

NUVEEN QUALITY PREFERRED INCOME FUND 2  
Form N-CSR  
March 08, 2006

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: December 31, 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.

ITEM 1. REPORTS TO STOCKHOLDERS.

-----  
Annual Report December 31, 2005  
-----

Nuveen Investments  
Exchange-Traded  
Closed-End  
Funds

NUVEEN QUALITY  
PREFERRED INCOME  
FUND  
JTP

NUVEEN QUALITY  
PREFERRED INCOME  
FUND 2  
JPS

[GRAPHIC OMITTED]

NUVEEN QUALITY  
PREFERRED INCOME  
FUND 3  
JHP

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

[LOGO]  
NUVEEN  
Investments

[PHOTOS OMITTED]

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

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

IT'S FAST, EASY & FREE:

[www.investordelivery.com](http://www.investordelivery.com)

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

OR

[www.nuveen.com/accountaccess](http://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 OMITTED]

Timothy R. Schwertfeger  
Chairman of the Board

Chairman's  
Letter to Shareholders

I am very pleased to report that for the year ended December 31, 2005, your Fund continued to provide you with attractive monthly income from a diversified portfolio of quality preferred securities. For more information on your Fund's performance, please read the Portfolio Managers' Comments, the Distribution and Share Price Information, and the Performance Overview sections of this report.

Portfolio diversification is a recognized way to try to reduce some of the risk that comes with investing. Since one part of your portfolio may be going up when another is going down, portfolio diversification may help smooth your investment returns over time. In addition to providing regular monthly income, a preferred securities investment like your Fund may help you achieve and benefit from greater portfolio diversification. Your financial advisor can explain these potential advantages in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

"In addition to providing regular monthly income, a preferred securities investment like your Fund may help you achieve and benefit from greater portfolio diversification."

As you look through this report, be sure to review the inside front cover. This contains information on how you can receive future Fund reports and other Fund information faster by using e-mails and the Internet. Sign up is quick and easy - just follow the step-by-step instructions.

As we noted in our last shareholder report, The St. Paul Travelers Companies, Inc., which had owned 79% of Nuveen Investments, Inc. (the parent of your Fund's investment adviser), had sold a substantial portion of its stake in Nuveen. Since then, St. Paul has sold the balance of its shares to Nuveen Investments or to others. Please be assured that these

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

transactions only affected Nuveen's corporate structure, and they do not have any impact on the investment objectives or management of your Fund.

At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives. We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

February 15, 2006

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

Portfolio Managers'  
Comments

The Nuveen Quality Preferred Income Funds are subadvised by a team of specialists at Spectrum Asset Management, Inc., an affiliate of Principal Capital (SM). 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 12-month period ended December 31, 2005.

What were the general economic conditions and market trends over the course of 2005?

The U.S. economy posted another year of growth in 2005. The Gross Domestic Product grew 3.5% during the year, in line with the rise of the Consumer Price Index. The U.S. equity market, as measured by the Standard & Poor's 500 Index, produced a return of 4.91%. The Federal Reserve continued to be on guard against an increase in the rate of inflation, raising the closely-watched short-term fed funds rate to 4.25% by year end. (On January 31, 2006, after the close of this reporting period, the Fed raised the fed funds rate to 4.50%.)

As with most fixed income investors, participants in the preferred market spent much of the year concerned with Fed tightening, potential inflation, rising energy prices, and the economic impact of natural disasters. Credit spreads began 2005 at historically narrow levels relative to U.S. Treasury and corporate bonds, and individual investors began to shy away from \$25 par preferreds early in the year fearing poor performance as the Fed continued to raise the fed funds rate. The \$25 par market also suffered from what was at times more new issue supply than could readily be absorbed. Consequently, the Merrill Lynch Preferred Stock Hybrid Index returned 0.46% in 2005, which is the worst performance for this index since 1999. The year also saw significant new issuance of DRD (dividends received deduction) preferred securities. This new DRD supply caused some price weakness during the summer, but DRDs rallied during the fourth quarter and outperformed other preferreds as well as the general bond market.

The \$1000 par Capital Security sector, targeted to institutional investors, also experienced healthy new issuance. Fortunately, institutional investors were

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

ravenous for the incremental yield afforded by this sector and the strong demand prevented any of the dislocations we saw in the \$25 par market. The Lehman Tier 1 Capital Securities Index rise of 3.68% for the year far outpaced returns in the \$25 sector. Many of the new securities in the institutional sector utilized a new structure which provided more equity

4

credit for the issuers and provided higher yields for investors. The advent of these new types of "enhanced equity" preferreds is expected to foster a broad expansion of the hybrid preferred securities market, which reached a size of about \$276 billion by year end following record new issuance of \$46 billion in 2005. (Hybrid preferred carry stated maturities and fixed coupons, but they can be treated by companies as equity for financial statement purposes.)

What strategies and tactics did you use to manage the Funds' assets?

We did some rebalancing between the \$25 par and \$1000 par Capital Security sectors because of relative value considerations. We sold \$1000 par Capital Securities, which were aggressively bid up, and bought the relatively cheaper \$25 par securities. This decreased the Capital Security concentrations in the Funds. Many of the Capital Security sales were high coupon callable securities that were trading to their first call date and had little to no upside. As a result we also were being proactive in managing upcoming call exposure within the Funds' portfolios. We also reduced the Funds' exposure to mandatory convertible preferreds, as many of these issues were approaching their "maturity" date.

How did the Funds perform over the 12-months ended December 31, 2005?

The performance of each Fund, as well as the performance of a relevant index and benchmark, is shown in the nearby chart.

Total Return on Net Asset Value  
For the 12-month period ended December 31, 2005

JTP	2.89%
-----	
JPS	3.01%
-----	
JHP	2.88%
-----	
Lehman Brothers Aggregate Bond Index(1)	2.43%
-----	
Comparative Benchmark(2)	1.92%
-----	

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.

- (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

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

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.

- (2) Comparative benchmark performance is a blended return consisting of: 1) 55% of 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; and 2) 45% of the Lehman Tier 1 Capital Securities Index, an unmanaged index that includes securities that can generally be viewed as hybrid fixed-income securities that either receive regulatory capital treatment or a degree of "equity credit" from a rating agency.

5

Over the course of what turned out to be a difficult 12-month period, all three Funds outperformed the Lehman Brothers Aggregate Bond Index and a comparative benchmark.

Taking advantage of the large amount of new issuance in the preferred DRD sector and the attractiveness of their yields compared to other preferreds, we increased our concentration in these securities and reaped the benefits as these positions generally performed well toward the end of the year.

In addition, in keeping with our strategy of selling Capital Securities and purchasing \$25 par securities due to their relative values, we sold high coupon U.S. bank trust preferred securities which become callable in late 2006 or early 2007. These securities were priced to their first call dates because the market fully expected them to get called. Selling these short duration securities, which had little to no price upside, throughout 2005 positioned the Funds ahead of the call cycle, especially as the short end of the yield curve sold off. We also bought several of the new "enhanced equity" issues which provided relatively higher income levels and attractive total return opportunities.

We began 2005 with a relatively light concentration in the automotive industry, when compared with the sector's standing in the preferred market. Nevertheless, in hindsight, the positions were not small enough. Many of these holdings were in the senior debt which we had bought when it looked cheap compared to their \$25 par preferred counterparts. We began selling Ford and General Motors in January 2005 (for a profit) and had been selling Delphi since 2004. We took some losses when we liquidated our position in Delphi early in the year while it was still making payments and thereby avoided the huge price declines that accompanied Delphi's subsequent bankruptcy filing. These three automotive names were the worst performers in 2005. As of year end, we had no exposure to Ford, GM and Delphi, and a relatively small position in Daimler Chrysler.

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 FundPreferred™ shareholders. As short-term rates rose through this reporting period, the Funds paid higher dividends to their FundPreferred shareholders. As a result, the

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

leveraging strategy 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, 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 December 31, 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 net ordinary income distributions at the end of December 2005, as follows:

	Long-Term Capital Gains (per share)	Ordinary Income (per share)
JPS	\$ 0.1615	\$ 0.0232
JHP	\$ 0.0787	\$ 0.0135

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 calls or by sales of appreciated securities that occurred in the course of normal portfolio management activities. This had a slight negative impact on the Funds' earning power per share and was a minor factor in the per share distribution reductions noted above.

As of December 31, 2005, the Funds' shares were trading at discounts to their NAVs as shown in the accompanying chart:

	12/31/05 Discount	12-Month Average Discount
JTP	-12.68%	-8.09%
JPS	-13.34%	-8.77%
JHP	- 9.59%	-4.24%

7

Nuveen Quality Preferred Income Fund

JTP

Performance

Overview As of December 31, 2005

Portfolio Statistics

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

Common Share Price	\$	12.40
Common Share Net Asset Value	\$	14.20
Premium/(Discount) to NAV		-12.68%
Latest Dividend	\$	.0900
Market Yield		8.71%
Net Assets Applicable to Common Shares (\$000)	\$	915,598

Average Annual Total Return  
(Inception 6/25/02)

	On Share Price	On NAV
1-Year	-3.69%	2.89%
Since Inception	2.86%	8.15%

Industries  
(as a % of total investments)

Commercial Banks	29.3%
Insurance	17.7%
Real Estate	17.1%
Capital Markets	9.3%
Diversified Financial Services	8.9%
Oil, Gas & Consumable Fuels	3.7%
Short-Term Investments	1.7%
Other	12.3%

Top Five Issuers  
(excluding Short-Term Investments)  
(as a % of total investments)

ING Group NV	3.0%
Wachovia Corporation	2.9%
JPMorgan Chase & Company	2.7%
HSBC Holdings Public Limited Company	2.6%
Banco Santander Central Hispano	2.6%



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

### Portfolio Allocation (as a % of total investments)

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

-----	-----
\$25 Par (or similar) Securities	57.4%
-----	-----
Capital Preferred Securities	39.5%
-----	-----
Short-Term Investments	1.7%
-----	-----
Convertible Preferred Securities	0.9%
-----	-----
Corporate Bonds	0.5%
-----	-----

### 2005 Monthly Distributions Per Share

[THE FOLLOWING TABLE WAS REPRESENTED BY A BAR CHART IN THE PRINTED MATERIAL.]

Jan	0.097
-----	-----
Feb	0.097
-----	-----
Mar	0.097
-----	-----
Apr	0.097
-----	-----
May	0.097
-----	-----
Jun	0.0935
-----	-----
Jul	0.0935
-----	-----
Aug	0.0935
-----	-----
Sep	0.09
-----	-----
Oct	0.09
-----	-----
Nov	0.09
-----	-----
Dec	0.09

### Share Price Performance

[THE FOLLOWING TABLE WAS REPRESENTED BY A LINE GRAPH IN THE PRINTED MATERIAL.]

