at 100.00	BBB+	34,763
	Perris Union High School District Financing Authority, Riverside County, California, Revenue Bonds, Series 2011:			
30	6.000%, 9/01/33	9/13 at 100.00	N/R	30,978
60	6.125%, 9/01/41	9/13 at 100.00	N/R	61,938
240	Pittsburg Redevelopment Agency, California, Tax Allocation Bonds, Los Medanos Community Development Project, Refunding Series 2008A, 6.500%, 9/01/28	9/18 at 100.00	BBB-	260,450
95	Rancho Santa Fe CSD Financing Authority, California, Revenue Bonds, Superior Lien Series 2011A, 5.750%, 9/01/30	9/21 at 100.00	BBB+	108,442
15	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2011B, 6.500%, 10/01/25	10/21 at 100.00	A-	17,031
1,000	San Francisco City and County Redevelopment Financing Authority, California, Tax Allocation	8/19 at 100.00	A	1,141,250

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

1,500	Revenue Bonds, San Francisco Redevelopment Projects, Series 2009B, 6.625%, 8/01/39 San Francisco City and County, California, Certificates of Participation, Multiple Capital Improvement Projects, Series 2009A, 5.250%, 4/01/31	4/19 at 100.00	AA-	1,688,295
15	San Francisco Redevelopment Finance Authority, California, Tax Allocation Revenue Bonds, Mission Bay North Redevelopment Project, Series 2011C, 6.750%, 8/01/41	2/21 at 100.00	A-	17,781
15	San Francisco Redevelopment Financing Authority, California, Tax Allocation Revenue Bonds, Mission Bay South Redevelopment Project, Series 2011D: 7.000%, 8/01/33	2/21 at 100.00	BBB	17,444
15	7.000%, 8/01/41	2/21 at 100.00	BBB	17,198
125	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006C, 5.000%, 8/01/25 – NCFG Insured	8/17 at 100.00	A	129,020
635	San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2006D, 5.000%, 8/01/22 – AMBAC Insured	8/17 at 100.00	BBB	659,117
25	Signal Hill Redevelopment Agency, California, Project 1 Tax Allocation Bonds, Series 2011, 7.000%, 10/01/26	4/21 at 100.00	N/R	27,710
500	Val Verde Unified School District Financing Authority, California, Special Tax Revenue, Junior Lien Refunding Series 2003, 6.250%, 10/01/28	10/13 at 102.00	N/R	511,900
2,000	Westlake Village, California, Certificates of Participation, Financial Project, Series 2009, 5.000%, 6/01/39	6/16 at 100.00	AA+	2,096,060
40	Yorba Linda Redevelopment Agency, Orange County, California, Tax Allocation Revenue Bonds, Yorba Linda Redevelopment Project, Subordinate Lien Series 2011A, 6.000%, 9/01/26	9/21 at 100.00	A-	46,195
9,360	Total Tax Obligation/Limited Transportation – 0.9% (1.0% of Total Investments)			10,257,023
500	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International	5/16 at 100.00	A+	549,735

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

	Airport, Second Series 2002, Issue 32G, 5.000%, 5/01/24 – FGIC Insured U.S. Guaranteed – 0.2% (0.2% of Total Investments) (4)			
80	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2009, 5.500%, 11/01/39 (Pre-refunded 11/01/19)	11/19 at 100.00	A2 (4)	98,952
	Utilities – 14.7% (14.8% of Total Investments) Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2013B, 5.000%, 7/01/29 (WI/DD, Settling 6/04/13)	7/23 at 100.00	AA–	308,184
1,000	M-S-R Energy Authority, California, Gas Revenue Bonds, Series 2009C, 6.500%, 11/01/39	No Opt. Call	A	1,325,700
2,495	Roseville Natural Gas Financing Authority, California, Gas Revenue Bonds, Series 2007, 5.000%, 2/15/17	No Opt. Call	A	2,789,285
2,400	Southern California Public Power Authority, Natural Gas Project 1 Revenue Bonds, Series 2007A, 5.250%, 11/01/24	No Opt. Call	A–	2,786,856
1,000	Tuolumne Wind Project Authority, California, Revenue Bonds, Tuolumne Company Project, Series 2009A, 5.625%, 1/01/29	1/19 at 100.00	A+	1,169,550
7,160	Total Utilities Water and Sewer – 9.0% (9.0% of Total Investments)			8,379,575
575	California Pollution Control Financing Authority, Water Furnishing Revenue Bonds, Poseidon Resources Channelside Desalination Project, Series 2012, 5.000%, 11/21/45 (Alternative Minimum Tax)	No Opt. Call	Baa3	576,685
2,000	Orange County Sanitation District, California, Certificates of Participation, Tender Option Bond Trust 3020-1, 17.882%, 2/01/35 (IF) (5)	2/19 at 100.00	AAA	3,098,980
800	San Francisco City and County Public Utilities Commission, California, Water Revenue Bonds, Series 2011A, 5.000%, 11/01/41	No Opt. Call	AA–	891,432
500	Western Riverside Water & Wastewater Financing Authority, California, Revenue Bonds, Western Municipal Water District, Series 2009, 5.625%, 9/01/39 – AGC Insured	8/19 at 100.00	AA	555,745
3,875	Total Water and Sewer			5,122,842



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

\$ 55,150	Total Investments (cost \$46,837,511) – 99.2%	56,696,845
	Other Assets Less Liabilities – 0.8%	441,517
	Net Assets Applicable to Common Shares – 100%	\$ 57,138,362

---

Fair Value Measurements

Fair value is defined as the price that the Fund would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 – Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 – Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of the end of the reporting period:

	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Municipal Bonds	\$ —	\$56,696,845	\$ —	\$56,696,845

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. 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.

As of May 31, 2013, the cost of investments was \$46,391,544.

Gross unrealized appreciation and gross unrealized depreciation of investments as of May 31, 2013, were as follows:

Gross unrealized:	
Appreciation	\$10,366,669
Depreciation	(61,368)
Net unrealized appreciation (depreciation) of investments	\$10,305,301

- All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (1) 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 highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors 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.
  - (4) **Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities,** which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
  - (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- N/R Not rated.
- WI/DD Investment, or portion of investment, 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, 2013

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, 2013

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

Date: July 30, 2013