	Weekly Closing Price
01/01/05	13.99
	13.99
	14.03
	14.11
	14.14
	14.27
	14.28
	14.20
	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  
14.60  
14.49  
14.28  
14.27  
14.22  
14.27  
14.17  
14.00  
14.03  
14.18  
14.25  
14.34  
14.29  
14.24  
14.21  
14.17  
14.19  
14.20  
14.10  
14.09  
13.85  
13.65  
13.51  
13.32  
13.30  
13.16  
12.96  
12.85  
13.02  
12.95  
12.63  
12.68  
13.08  
13.20  
13.14  
13.17  
12.97  
13.02  
13.09  
13.13  
13.14  
13.17  
12.96  
12.87

12.88  
13.10  
13.06  
13.03  
13.00  
13.02  
13.10  
13.21  
13.27  
13.33  
13.43  
13.43  
13.40  
13.45  
13.40  
13.38  
13.31  
13.33  
13.42  
13.38  
13.44  
13.43  
13.49  
13.49  
13.49  
13.55  
13.62  
13.75  
13.84  
13.82  
13.86  
13.86  
13.89  
14.03  
14.00  
14.02  
13.92  
13.92  
13.98  
13.99  
13.93  
13.75  
13.83  
13.80  
13.80  
13.83  
13.85  
13.86  
14.00  
14.02  
14.04  
13.99  
13.99  
13.96  
14.00  
14.08  
14.04  
14.02  
14.06  
13.95  
13.88  
13.93

13.85  
13.81  
13.77  
13.77  
13.73  
13.71  
13.67  
13.65  
13.65  
13.63  
13.62  
13.69  
13.73  
13.73  
13.67  
13.74  
13.72  
13.71  
13.67  
13.45  
13.60  
13.61  
13.52  
13.55  
13.52  
13.46  
13.54  
13.44  
13.44  
13.48  
13.53  
13.47  
13.48  
13.52  
13.52  
13.53  
13.65  
13.72  
13.70  
13.60  
13.57  
13.59  
13.59  
13.56  
13.49  
13.43  
13.28  
13.24  
13.10  
13.17  
13.25  
13.20  
13.16  
13.08  
12.99  
13.04  
13.06  
13.06  
13.04  
13.02  
12.90  
12.74

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

12.79  
12.86  
12.87  
12.70  
12.42  
12.37  
12.47  
12.40  
12.39  
12.25  
12.46  
12.49  
12.45  
12.32  
12.40  
12.40  
12.42  
12.42  
12.42  
12.49  
12.48  
12.43  
12.44  
12.47  
12.33  
12.27  
12.20  
12.11  
12.10  
12.08  
12.01  
11.98  
11.98  
12.19  
12.28  
12.30  
12.31  
12.24  
12.28  
12.25  
12.24  
12.25  
12.21  
12.17  
12.17  
12.12  
11.93  
12.07  
12.13  
12.09  
11.96  
11.91  
11.96  
12.14  
12.21  
12.20  
12.23  
12.27  
12.40  
12.40

12/31/05

Past performance is not predictive of future results.

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

8

Nuveen Quality Preferred Income Fund 2

JPS

Performance

Overview As of December 31, 2005

Portfolio Allocation

(as a % of total investments)

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

\$25 Par (or similar) Securities	57.2%
Capital Preferred Securities	39.8%
Short-Term Investments	1.5%
Convertible Preferred Securities	1.0%
Corporate Bonds	0.5%

2005 Monthly Distributions Per Share

[THE FOLLOWING TABLE WAS REPRESENTED BY A BAR CHART IN THE PRINTED MATERIAL.]

Jan	0.102
Feb	0.102
Mar	0.099
Apr	0.099
May	0.099
Jun	0.096
Jul	0.096
Aug	0.096
Sep	0.093
Oct	0.093
Nov	0.093
Dec	0.093

Share Price Performance

[THE FOLLOWING TABLE WAS REPRESENTED BY A LINE GRAPH IN THE PRINTED MATERIAL.]

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

	Weekly Closing Price
01/01/05	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
	15.30
	15.12
	14.86
	14.92
	14.90
	14.85
	14.72
	14.65
	14.82
	14.93
	14.97
	15.05
	15.06
	14.94
	14.80
	14.69
	14.73
	14.80
	14.55
	14.50
	14.24
	13.99
	13.83
	13.58
	13.77
	13.60
	13.40
	13.20
	13.25
	13.31
	13.08
	13.12
	13.49

13.63  
13.65  
13.60  
13.47  
13.63  
13.57  
13.69  
13.60  
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  
13.90  
13.90  
13.95  
13.97  
14.05  
14.00  
14.00  
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  
14.40  
14.44  
14.40  
14.49  
14.48  
14.44  
14.32  
14.25  
14.22  
14.08  
14.20  
14.29  
14.31  
14.25  
14.37  
14.36  
14.41



14.25  
14.25  
14.38  
14.45  
14.50  
14.51  
14.58  
14.58  
14.59  
14.58  
14.59  
14.52  
14.49  
14.50  
14.47  
14.42  
14.37  
14.30  
14.33  
14.35  
14.41  
14.50  
14.54  
14.60  
14.60  
14.55  
14.56  
14.54  
14.48  
14.35  
14.06  
14.13  
14.22  
14.18  
14.15  
14.12  
14.12  
14.13  
14.10  
14.10  
14.12  
14.12  
14.16  
14.06  
14.12  
14.13  
14.14  
14.28  
14.26  
14.28  
14.22  
14.22  
14.21  
14.20  
14.17  
14.06  
13.98  
13.84  
13.81  
13.80  
13.70  
13.79

13.71  
13.71  
13.74  
13.69  
13.52  
13.58  
13.62  
13.65  
13.63  
13.52  
13.52  
13.59  
13.46  
13.38  
13.26  
13.02  
13.03  
13.07  
12.95  
12.99  
12.88  
12.99  
13.11  
13.09  
13.05  
13.10  
13.12  
13.29  
13.22  
13.28  
13.15  
13.15  
13.07  
13.06  
13.10  
12.97  
12.91  
12.88  
12.73  
12.73  
12.65  
12.63  
12.57  
12.62  
12.73  
12.81  
12.88  
12.93  
12.90  
13.13  
13.18  
13.08  
13.10  
13.03  
13.04  
13.21  
13.11  
12.75  
13.00  
12.92  
12.84  
12.72

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

	12.69
	12.62
	12.62
	12.70
	12.58
	12.59
	12.66
	12.80
12/31/05	12.80

Past performance is not predictive of future results.

Portfolio Statistics

Common Share Price	\$	12.80
Common Share Net Asset Value	\$	14.77
Premium/(Discount) to NAV		-13.34%
Latest Dividend	\$	.0930
Market Yield		8.72%
Net Assets Applicable to Common Shares (\$000)	\$	1,765,543

Average Annual Total Return  
(Inception 9/24/02)

	On Share Price	On NAV
1-Year	-2.06%	3.01%
Since Inception	4.29%	10.03%

Industries  
(as a % of total investments)

Commercial Banks	28.8%
Insurance	21.1%
Real Estate	14.6%
Capital Markets	8.6%
Diversified Financial Services	8.4%
Electric Utilities	3.4%
Thriffs & Mortgage Finance	2.9%
Short-Term Investments	1.5%
Other	10.7%

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

Top Five Issuers  
(excluding Short-Term Investments)  
(as a % of total investments)

Wachovia Corporation	3.7%
ING Group NV	3.0%
JPMorgan Chase & Company	2.6%
EverestRe Group	2.4%
Banco Santander Central Hispano	2.3%

9

Nuveen Quality Preferred Income Fund 3

JHP

Performance

Overview As of December 31, 2005

Portfolio Statistics

Common Share Price	\$ 12.92
SCommon Share Net Asset Value	\$ 14.29
Premium/(Discount) to NAV	-9.59%
Latest Dividend	\$ .0945
Market Yield	8.78%
Net Assets Applicable to Common Shares (\$000)	\$ 337,858

Average Annual Total Return  
(Inception 12/18/02)

	On Share Price	On NAV
1-Year	-2.16%	2.88%
Since Inception	3.73%	8.65%

Industries  
(as a % of total investments)

Commercial Banks	27.1%
Insurance	22.7%
Real Estate	13.1%

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

Capital Markets	10.5%
Diversified Financial Services	9.2%
Oil, Gas & Consumable Fuels	2.8%
Short-Term Investments	1.5%
Other	13.1%

Top Five Issuers  
(excluding Short-Term Investments)  
(as a % of total investments)

Wachovia Corporation	3.8%
ING Group NV	3.3%
JPMorgan Chase & Company	3.1%
Union Planters Corporation	2.6%
Zurich Financial Services	2.3%

Portfolio Allocation  
(as a % of total investments)

[THE FOLLOWING TABLE WAS REPRESENTED BY A PIE CHART IN THE PRINTED MATERIAL.]

\$25 Par (or similar) Securities	61.1%
Capital Preferred Securities	36.1%
Short-Term Investments	1.5%
Convertible Preferred Securities	0.9%
Corporate Bonds	0.4%

2005 Monthly Distributions Per Share

[THE FOLLOWING TABLE WAS REPRESENTED BY A BAR CHART IN THE PRINTED MATERIAL.]

Jan	0.1
Feb	0.1
Mar	0.1
Apr	0.1
May	0.1
Jun	0.0965

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

Jul	0.0965
Aug	0.0965
Sep	0.0945
Oct	0.0945
Nov	0.0945
Dec	0.0945

Share Price Performance

[THE FOLLOWING TABLE WAS REPRESENTED BY A LINE GRAPH IN THE PRINTED MATERIAL.]

	Weekly Closing Price
01/01/05	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
	15.00
	15.08
	15.15
	15.14
	15.27
	15.28
	15.32
	15.30
	15.30
	15.14
	15.05
	15.06
	15.02
	14.93
	14.79
	14.60
	14.61
	14.66
	14.86
	14.95
	14.92
	14.85
	14.80
	14.86

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

14.86  
14.93  
14.77  
14.75  
14.45  
14.37  
14.16  
14.06  
13.96  
13.90  
13.81  
13.60  
13.39  
13.51  
13.35  
13.39  
13.69  
14.15  
14.10  
14.06  
13.99  
13.93  
13.90  
13.82  
13.85  
13.91  
13.88  
13.68  
13.70  
13.81  
13.99  
14.00  
14.08  
13.89  
13.93  
14.11  
14.15  
14.27  
14.39  
14.39  
14.43  
14.47  
14.45  
14.40  
14.45  
14.38  
14.35  
14.30  
14.17  
14.30  
14.18  
14.20  
14.45  
14.31  
14.28  
14.21  
14.27  
14.35  
14.22  
14.40  
14.50  
14.61

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

14.63  
14.49  
14.41  
14.45  
14.69  
14.50  
14.47  
14.65  
14.74  
14.56  
14.47  
14.60  
14.51  
14.54  
14.52  
14.54  
14.55  
14.49  
14.42  
14.54  
14.53  
14.56  
14.53  
14.56  
14.64  
14.58  
14.61  
14.65  
14.58  
14.61  
14.54  
14.55  
14.52  
14.49  
14.45  
14.39  
14.54  
14.56  
14.65  
14.92  
14.84  
14.84  
14.85  
14.94  
14.93  
14.89  
14.78  
14.62  
14.64  
14.80  
14.64  
14.69  
14.70  
14.60  
14.50  
14.68  
14.62  
14.65  
14.67  
14.67  
14.75  
14.65



14.67  
14.57  
14.61  
14.55  
14.55  
14.62  
14.57  
14.63  
14.59  
14.65  
14.51  
14.40  
14.32  
14.24  
14.19  
14.20  
14.16  
14.14  
13.99  
13.85  
13.76  
13.62  
13.75  
13.82  
13.78  
13.76  
13.76  
13.72  
13.73  
13.72  
13.47  
13.24  
13.00  
13.05  
13.01  
13.02  
13.04  
12.96  
13.06  
13.20  
13.15  
13.07  
13.09  
13.12  
13.20  
13.30  
13.27  
13.20  
13.23  
13.34  
13.33  
13.30  
13.18  
13.09  
13.10  
13.06  
12.94  
12.86  
12.73  
12.81  
12.72  
12.79

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

	12.84
	12.80
	12.84
	12.81
	12.90
	12.90
	12.84
	12.82
	12.77
	12.71
	12.69
	12.63
	12.39
	12.43
	12.49
	12.57
	12.50
	12.41
	12.45
	12.50
	12.61
	12.75
	12.81
	12.91
	12.92
12/31/05	12.92

Past performance is not predictive of future results.

10

Shareholder  
Meeting Report

Approval of the new investment management agreement and sub-advisory agreements were the proposals voted upon at the July 26, 2005, shareholder meeting held at The Northern Trust Bank.

Approval of the Board Members was the proposal voted upon at the November 15, 2005, shareholder meeting held at the offices of Nuveen Investments

	JTP	JPS
-----		
Approval of the new investment management agreement was reached as follows:		
	Common and Preferred shares voting together as a class	Common and Preferred shares voting together as a class
=====		
For	61,442,199	111,901,427
Against	545,550	923,727
Abstain	640,605	1,128,256
-----		
Total	62,628,354	113,953,410
=====		

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

Approval of the new sub-advisory agreement between Nuveen Asset Management and Spectrum Asset Management, Inc. was reached as follows:

	Common and Preferred shares voting together as a class	Common and Preferred shares voting together as a class
For	61,380,367	111,808,697
Against	569,219	974,606
Abstain	678,768	1,170,107
Total	62,628,354	113,953,410

11

Report of  
 Independent Registered  
 Public Accounting Firm

The Board of Trustees and Shareholders  
 Nuveen Quality Preferred Income Fund  
 Nuveen Quality Preferred Income Fund 2  
 Nuveen Quality Preferred Income Fund 3

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2 and Nuveen Quality Preferred Income Fund 3 as of December 31, 2005, and the related statements of operations for the year then ended, and the statements of changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2005, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2 and Nuveen Quality Preferred Income Fund 3 at December 31, 2005, and the results of their operations for the year then ended, and changes in their net assets and their financial highlights for the periods indicated therein in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois  
February 14, 2006

12

Nuveen Quality Preferred Income Fund (JTP)

Portfolio of  
Investments December 31, 2005

Shares	Description(1)	Coupon
	Convertible Preferred Securities - 1.3% (0.9% of Total Investments)	
	Diversified Financial Services - 0.2%	
23,134	Citigroup Global Markets	2.000%
	Electric Utilities - 0.0%	
7,241	FPL Group Inc.	8.000%
	Food & Staples Retailing - 0.0%	
14,980	Albertson's, Inc.	7.250%
	Insurance - 0.1%	
50,000	XL Capital Ltd.	6.500%
	Multi-Utilities - 0.9%	
157,677	Dominion Resources Inc.	8.750%
	Thrifts & Mortgage Finance - 0.1%	
54,000	PMI Group Inc.	5.875%
	Total Convertible Preferred Securities (cost \$12,315,687)	
Shares	Description(1)	Coupon

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

\$25 Par (or similar) Securities - 84.1% (57.4%  
of Total Investments)

Automobiles - 0.0%

5,300	Daimler Chrysler, Series DCX (CORTS)	7.250%
-----		
Capital Markets - 7.1%		
1,250	ABN AMRO North America, Series L, 144A, (3)	6.460%
60,900	Bear Stearns Capital Trust III	7.800%
338,500	BNY Capital Trust V, Series F	5.950%
233,595	Compass Capital Trust III	7.350%
34,900	First Union Capital II, Series II (CORTS)	7.500%
13,400	First Union Institutional Capital II (CORTS)	8.200%
11,700	Goldman Sachs Capital I, Series A (CORTS)	6.000%
72,600	Goldman Sachs Group Inc., (3)	6.200%
6,900	Goldman Sachs Group Inc., (CORTS)	6.300%
12,000	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%
5,100	Goldman Sachs Group Inc., Series GSG-1 (PPLUS)	6.000%
12,100	Goldman Sachs Group Inc., Series 2004-04, (SATURNS)	6.000%
8,600	Goldman Sachs Group Inc., Series 2004-06, (SATURNS)	6.000%
4,600	Goldman Sachs Group Incorporated (SATURNS)	5.750%
108,549	Lehman Brothers Holdings Capital Trust III, Series K	6.375%
68,400	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%
25,700	Lehman Brothers Holdings Capital Trust V, Series M	6.000%
105,420	Lehman Brothers Holdings Capital Trust VI, Series N	6.240%
35,000	Lehman Brothers Holdings Inc., Series C, (3)	5.940%
50,000	Lehman Brothers Holdings Inc., Series F, (3)	6.500%
46,000	Merrill Lynch Capital Trust II	8.000%
198,700	Merrill Lynch Preferred Capital Trust	7.750%
128,100	Merrill Lynch Preferred Capital Trust III	7.000%
78,700	Merrill Lynch Preferred Capital Trust IV	7.120%
102,000	Merrill Lynch Preferred Capital Trust V	7.280%
5,700	Morgan Stanley (PPLUS)	7.050%
194,600	Morgan Stanley Capital Trust II	7.250%
227,900	Morgan Stanley Capital Trust III	6.250%
249,095	Morgan Stanley Capital Trust IV	6.250%
31,300	Morgan Stanley Capital Trust V	5.750%
28,900	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%
-----		
Total Capital Markets		
-----		

13

Nuveen Quality Preferred Income Fund (JTP) (continued)

Portfolio of Investments December 31, 2005

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

Shares	Description(1)	Coupon
Commercial Banks - 11.6%		
69,000	Abbey National plc, Series B	7.250%
102,800	Abbey National plc, Series B	7.375%
1,200	Abbey National plc, Series C	7.375%
134,500	ABN AMRO Capital Fund Trust V	5.900%
34,500	ABN AMRO Capital Trust Fund VII	6.080%
103,700	ASBC Capital I	7.625%
7,200	BAC Capital Trust I	7.000%
64,500	BAC Capital Trust II	7.000%
80,000	BAC Capital Trust III	7.000%
194,550	Banco Santander	6.410%
52,300	Banco Totta & Acores Finance, Series A	8.875%
3,600	BancorpSouth Capital Trust I	8.150%
66,000	Banesto Holdings, Series A, 144A	10.500%
64,300	Bank One Capital Trust VI	7.200%
11,700	BankNorth Capital Trust II	8.000%
10	BBVA Privanza International Gibraltar, 144A	7.764%
198,900	Chittenden Capital Trust I	8.000%
116,800	Cobank ABC, 144A, (3)	7.000%
140,900	Comerica Capital Trust I	7.600%
33,900	Fleet Capital Trust VII	1.800%
16,200	HSBC Finance Corporation	6.000%
64,300	KeyCorp (PCARS)	7.500%
81,950	KeyCorp Capital Trust V	5.875%
18,500	KeyCorp, Series 2001-7 (CORTS)	7.750%
31,300	KeyCorp, Series B (CORTS)	8.250%
67,800	National Commerce Capital Trust II	7.700%
55,300	National Westminster Bank plc, Series A	7.875%
9,300	PNC Capital Trust	6.125%
42,800	Regions Finance Trust I	8.000%
13,500	Royal Bank of Scotland Group plc, Series L	5.750%
27,400	Royal Bank of Scotland Group plc, Series M	6.400%
216,762	Royal Bank of Scotland Group plc, Series N	6.350%
30,300	SunTrust Capital Trust IV	7.125%
81,500	SunTrust Capital Trust V	7.050%
175,000	USB Capital Trust III	7.750%
423,005	USB Capital Trust IV	7.350%
46,800	USB Capital Trust V	7.250%
10,000	USB Capital Trust VII	5.875%
37,200	VNB Capital Trust I	7.750%
7,236	Wells Fargo Capital Trust IX	5.625%
25,500	Wells Fargo Capital Trust IV	7.000%
218,800	Wells Fargo Capital Trust V	7.000%
56,000	Wells Fargo Capital Trust VI	6.950%
29,200	Wells Fargo Capital Trust VII	5.850%
3,100	Wells Fargo Capital Trust VIII	5.625%
379,250	Zions Capital Trust B	8.000%
Total Commercial Banks		
Computers & Peripherals - 0.0%		
1,600	IBM Inc. (CORTS)	7.125%
2,100	IBM Inc., Trust Certificates, Series 2001-2	7.100%
4,200	IBM Trust II (CORTS)	7.125%
Total Computers & Peripherals		

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

Consumer Finance - 0.3%

60,300	Household Capital Trust VI	8.250%
25,400	Household Capital Trust VII	7.500%
27,200	SLM Corporation	6.000%

Total Consumer Finance

14

Shares	Description(1)	Coupon
--------	----------------	--------

Diversified Financial Services - 9.0%

17,000	BBVA Preferred Capital Ltd., Series B	7.750%
197,600	CIT Group Inc., Series A, (3)	6.350%
38,376	CIT Group Incorporated (CORTS)	7.750%
12,000	Citigroup Capital Trust IX	6.000%
258,700	Citigroup Capital Trust VII	7.125%
455,200	Citigroup Capital Trust VIII	6.950%
55,900	Citigroup Capital Trust XI	6.000%
66,300	Citigroup Inc., Series H, (3)	6.231%
39,400	Citigroup Inc., Series M, (3)	5.864%
2,000	General Electric Capital Corporation	5.875%
7,400	General Electric Capital Corporation	6.100%
10,800	General Electric Capital Corporation	6.625%
3,000	General Electric Capital Corporation, (CORTS)	6.000%
569,000	ING Group N.V.	7.050%
1,015,458	ING Group N.V.	7.200%
32,600	JPM Capital Trust I, Series 2001-1, Class A-1 (CORTS)	7.850%
1,700	JPMorgan Chase & Company (PCARS)	7.125%
81,500	JPMorgan Chase Capital Trust IX, Series I	7.500%
82,400	JPMorgan Chase Capital Trust X	7.000%
97,606	JPMorgan Chase Capital Trust XI	5.875%
71,100	JPMorgan Chase Capital Trust XVI	6.350%
20,300	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%

Total Diversified Financial Services

Diversified Telecommunication Services - 0.7%

93,400	AT&T Inc.	7.000%
7,600	BellSouth Capital Funding (CORTS)	7.100%
4,300	BellSouth Corporation	7.125%
69,235	BellSouth Corporation (CORTS)	7.000%
29,300	BellSouth Corporation, Series 2001-3 (SATURNS)	7.125%
6,300	BellSouth Inc. (CORTS)	7.000%
2,200	Verizon Communications (CORTS)	7.625%
8,800	Verizon Communications, Series 2004-1 (SATURNS)	6.125%
23,900	Verizon New England Inc., Series B	7.000%
19,900	Verizon South Inc., Series F	7.000%

Total Diversified Telecommunication Services

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

---

Electric Utilities - 3.5%		
2,300	BGE Capital Trust II	6.200%
77,740	DTE Energy Trust I	7.800%
109,205	Entergy Louisiana Inc.	7.600%
2,000	Entergy Mississippi Inc.	7.250%
56,400	Georgia Power Capital Trust V	7.125%
293,196	Georgia Power Company	5.700%
3,000	Georgia Power Company	6.000%
2,000	Georgia Power Company	5.750%
118,651	Georgia Power Company	5.900%
2,100	Gulf Power Capital Trust III	7.375%
251,073	Interstate Power and Light Company, Series B, (3)	8.375%
2,600	National Rural Utilities Cooperative Finance Corporation	7.600%
24,000	National Rural Utilities Cooperative Finance Corporation	7.400%
5,000	National Rural Utilities Cooperative Finance Corporation	6.750%
36,900	National Rural Utilities Cooperative Finance Corporation	6.100%
2,000	Southern Company Capital Trust I (CORTS)	8.000%
8,000	Southern Company Capital Trust VI	7.125%
14,200	Tennessee Valley Authority, Series D	6.750%
191,400	Virginia Power Capital Trust	7.375%
-----		
Total Electric Utilities		
-----		

15

Nuveen Quality Preferred Income Fund (JTP) (continued)

Portfolio of Investments December 31, 2005

Shares	Description(1)	Coupon
-----		
Food Products - 0.7%		
64,000	Dairy Farmers of America Inc., 144A, (3)	7.875%
-----		
Gas Utilities - 0.1%		
32,300	AGL Capital Trust II	8.000%
-----		
Industrial Conglomerates - 0.1%		
21,700	General Electric Company, Series GE (CORTS)	6.800%
-----		
Insurance - 16.4%		
622,600	Ace Ltd., Series C	7.800%
1,161,650	Aegon N.V.	6.375%
37,000	Aegon N.V.	6.500%



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

2,800	Allstate Corporation (PCARS)	7.150%
10,500	AMBAC Financial Group Inc.	7.000%
21,500	AMBAC Financial Group Inc.	5.950%
2,800	AMBAC Financial Group Inc.	5.875%
211,400	Delphi Financial Group, Inc.	8.000%
338,000	EverestRe Capital Trust II	6.200%
86,800	EverestRe Group Limited	7.850%
5,000	Financial Security Assurance Holdings	6.875%
4,600	Financial Security Assurance Holdings	6.250%
1,400	Financial Security Assurance Holdings	5.600%
205,377	Hartford Capital Trust III, Series C	7.450%
53,400	Hartford Life Capital Trust II, Series B	7.625%
79,600	Lincoln National Capital Trust V, Series E	7.650%
34,500	Lincoln National Capital Trust VI	6.750%
10,400	MetLife Inc.	5.875%
616,400	MetLife Inc., Series B, (3)	6.500%
126,300	PartnerRe Limited	7.900%
292,500	PartnerRe Limited, Series C	6.750%
72,700	PartnerRe Limited, Series D	6.500%
80,000	PLC Capital Trust III	7.500%
411,800	PLC Capital Trust IV	7.250%
6,500	PLC Capital Trust V	6.125%
264,165	Prudential plc	6.750%
125,650	RenaissanceRe Holdings Ltd., Series A	8.100%
61,100	RenaissanceRe Holdings Ltd., Series B	7.300%
13,900	RenaissanceRe Holdings Ltd., Series C	6.080%
40,000	Safeco Capital Trust I (CORTS)	8.700%
32,300	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%
6,800	Safeco Capital Trust III (CORTS)	8.072%
1,900	Safeco Corporation, Series 2002-5 (SATURNS)	8.250%
31,500	Saint Paul Capital Trust I	7.600%
62,800	Torchmark Capital Trust I	7.750%
3,500	Torchmark Capital Trust II	7.750%
5,500	W.R. Berkley (CORTS)	8.250%
27,900	W.R. Berkley Capital Trust, Series 2002-1, (CBTCS)	8.125%
315,400	W.R. Berkley Corporation	6.750%
391,854	XL Capital Ltd, Series A	8.000%
75,200	XL Capital Ltd, Series B	7.625%
-----		
	Total Insurance	
-----		
	IT Services - 0.1%	
29,400	Vertex Industries Inc. (PPLUS)	7.625%
-----		
	Media - 0.4%	
124,800	CBS Corporation	7.300%
9,600	The Walt Disney Company	7.000%
-----		
	Total Media	
-----		
	Multiline Retail - 0.0%	
4,100	Nordstrom Inc. (CORTS)	7.625%
-----		

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

Shares	Description(1)	Coupon
Multi-Utilities - 0.7%		
98,100	Dominion CNG Capital Trust I	7.800%
58,600	Dominion Resources Capital Trust II	8.400%
100,400	Energy East Capital Trust I	8.250%
Total Multi-Utilities		
Oil, Gas & Consumable Fuels - 1.8%		
532,332	Nexen, Inc.	7.350%
108,500	TransCanada Pipeline	8.250%
Total Oil, Gas & Consumable Fuels		
Pharmaceuticals - 0.1%		
23,000	Bristol-Myers Squibb Company (CORTS)	6.250%
12,800	Bristol-Myers Squibb Company Trust (CORTS)	6.800%
Total Pharmaceuticals		
Real Estate - 25.1%		
50,458	AMB Property Corporation, Series M	6.750%
13,400	AvalonBay Communities, Inc., Series H	8.700%
409,400	BRE Properties, Series B	8.080%
17,800	BRE Properties, Series C	6.750%
42,644	BRE Properties, Series D	6.750%
487,209	CarrAmerica Realty Corporation, Series E	7.500%
29,600	Developers Diversified Realty Corporation	7.500%
56,900	Developers Diversified Realty Corporation, Series F	8.600%
47,300	Developers Diversified Realty Corporation, Series G	8.000%
404,900	Developers Diversified Realty Corporation, Series H	7.375%
156,800	Duke Realty Corporation, Series L	6.600%
157,779	Duke-Weeks Realty Corporation, Series B	7.990%
8,000	Duke-Weeks Realty Corporation, Series I	8.450%
1,099,100	Equity Office Properties Trust, Series G	7.750%
25,800	Equity Residential Properties Trust, Series D	8.600%
10,600	First Industrial Realty Trust, Inc., Series C	8.625%
19,000	Firststar Realty LLC, 144A	8.875%
57,900	Harris Preferred Capital Corporation, Series A	7.375%
2,800	HRPT Properties Trust, Series A	9.875%
1,039,210	HRPT Properties Trust, Series B	8.750%
22,000	New Plan Excel Realty Trust, Series D	7.800%
418,600	New Plan Excel Realty Trust, Series E	7.625%
10,000	Prologis Trust, Series F	6.750%
107,000	Prologis Trust, Series G	6.750%
328,400	PS Business Parks, Inc.	7.000%
57,000	PS Business Parks, Inc., Series I	6.875%
240,000	PS Business Parks, Inc., Series L	7.600%
4,100	Public Storage, Inc.	7.125%
64,800	Public Storage, Inc., Series C	6.600%
90,000	Public Storage, Inc., Series D	6.180%
2,900	Public Storage, Inc., Series E	6.750%
59,400	Public Storage, Inc., Series F	6.450%

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

23,100	Public Storage, Inc., Series Q	8.600%
116,600	Public Storage, Inc., Series R	8.000%
209,600	Public Storage, Inc., Series S	7.875%
16,500	Public Storage, Inc., Series T	7.625%
40,680	Public Storage, Inc., Series U	7.625%
347,600	Public Storage, Inc., Series V	7.500%
6,971	Public Storage, Inc., Series X	6.450%
93,500	Realty Income Corporation	7.375%
47,500	Regency Centers Corporation	7.450%
22,400	Regency Centers Corporation	7.250%
20,500	Simon Property Group, Inc., Series F	8.750%
176,600	Simon Property Group, Inc., Series G	7.890%

17

Nuveen Quality Preferred Income Fund (JTP) (continued)

Portfolio of Investments December 31, 2005

Shares	Description(1)	Coupon
-----		
Real Estate (continued)		
13,700	United Dominion Realty Trust	8.600%
323,633	Vornado Realty Trust, Series G	6.625%
67,700	Vornado Realty Trust, Series H	6.750%
189,300	Vornado Realty Trust, Series I	6.625%
489,900	Wachovia Preferred Funding Corporation	7.250%
2,000	Weingarten Realty Trust, Preferred Securities	6.750%
2,500	Weingarten Realty Trust, Series E	6.950%
-----		
Total Real Estate		
-----		
Specialty Retail - 0.1%		
45,700	Sherwin Williams Company, Series III (CORTS)	7.250%
5,900	Sherwin Williams Trust (CORTS)	7.500%
-----		
Total Specialty Retail		
-----		
Thriffs & Mortgage Finance - 2.3%		
11,000	Countrywide Capital Trust II, Series II, (CORTS)	8.000%
12,200	Countrywide Capital Trust III (PPLUS)	8.050%
799,020	Countrywide Capital Trust IV	6.750%
4,600	Washington Mutual Incorporated (CORTS)	7.750%
-----		
Total Thriffs & Mortgage Finance		
-----		
U.S. Agency - 1.8%		
110,300	Fannie Mae, (3)	6.129%
19,000	Federal Home Loan Mortgage Corporation	5.300%
23,500	Federal Home Loan Mortgage Corporation	5.810%
58,300	Federal Home Loan Mortgage Corporation, (3)	6.000%

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

65,600	Federal Home Loan Mortgage Corporation, (3)	6.140%
12,000	Federal Home Loan Mortgage Corporation, (3)	5.100%
58,600	Federal Home Loan Mortgage Corporation, (3)	5.100%
-----		
Total U.S. Agency		
-----		
Wireless Telecommunication Services - 2.2%		
355,846	Telephone and Data Systems Inc.	7.600%
159,700	United States Cellular Corporation	8.750%
283,900	United States Cellular Corporation	7.500%
-----		
Total Wireless Telecommunication Services		
-----		
Total \$25 Par (or similar) Securities (cost \$759,528,748)		
-----		

Principal Amount (000)	Description(1)	Coupon	Mat
-----			
Corporate Bonds - 0.7% (0.5% of Total Investments)			
Commercial Banks - 0.1%			
\$ 1,000	HBOS plc, Series 144A	6.413%	9/
-----			
Household Durables - 0.4%			
3,700	Stanley Works Capital Trust I, 144A	5.902%	12/
-----			
Insurance - 0.2%			
1,800	AIG Capital Trust I, 144A	5.900%	12/
-----			
6,500	Total Corporate Bonds (cost \$6,458,419)		
-----			

Principal Amount (000) /Shares	Description(1)	Coupon	Mat
-----			
Capital Preferred Securities - 58.0% (39.5% of Total Investments)			
Capital Markets - 6.5%			
2,500	Bank of New York Capital I, Series B	7.970%	12/
2,000	BT Capital Trust, Series B1	7.900%	1/
1,000	BT Institutional Capital Trust B, 144A	7.750%	12/

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

Principal Amount (000) /Shares	Description(1)	Coupon	Mat
Capital Markets (continued)			
7,900	BT Preferred Capital Trust II	7.875%	2/
2,250	C.A. Preferred Fund Trust II	7.000%	10/
11,250	C.A. Preferred Funding Trust	7.000%	1/
16,463	First Union Institutional Capital Securities I	8.040%	12/
5,500	UBS Preferred Funding Trust I	8.622%	10/
7,250	Washington Mutual Capital Trust I	8.375%	6/
Total Capital Markets			
Commercial Banks - 31.3%			
9,000	AB Svensk Exportkredit, 144A	6.375%	10/
18,250	Abbey National Capital Trust I	8.963%	6/
3,000	AgFirst Farm Credit Bank	7.300%	12/
2,500	Bank One Capital III	8.750%	9/
1,500	BanPonce Trust I, Series A	8.327%	2/
7,200	Barclays Bank plc, 144A	8.550%	6/
3,000	Centura Capital Trust I, 144A	8.845%	6/
2,000	Corestates Capital Trust I, 144A	8.000%	12/
1,700	DBS Capital Funding Corporation, 144A	7.657%	3/
1,000	First Chicago NBD Institutional Capital, 144A	7.950%	12/
1,000	First Empire Capital Trust II	8.277%	6/
1,500	First Midwest Bancorp Inc.	6.950%	12/
25,500	HBOS Capital Funding LP, Notes	6.850%	3/
5,750	HSBC Capital Funding LP, 144A	9.547%	12/
17,150	HSBC Capital Funding LP, Debt	10.176%	6/
12,000	KBC Bank Fund Trust III, 144A	9.860%	5/
2,000	KeyCorp Capital III	7.750%	7/
2,000	KeyCorp Institutional Capital Trust A	7.826%	12/
8,850	Lloyds TSB Bank plc, Subordinated Note	6.900%	11/
11,150	NB Capital Trust II	7.830%	12/
7,655	Nordbanken AB, 144A	8.950%	11/
1,000	North Fork Capital Trust I, Capital Securities	8.700%	12/
8,000	Peoples Heritage Capital Trust I, Series B	9.060%	2/
200	PFCI Capital Corporation	7.750%	8/
19,000	PNC Institutional Capital Securities, 144A	7.950%	12/
2,000	Popular North American Capital Trust I	6.564%	9/
16,000	RBS Capital Trust B	6.800%	12/
17,500	Reliance Capital Trust I, Series B	8.170%	5/
1,400	Republic New York Capital II, Capital Securities	7.530%	12/
2,000	SocGen Real Estate Company LLC, 144A	7.640%	12/
5,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/
23,000	Summit Capital Trust I, Capital Securities	8.400%	3/
1,800	Swedbank ForeningsSparbanken AB, 144A	9.000%	9/
2,000	Union Planters Capital Trust A	8.200%	12/
4,000	Wachovia Capital Trust I, Capital Securities, 144A	7.640%	1/
3,000	Zions Institutional Capital Trust, Series A	8.536%	12/
Total Commercial Banks			
Diversified Financial Services - 3.9%			

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

4,250	BNP Paribas Capital Trust	7.200%	12/
1,500	BNP Paribas Capital Trust, 144A	9.003%	12/
3,000	Citigroup Capital X	6.100%	9/
19,500	JPM Capital Trust II	7.950%	2/
8,100	Old Mutual Capital Funding, Notes	8.000%	6/
-----			
Total Diversified Financial Services			
-----			
Diversified Telecommunication Services - 1.6%			
11,250	Centaur Funding Corporation, Series B, 144A	9.080%	4/
-----			
Insurance - 9.2%			
7,570	Ace Capital Trust II	9.700%	4/
1,000	Allstate Financing II	7.830%	12/
2,000	American General Capital II	8.500%	7/

19

Nuveen Quality Preferred Income Fund (JTP) (continued)

Portfolio of Investments December 31, 2005

Principal Amount (000) /Shares	Description(1)	Coupon	Mat
-----			
Insurance (continued)			
2,500	Mangrove Bay, Class 3, 144A	6.102%	7/
4,000	MIC Financing Trust I	8.375%	2/
7,000	Prudential plc	6.500%	6/
2,000	RenaissanceRe Capital Trust	8.540%	3/
26,216	Sun Life Canada Capital Trust, Capital Securities, 144A	8.526%	5/
24,373	Zurich Capital Trust I, 144A	8.376%	6/
-----			
Total Insurance			
-----			
Oil, Gas & Consumable Fuels - 3.6%			
4,000	KN Capital Trust I, Preferred Securities	8.560%	4/
5,860	KN Capital Trust III	7.630%	4/
20,900	Phillips 66 Capital Trust II	8.000%	1/
-----			
Total Oil, Gas & Consumable Fuels			
-----			
Thriffs & Mortgage Finance - 1.6%			
8,500	Dime Capital Trust I, Series A	9.330%	5/
5,000	Great Western Financial Trust II, Series A	8.206%	2/
-----			
Total Thriffs & Mortgage Finance			

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

U.S. Agency - 0.3%				
68,600	Fannie Mae		5.100%	4/
Total Capital Preferred Securities (cost \$517,549,398)				

Principal Amount (000)	Description(1)	Coupon	Mat
Short-Term Investments - 2.5% (1.7% of Total Investments)			
\$ 22,683	Repurchase Agreement with State Street Bank, dated 12/30/05, repurchase price \$22,690,959, collateralized by \$16,830,000 U.S. Treasury Bonds, 7.875%, due 2/15/21, valued at \$23,141,250	3.250%	1/
Total Short-Term Investments (cost \$22,682,768)			
Total Investments (cost \$1,318,535,020) - 146.6%			
Other Assets Less Liabilities - 1.5%			
Preferred Shares, at Liquidation Value - (48.1)%			
Net Assets Applicable to Common Shares - 100%			

Interest Rate Swaps outstanding at December 31, 2005

Counterparty	Notional Amount	Fixed Rate Paid by the Fund (annualized)	Fixed Rate Payment Frequency	Floating Rate Received by the Fund(4)	Floating Pa Freq
Citigroup Inc.	\$ 55,000,000	4.604%	Monthly	4.320%	Mo
Citigroup Inc.	55,000,000	4.713%	Monthly	4.320%	Mo
Citigroup Inc.	110,000,000	3.860%	Monthly	4.380%	Mo
Citigroup Inc.	110,000,000	4.350%	Monthly	4.380%	Mo

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

(2) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating. Ratings below Baa by Moody's Investor Service, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade.

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

(3) Security is eligible for the Dividends Received Deduction.

(4) Based on LIBOR (London Inter-Bank Offered Rate).

N/R Investment is not rated.

144A Securities 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 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.

See accompanying notes to financial statements.

20

Nuveen Quality Preferred Income Fund 2 (JPS)

Portfolio of Investments December 31, 2005

Shares	Description(1)	Coupon
	Convertible Preferred Securities - 1.5% (1.0% of Total Investments)	
	Diversified Financial Services - 0.1%	
31,546	Citigroup Global Markets	2.000%
	Electric Utilities - 0.1%	
30,533	FPL Group Inc.	8.000%
	Food & Staples Retailing - 0.0%	
28,484	Albertson's, Inc.	7.250%
	Insurance - 0.1%	
118,000	XL Capital Ltd	6.500%
	Multi-Utilities - 0.9%	
282,689	Dominion Resources Inc.	8.750%
	Thrifts & Mortgage Finance - 0.3%	



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

172,300 PMI Group Inc. 5.875%

-----  
 Total Convertible Preferred Securities (cost \$23,056,240)  
 -----

Shares	Description(1)	Coupon
	\$25 Par (or similar) Securities - 82.2% (57.2% of Total Investments)	
	Automobiles - 0.0%	
4,300	Daimler Chrysler, Series DCX (CORTS)	7.500%
2,400	Daimler Chrysler, Series DCX (CORTS)	8.250%
3,000	Daimler Chrysler, Series DCX (CORTS)	6.875%
3,400	DaimlerChrysler AG (CORTS)	7.875%
23,300	DaimlerChrysler Corp. (PPLUS)	7.250%

-----  
 Total Automobiles  
 -----

Capital Markets - 5.1%

103,100	Bear Stearns Capital Trust III	7.800%
19,300	BNY Capital Trust IV, Series E	6.875%
51,300	BNY Capital Trust V, Series F	5.950%
395,625	Compass Capital Trust III	7.350%
28,600	CSFB USA, Series 2002-10 (SATURNS)	7.000%
63,300	First Union Capital II, Series II (CORTS)	7.500%
31,300	First Union Institutional Capital II (CORTS)	8.200%
6,300	Goldman Sachs Capital I (CORTS)	6.000%
2,100	Goldman Sachs Capital I, Series A (CORTS)	6.000%
179,900	Goldman Sachs Group Inc., (3)	6.200%
9,900	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%
2,000	Goldman Sachs Group Inc., Series GSG-1 (PPLUS)	6.000%
3,000	Goldman Sachs Group Inc., Series GSG-2 (PPLUS)	5.750%
3,000	Goldman Sachs Group Inc., Series 2003-11 (SATURNS)	5.625%
13,700	Goldman Sachs Group Inc., Series 2004-04 (SATURNS)	6.000%
1,600	Goldman Sachs Group Inc., Series 2004-06 (SATURNS)	6.000%
3,800	Goldman Sachs Group Incorporated (SATURNS)	5.750%
323,800	Lehman Brothers Holdings Capital Trust III, Series K	6.375%
102,900	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%
58,800	Lehman Brothers Holdings Capital Trust V, Series M	6.000%
42,000	Lehman Brothers Holdings Inc., Series C, (3)	5.940%
70,000	Lehman Brothers Holdings Inc., Series F, (3)	6.500%
122,400	Merrill Lynch Capital Trust II	8.000%
107,900	Merrill Lynch Preferred Capital Trust	7.750%
209,300	Merrill Lynch Preferred Capital Trust III	7.000%

21

Nuveen Quality Preferred Income Fund 2 (JPS) (continued)

Portfolio of Investments December 31, 2005

Shares	Description(1)	Coupon
-----		

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

### Capital Markets (continued)

129,700	Merrill Lynch Preferred Capital Trust IV	7.120%
228,700	Merrill Lynch Preferred Capital Trust V	7.280%
55,200	Morgan Stanley (PPLUS)	7.050%
168,008	Morgan Stanley Capital Trust II	7.250%
459,900	Morgan Stanley Capital Trust III	6.250%
380,000	Morgan Stanley Capital Trust IV	6.250%
43,500	Morgan Stanley Capital Trust V	5.750%
46,400	UBS Preferred Funding Trust III	7.250%
44,500	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%

---

### Total Capital Markets

---

### Commercial Banks - 11.0%

119,000	ABN AMRO Capital Fund Trust V	5.900%
7,000	ABN AMRO Capital Trust Fund VII	6.080%
158,960	ASBC Capital I	7.625%
136,100	BAC Capital Trust I	7.000%
168,500	BAC Capital Trust II	7.000%
218,300	BAC Capital Trust III	7.000%
304,100	Banco Santander	6.410%
54,100	Banco Totta & Acores Finance, Series A	8.875%
11,400	BancorpSouth Capital Trust I	8.150%
731,000	Banesto Holdings, Series A, 144A	10.500%
204,000	Bank One Capital Trust VI	7.200%
67,300	BankNorth Capital Trust II	8.000%
121,500	Chittenden Capital Trust I	8.000%
225,500	Cobank ABC, 144A, (3)	7.000%
268,700	Comerica Capital Trust I	7.600%
362,100	HSBC Finance Corporation	6.875%
36,500	HSBC Finance Corporation	6.000%
39,600	KeyCorp (PCARS)	7.500%
8,500	KeyCorp Capital Trust V	5.875%
32,500	KeyCorp, Series 2001-7 (CORTS)	7.750%
99,000	KeyCorp, Series B (CORTS)	8.250%
270,400	National Commerce Capital Trust II	7.700%
5,000	National Westminster Bank plc	7.760%
112,200	National Westminster Bank plc, Series A	7.875%
5,800	PNC Capital Trust	6.125%
50,500	Regions Finance Trust I	8.000%
596,876	Royal Bank of Scotland Group plc, Series N	6.350%
173,800	SunTrust Capital Trust IV	7.125%
162,200	SunTrust Capital Trust V	7.050%
714,300	USB Capital Trust III	7.750%
315,800	USB Capital Trust IV	7.350%
132,200	USB Capital Trust V	7.250%
63,300	USB Capital Trust VI	5.750%
118,600	USB Capital Trust VII	5.875%
92,300	VNB Capital Trust I	7.750%
55,900	Wells Fargo Capital Trust IX	5.625%
38,700	Wells Fargo Capital Trust IV	7.000%
301,600	Wells Fargo Capital Trust V	7.000%
43,100	Wells Fargo Capital Trust VI	6.950%
61,300	Wells Fargo Capital Trust VII	5.850%
578,650	Zions Capital Trust B	8.000%

---

### Total Commercial Banks

---

### Computers & Peripherals - 0.1%

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

22,400	IBM Inc. (CORTS)	7.125%
9,100	IBM Inc., Trust Certificates, Series 2001-2	7.100%
20,200	IBM Trust II (CORTS)	7.125%
39,200	IBM Trust III (CORTS)	7.200%

-----  
 Total Computers & Peripherals  
 -----

22

Shares	Description(1)	Coupon
--------	----------------	--------

-----

Consumer Finance - 2.4%

620,196	Household Capital Trust VI	8.250%
73,600	Household Capital Trust VII	7.500%
917,000	HSBC Finance Corporation	6.360%
39,900	SLM Corporation	6.000%

-----  
 Total Consumer Finance  
 -----

Diversified Financial Services - 9.3%

78,800	BBVA Preferred Capital Ltd., Series B	7.750%
407,000	CIT Group Inc., Series A, (3)	6.350%
38,100	CIT Group Incorporated (CORTS)	7.750%
14,900	Citigroup Capital Trust IX	6.000%
476,200	Citigroup Capital Trust VII	7.125%
828,207	Citigroup Capital Trust VIII	6.950%
37,300	Citigroup Capital Trust XI	6.000%
36,900	Citigroup Inc., Series H, (3)	6.231%
39,000	Citigroup Inc., Series M, (3)	5.864%
10,400	Citigroup, Series CIT (CORTS)	6.750%
14,100	General Electric Capital Corporation	5.875%
300,700	General Electric Capital Corporation	6.100%
199,700	General Electric Capital Corporation	6.625%
3,900	General Electric Capital Corporation, (CORTS)	6.000%
1,445,555	ING Group N.V.	7.050%
1,523,600	ING Group N.V.	7.200%
11,000	ING Group N.V.	6.200%
91,500	JPM Capital Trust (CORTS)	7.200%
11,600	JPM Capital Trust I, Series 2001-1, Class A-1 (CORTS)	7.850%
9,700	JPMorgan Chase & Company (PCARS)	7.125%
366,000	JPMorgan Chase Capital Trust IX, Series I	7.500%
203,600	JPMorgan Chase Capital Trust X	7.000%
22,156	JPMorgan Chase Capital Trust XI	5.875%
210,900	JPMorgan Chase Capital Trust XVI	6.350%
52,900	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%

-----  
 Total Diversified Financial Services  
 -----

Diversified Telecommunication Services - 0.6%

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

114,999	AT&T Inc.	7.000%
17,500	BellSouth Capital Funding (CORTS)	7.100%
33,300	BellSouth Corporation	7.125%
21,600	BellSouth Corporation (CORTS)	7.000%
16,300	BellSouth Corporation, Series 2001-3 (SATURNS)	7.125%
15,100	BellSouth Corporation, Series BLS, (CORTS)	7.000%
16,300	BellSouth Inc. (CORTS)	7.000%
28,400	BellSouth Telecommunications (PPLUS)	7.300%
30,600	Verizon Communications (CORTS)	7.625%
7,600	Verizon Communications (CORTS)	7.375%
70,100	Verizon Global Funding Corporation (SATURNS)	7.500%
22,100	Verizon New England Inc., Series B	7.000%
13,000	Verizon South Inc., Series F	7.000%

-----  
 Total Diversified Telecommunication Services  
 -----

Electric Utilities - 4.8%

189,500	Alabama Power Company, (3)	5.830%
2,800	Consolidated Edison Company	7.250%
17,200	Consolidated Edison Company of New York Inc.	7.500%
27,400	DTE Energy Trust I	7.800%
1,600	Entergy Arkansas Inc.	6.000%
5,500	Entergy Arkansas Inc.	6.700%
56,750	Entergy Louisiana Inc.	7.600%
1,299,100	Entergy Mississippi Inc.	7.250%
3,000	Georgia Power Capital Trust V	7.125%
1,800	Georgia Power Capital Trust VII	5.875%
30,900	Georgia Power Company	5.700%

23

Nuveen Quality Preferred Income Fund 2 (JPS) (continued)

Portfolio of Investments December 31, 2005

Shares	Description(1)	Coupon
-----		
Electric Utilities (continued)		
941,500	Interstate Power and Light Company, Series B, (3)	8.375%
2,500	Mississippi Power Company	5.625%
8,900	National Rural Utilities Cooperative Finance Corporation	7.600%
30,200	National Rural Utilities Cooperative Finance Corporation	7.400%
1,700	National Rural Utilities Cooperative Finance Corporation	6.750%
18,400	National Rural Utilities Cooperative Finance Corporation	5.950%
53,200	Public Service Company of Oklahoma, Series B	6.000%
2,900	Southern Company Capital Trust I (CORTS)	7.375%
3,700	Tennessee Valley Authority, Series A	4.081%
59,800	Tennessee Valley Authority, Series D	6.750%
265,500	Virginia Power Capital Trust	7.375%

-----

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

Total Electric Utilities		
-----		
Food Products - 0.7%		
122,000	Dairy Farmers of America Inc., 144A, (3)	7.875%
-----		
Gas Utilities - 0.1%		
53,500	AGL Capital Trust II	8.000%
-----		
Health Care Providers & Services - 0.1%		
62,900	Aetna Inc.	8.500%
-----		
Industrial Conglomerates - 0.0%		
8,600	General Electric Company, Series GE (CORTS)	6.800%
-----		
Insurance - 19.2%		
972,600	Ace Ltd., Series C	7.800%
2,119,800	Aegon N.V.	6.375%
131,200	Aegon N.V.	6.500%
21,300	AMBAC Financial Group Inc.	7.000%
56,600	AMBAC Financial Group Inc.	5.950%
4,800	AMBAC Financial Group Inc.	5.875%
479,357	Delphi Financial Group, Inc.	8.000%
2,417,400	EverestRe Group Limited	7.850%
55,900	Financial Security Assurance Holdings	6.875%
704,200	Financial Security Assurance Holdings	6.250%
11,700	Financial Security Assurance Holdings	5.600%
369,200	Hartford Capital Trust III, Series C	7.450%
105,300	Hartford Life Capital Trust II, Series B	7.625%
94,000	Lincoln National Capital Trust V, Series E	7.650%
55,300	Lincoln National Capital Trust VI	6.750%
7,500	MetLife Inc.	5.875%
1,097,500	MetLife Inc., Series B, (3)	6.500%
301,581	PartnerRe Limited	7.900%
644,020	PartnerRe Limited, Series C	6.750%
27,400	PartnerRe Limited, Series D	6.500%
108,700	PLC Capital Trust III	7.500%
453,140	PLC Capital Trust IV	7.250%
19,600	PLC Capital Trust V	6.125%
5,600	Prudential Financial Inc. (CORTS)	6.000%
223,000	Prudential plc	6.750%
324,060	RenaissanceRe Holdings Ltd., Series A	8.100%
145,800	RenaissanceRe Holdings Ltd., Series B	7.300%
20,200	RenaissanceRe Holdings Ltd., Series C	6.080%
90,500	Safeco Capital Trust I (CORTS)	8.700%
21,100	Safeco Capital Trust I (CORTS)	8.750%
59,900	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%
4,800	Safeco Capital Trust III (CORTS)	8.072%
3,100	Safeco Capital Trust IV (CORTS)	8.375%
2,600	Safeco Corporation, Series 2001-7 (SATURNS)	8.250%
8,100	Safeco Corporation, Series 2002-5 (SATURNS)	8.250%
129,500	Saint Paul Capital Trust I	7.600%

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

Shares	Description(1)	Coupon
-----		
	Insurance (continued)	
132,300	Torchmark Capital Trust I	7.750%
6,900	Torchmark Capital Trust II	7.750%
21,200	W.R. Berkley (CORTS)	8.250%
26,800	W.R. Berkley Capital Trust, Series 2002-1 (CBTCS)	8.125%
711,146	W.R. Berkley Corporation	6.750%
570,300	XL Capital Ltd, Series A	8.000%
598,417	XL Capital Ltd, Series B	7.625%
-----		
	Total Insurance	
-----		
	IT Services - 0.0%	
16,100	Vertex Industries Inc. (PPLUS)	7.625%
-----		
	Media - 0.3%	
166,800	CBS Corporation	7.300%
18,200	The Walt Disney Company	7.000%
2,900	The Walt Disney Company (CORTS)	6.875%
-----		
	Total Media	
-----		
	Multiline Retail - 0.0%	
5,700	Nordstrom Inc. (CORTS)	7.625%
-----		
	Multi-Utilities - 0.4%	
119,400	Dominion CNG Capital Trust I	7.800%
46,300	Dominion Resources Capital Trust II	8.400%
120,200	Energy East Capital Trust I	8.250%
-----		
	Total Multi-Utilities	
-----		
	Oil, Gas & Consumable Fuels - 1.6%	
910,411	Nexen, Inc.	7.350%
151,900	TransCanada Pipeline	8.250%
-----		
	Total Oil, Gas & Consumable Fuels	
-----		
	Pharmaceuticals - 0.0%	
13,700	Bristol-Myers Squibb Company (CORTS)	6.250%
7,300	Bristol-Myers Squibb Company Trust (CORTS)	6.800%
-----		
	Total Pharmaceuticals	
-----		
	Real Estate - 21.0%	
95,400	AvalonBay Communities, Inc., Series H	8.700%
16,400	BRE Properties, Series B	8.080%
356,900	BRE Properties, Series C	6.750%
81,006	BRE Properties, Series D	6.750%
925,955	CarrAmerica Realty Corporation, Series E	7.500%

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

40,467	Developers Diversified Realty Corporation	7.500%
135,925	Developers Diversified Realty Corporation, Series F	8.600%
639,813	Developers Diversified Realty Corporation, Series G	8.000%
183,623	Developers Diversified Realty Corporation, Series H	7.375%
5,600	Duke-Weeks Realty Corporation	6.625%
220,650	Duke-Weeks Realty Corporation, Series B	7.990%
39,900	Duke-Weeks Realty Corporation, Series I	8.450%
298,900	Duke Realty Corporation, Series L	6.600%
380,900	Equity Office Properties Trust, Series G	7.750%
54,000	Equity Residential Properties Trust, Series C	9.125%
68,250	Equity Residential Properties Trust, Series D	8.600%
36,484	Equity Residential Properties Trust, Series N	6.480%
332,800	Federal Realty Investment Trust	8.500%
18,300	First Industrial Realty Trust, Inc., Series C	8.625%
16,800	Harris Preferred Capital Corporation, Series A	7.375%
213,100	HRPT Properties Trust, Series A	9.875%
1,579,825	HRPT Properties Trust, Series B	8.750%
149,500	Kimco Realty Corporation, Series F	6.650%
199,550	New Plan Excel Realty Trust, Series D	7.800%

25

Nuveen Quality Preferred Income Fund 2 (JPS) (continued)

Portfolio of Investments December 31, 2005

Shares	Description(1)	Coupon
-----		
Real Estate (continued)		
770,900	New Plan Excel Realty Trust, Series E	7.625%
1,700	Prologis Trust, Series F	6.750%
97,728	Prologis Trust, Series G	6.750%
734,970	PS Business Parks, Inc.	7.000%
107,600	PS Business Parks, Inc., Series I	6.875%
401,000	PS Business Parks, Inc., Series L	7.600%
6,000	Public Storage, Inc.	7.125%
230,400	Public Storage, Inc., Series C	6.600%
35,200	Public Storage, Inc., Series D	6.180%
38,600	Public Storage, Inc., Series E	6.750%
60,066	Public Storage, Inc., Series F	6.450%
86,300	Public Storage, Inc., Series Q	8.600%
264,295	Public Storage, Inc., Series R	8.000%
50,700	Public Storage, Inc., Series S	7.875%
131,065	Public Storage, Inc., Series T	7.625%
108,700	Public Storage, Inc., Series U	7.625%
148,000	Public Storage, Inc., Series V	7.500%
2,129	Public Storage, Inc., Series X	6.450%
164,100	Realty Income Corporation	7.375%
309,100	Regency Centers Corporation	7.450%
245,100	Regency Centers Corporation	7.250%
16,100	Regency Centers Corporation	6.700%

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

34,500	Simon Property Group, Inc., Series F	8.750%
326,041	Simon Property Group, Inc., Series G	7.890%
58,600	United Dominion Realty Trust	8.600%
9,200	Vornado Realty Trust, Series E	7.000%
22,300	Vornado Realty Trust, Series F	6.750%
213,940	Vornado Realty Trust, Series G	6.625%
112,800	Vornado Realty Trust, Series H	6.750%
226,700	Vornado Realty Trust, Series I	6.625%
2,461,900	Wachovia Preferred Funding Corporation	7.250%
156,500	Weingarten Realty Trust, Series E	6.950%
-----		
Total Real Estate		
-----		
Specialty Retail - 0.1%		
50,900	Sherwin Williams Company, Series III (CORTS)	7.250%
-----		
Thrifths & Mortgage Finance - 1.5%		
4,600	Countrywide Capital Trust II, Series II (CORTS)	8.000%
1,043,000	Countrywide Capital Trust IV	6.750%
-----		
Total Thrifths & Mortgage Finance		
-----		
U.S. Agency - 1.7%		
2,800	Fannie Mae, (3)	4.750%
20,300	Fannie Mae, (3)	5.810%
70,200	Fannie Mae, (3)	5.125%
83,500	Fannie Mae, (3)	6.129%
34,000	Federal Home Loan Mortgage Corporation	5.300%
124,200	Federal Home Loan Mortgage Corporation, (3)	6.000%
58,700	Federal Home Loan Mortgage Corporation, (3)	6.140%
60,000	Federal Home Loan Mortgage Corporation, (3)	5.100%
84,600	Federal Home Loan Mortgage Corporation, (3)	5.000%
107,900	Federal Home Loan Mortgage Corporation, (3)	5.100%
-----		
Total U.S. Agency		
-----		
Wireless Telecommunication Services - 2.2%		
164,900	Telephone and Data Systems Inc.	7.600%
1,319,200	United States Cellular Corporation	8.750%
-----		
Total Wireless Telecommunication Services		
-----		
Total \$25 Par (or similar) Securities (cost \$1,429,627,569)		
-----		

26

Principal Amount (000)	Description(1)	Coupon	Matu
-----			
Corporate Bonds - 0.7% (0.5% of Total Investments)			



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

Commercial Banks - 0.1%				
\$	2,000	HBOS plc, Series 144A	6.413%	9/2
-----				
Household Durables - 0.4%				
	7,000	Stanley Works Capital Trust I, 144A	5.902%	12/0
-----				
Insurance - 0.2%				
	3,500	AIG Capital Trust I, 144A	5.900%	12/2
-----				
	12,500	Total Corporate Bonds (cost \$12,421,048)		
-----				
Principal Amount (000)/ Shares	Description(1)		Coupon	Maturity
-----				
Capital Preferred Securities - 57.3% (39.8% of Total Investments)				
Capital Markets - 7.3%				
15,000	Ahmanson Capital Trust I, 144A		8.360%	12/0
1,465	Bank of New York Capital I, Series B		7.970%	12/3
4,000	BT Capital Trust, Series B1		7.900%	1/1
2,000	BT Institutional Capital Trust B, 144A		7.750%	12/0
500	BT Preferred Capital Trust II		7.875%	2/2
5,000	C.A. Preferred Fund Trust II		7.000%	10/3
18,600	C.A. Preferred Funding Trust		7.000%	1/3
5,050	First Hawaiian Capital Trust I, Series B		8.343%	7/0
1,000	First Security Capital I		8.410%	12/1
17,095	First Union Capital Trust II, Series A		7.950%	11/1
25,000	Mellon Capital Trust I, Series A		7.720%	12/0
3,240	State Street Institutional Capital Trust, 144A		7.940%	12/3
19,800	UBS Preferred Funding Trust I		8.622%	10/2
-----				
Total Capital Markets				
-----				
Commercial Banks - 30.5%				
19,000	AB Svensk Exportkredit, 144A		6.375%	10/2
37,250	Abbey National Capital Trust I		8.963%	6/3
7,100	AgFirst Farm Credit Bank		7.300%	12/1
6,500	Bank One Capital III		8.750%	9/0
21,000	BankBoston Capital Trust I, Series B		8.250%	12/1
5,000	BanPonce Trust I, Series A		8.327%	2/0
36,000	Barclays Bank plc, 144A		8.550%	6/1
2,000	Corestates Capital Trust I, 144A		8.000%	12/1
3,700	DBS Capital Funding Corporation, 144A		7.657%	3/1
1,500	First Empire Capital Trust I		8.234%	2/0
1,500	First Midwest Bancorp Inc.		6.950%	12/0
22,080	Fleet Capital Trust II		7.920%	12/1
44,010	HBOS Capital Funding LP, Notes		6.850%	3/2
2,400	HSBC Capital Funding LP, 144A		9.547%	12/3
6,250	HSBC Capital Funding LP, Debt		10.176%	6/3
32,000	KBC Bank Fund Trust III, 144A		9.860%	5/0
8,000	KeyCorp Capital III		7.750%	7/1
2,500	KeyCorp Institutional Capital Trust A		7.826%	12/0
13,500	Lloyds TSB Bank plc, Subordinated Note		6.900%	11/2
25,000	M&I Capital Trust A		7.650%	12/0

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

19,500	NB Capital Trust II	7.830%	12/1
14,000	Nordbanken AB, 144A	8.950%	11/2
2,000	North Fork Capital Trust I, Capital Securities	8.700%	12/1
8,000	North Fork Capital Trust II	8.000%	12/1
2,000	Peoples Heritage Capital Trust I, Series B	9.060%	2/0
290	PFCI Capital Corporation	7.750%	8/1
33,085	PNC Institutional Capital Securities, 144A	7.950%	12/1
2,000	Popular North American Capital Trust I	6.564%	9/1
13,100	RBS Capital Trust B	6.800%	12/3

27

Nuveen Quality Preferred Income Fund 2 (JPS) (continued)

Portfolio of Investments December 31, 2005

Principal Amount (000)/ Shares	Description(1)	Coupon	Matu	
-----				
Commercial Banks (continued)				
\$	8,000	Reliance Capital Trust I, Series B	8.170%	5/0
	500	Republic New York Capital II, Capital Securities	7.530%	12/0
	17,500	Royal Bank of Scotland Group plc	9.118%	3/3
	5,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/0
	9,000	St. George Funding Company LLC, 144A	8.485%	12/3
	3,400	Swedbank ForeningsSparbanken AB, 144A	9.000%	9/1
	7,500	Union Planters Capital Trust A	8.200%	12/1
	240	Union Planters Preferred Fund, 144A	7.750%	7/1
	10,000	Zions Institutional Capital Trust, Series A	8.536%	12/1
-----				
Total Commercial Banks				
-----				
Diversified Financial Services - 2.6%				
	2,750	BNP Paribas Capital Trust	7.200%	12/3
	1,000	BNP Paribas Capital Trust, 144A	9.003%	12/2
	18,800	Citigroup Capital X	6.100%	9/3
	3,600	JPM Capital Trust I	7.540%	1/1
	22,085	JPM Capital Trust II	7.950%	2/0
	13,800	Old Mutual Capital Funding, Notes	8.000%	6/2
-----				
Total Diversified Financial Services				
-----				
Diversified Telecommunication Services - 2.2%				
	30,250	Centaur Funding Corporation, Series B, 144A	9.080%	4/2
-----				
Insurance - 10.8%				
	14,280	Ace Capital Trust II	9.700%	4/0
	2,000	Allstate Financing II	7.830%	12/0
	28,000	American General Institutional Capital, 144A	8.125%	3/1
	2,000	Mangrove Bay, Class 3, 144A	6.102%	7/1
	6,000	MIC Financing Trust I	8.375%	2/0

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

10,250	Prudential plc	6.500%	6/2
10,000	RenaissanceRe Capital Trust	8.540%	3/0
51,700	Sun Life Canada Capital Trust, Capital Securities, 144A	8.526%	5/0
43,000	Zurich Capital Trust I, 144A	8.376%	6/0
-----			
Total Insurance			
-----			
Oil, Gas & Consumable Fuels - 1.3%			
3,680	KN Capital Trust I, Preferred Securities	8.560%	4/1
10,750	KN Capital Trust III	7.630%	4/1
7,355	Phillips 66 Capital Trust II	8.000%	1/1
-----			
Total Oil, Gas & Consumable Fuels			
-----			
Thriffs & Mortgage Finance - 2.4%			
5,595	Countrywide Capital Trust I	8.000%	12/1
8,460	Countrywide Capital Trust III, Series B	8.050%	6/1
11,825	Dime Capital Trust I, Series A	9.330%	5/0
13,000	Great Western Financial Trust II, Series A	8.206%	2/0
-----			
Total Thriffs & Mortgage Finance			
-----			
U.S. Agency - 0.2%			
64,434	Fannie Mae	5.100%	4/1
-----			
Total Capital Preferred Securities (cost \$974,714,545)			
-----			

28

Principal Amount (000)	Description(1)	Coupon	Maturity
-----			
Short-Term Investments - 2.1% (1.5% of Total Investments)			
\$ 37,800	Repurchase Agreement with State Street Bank, dated 12/30/05, repurchase price \$37,813,726, collateralized by \$39,095,000 U.S. Treasury Bonds, 4.000%, due 11/15/12, valued at \$38,557,444	3.250%	1/0
-----			
Total Short-Term Investments (cost \$37,800,076)			
-----			
Total Investments (cost \$2,477,619,478) - 143.8%			
-----			
Other Assets Less Liabilities - 1.5%			
-----			
Preferred Shares, at Liquidation Value - (45.3)%			
-----			
Net Assets Applicable to Common Shares - 100%			
=====			

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

Interest Rate Swaps outstanding at December 31, 2005

Counterparty	Notional Amount	Fixed Rate Paid by the Fund (annualized)	Fixed Rate Payment Frequency	Floating Rate Received by the Fund(4)	Floating Rate Payment Frequency
Citigroup Inc.	\$100,000,000	4.604%	Monthly	4.320%	Monthly
Citigroup Inc.	100,000,000	4.713%	Monthly	4.320%	Monthly
Citigroup Inc.	200,000,000	3.375%	Monthly	4.320%	Monthly
Citigroup Inc.	200,000,000	3.910%	Monthly	4.320%	Monthly

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

(2) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating. Ratings below Baa by Moody's Investor Service, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade.

(3) Security is eligible for the Dividends Received Deduction.

(4) Based on LIBOR (London Inter-Bank Offered Rate).

N/R Investment is not rated.

144A Securities 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 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.

See accompanying notes to financial statements.

29

Nuveen Quality Preferred Income Fund 3 (JHP)

Portfolio of  
Investments December 31, 2005

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

Shares	Description(1)	Coupon
	Convertible Preferred Securities - 1.3% (0.9% of Total Investments)	
	Diversified Financial Services - 0.1%	
9,164	Citigroup Global Markets	2.000%
	Food & Staples Retailing - 0.0%	
5,576	Albertson's, Inc.	7.250%
	Multi-Utilities - 1.1%	
62,052	Dominion Resources Inc.	8.750%
	Thrifths & Mortgage Finance - 0.1%	
20,100	PMI Group Inc.	5.875%
	Total Convertible Preferred Securities (cost \$3,965,204)	
Shares	Description(1)	Coupon
	\$25 Par (or similar) Securities - 90.0% (61.1% of Total Investments)	
	Automobiles - 0.1%	
8,000	DaimlerChrysler AG (CORTS)	7.875%
	Capital Markets - 8.0%	
32,000	Bear Stearns Capital Trust III	7.800%
53,600	Compass Capital Trust III	7.350%
39,900	CSFB USA, Series 2002-10 (SATURNS)	7.000%
23,100	First Union Capital II, Series II (CORTS)	7.500%
11,300	First Union Institutional Capital II (CORTS)	8.200%
5,200	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%
1,200	Goldman Sachs Group Inc., Series GSG-1 (PPLUS)	6.000%
4,500	Goldman Sachs Group Incorporated (SATURNS)	5.750%
355,900	Lehman Brothers Holdings Capital Trust III, Series	6.375%
8,000	Lehman Brothers Holdings Capital Trust V, Series M	6.000%
22,000	Merrill Lynch Capital Trust II	8.000%
36,300	Merrill Lynch Preferred Capital Trust	7.750%
1,700	Merrill Lynch Preferred Capital Trust III	7.000%
20,400	Merrill Lynch Preferred Capital Trust IV	7.120%
81,100	Merrill Lynch Preferred Capital Trust V	7.280%
41,400	Morgan Stanley (PPLUS)	7.050%
80,000	Morgan Stanley Capital Trust II	7.250%
212,600	Morgan Stanley Capital Trust III	6.250%
10,100	Morgan Stanley Capital Trust V	5.750%
33,600	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%

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

### Total Capital Markets

---

Commercial Banks - 17.1%		
83,300	Abbey National plc, Series B	7.250%
17,300	Abbey National plc, Series B	7.375%
105,898	ABN AMRO Capital Trust Fund VII	6.080%
38,000	ASBC Capital I	7.625%
65,594	BAC Capital Trust I	7.000%
38,700	BAC Capital Trust II	7.000%
99,500	BAC Capital Trust III	7.000%
6,000	BAC Capital Trust IV	5.875%
65,600	BAC Capital Trust V	6.000%
8,900	BAC Capital Trust VIII	6.000%
34,800	Banco Santander	6.410%
37,300	Banco Totta & Acores Finance, Series A	8.875%

30

---

Shares	Description(1)	Coupon
Commercial Banks (continued)		
2,600	BancorpSouth Capital Trust I	8.150%
222,200	Banesto Holdings, Series A, 144A	10.500%
33,200	Bank One Capital Trust VI	7.200%
4,800	BankNorth Capital Trust II	8.000%
24,600	Chittenden Capital Trust I	8.000%
44,500	Cobank ABC, 144A, (3)	7.000%
57,400	Comerica Capital Trust I	7.600%
164,700	Fleet Capital Trust VII	1.800%
35,316	Fleet Capital Trust VIII	7.200%
136,700	HSBC Finance Corporation	6.875%
5,000	HSBC Finance Corporation	6.000%
7,400	KeyCorp (PCARS)	7.500%
7,400	KeyCorp Capital Trust V	5.875%
7,200	KeyCorp, Series 2001-7 (CORTS)	7.750%
13,000	KeyCorp, Series B (CORTS)	8.250%
22,900	National Commerce Capital Trust II	7.700%
30,400	National Westminster Bank plc, Series A	7.875%
16,500	National Westminster Bank plc, Series B	7.875%
21,400	PNC Capital Trust	6.125%
40,000	Royal Bank of Scotland Group plc, Series M	6.400%
104,465	Royal Bank of Scotland Group plc, Series N	6.350%
17,000	SunTrust Capital Trust IV	7.125%
25,500	SunTrust Capital Trust V	7.050%
110,300	USB Capital Trust III	7.750%
102,000	USB Capital Trust IV	7.350%
59,000	USB Capital Trust V	7.250%
16,100	USB Capital Trust VII	5.875%
19,000	VNB Capital Trust I	7.750%
16,000	Wells Fargo Capital Trust IX	5.625%
51,000	Wells Fargo Capital Trust V	7.000%
12,600	Wells Fargo Capital Trust VI	6.950%
87,900	Wells Fargo Capital Trust VII	5.850%
80,800	Zions Capital Trust B	8.000%

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

-----		
Total Commercial Banks		
-----		
Computers & Peripherals - 0.0%		
1,200	IBM Inc., Trust Certificates, Series 2001-2	7.100%
-----		
Consumer Finance - 3.3%		
14,600	Household Capital Trust VI	8.250%
101,300	Household Capital Trust VII	7.500%
120,000	HSBC Finance Corporation	6.360%
95,300	SLM Corporation, Series A, (3)	6.970%
-----		
Total Consumer Finance		
-----		
Diversified Financial Services - 9.4%		
10,000	BBVA Preferred Capital Ltd., Series B	7.750%
37,000	CIT Group Inc., Series A, (3)	6.350%
43,800	CIT Group Incorporated (CORTS)	7.750%
7,200	Citigroup Capital Trust IX	6.000%
28,600	Citigroup Capital Trust VII	7.125%
55,900	Citigroup Capital Trust VIII	6.950%
17,800	Citigroup Capital Trust XI	6.000%
16,549	Citigroup Inc., Series F, (3)	6.365%
68,500	Citigroup Inc., Series H, (3)	6.231%
50,901	Citigroup Inc., Series M, (3)	5.864%
142,900	ING Group N.V.	7.050%
504,300	ING Group N.V.	7.200%
42,600	JPMorgan Chase Capital Trust X	7.000%
43,800	JPMorgan Chase Capital Trust XVI	6.350%

31

Nuveen Quality Preferred Income Fund 3 (JHP) (continued)

Portfolio of Investments December 31, 2005

Shares	Description(1)	Coupon
-----		
Diversified Financial Services (continued)		
25,800	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%
-----		
Total Diversified Financial Services		
-----		
Diversified Telecommunication Services - 0.5%		
4,900	BellSouth Corporation, Series 2001-3 (SATURNS)	7.125%
7,200	BellSouth Corporation, Series BLS (CORTS)	7.000%
13,600	BellSouth Inc. (CORTS)	7.000%
25,600	Verizon Communications (CORTS)	7.625%
15,900	Verizon New England Inc., Series B	7.000%
-----		

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

Total Diversified Telecommunication Services		
Electric Utilities - 2.6%		
53,500	Entergy Louisiana Inc.	7.600%
203,447	Entergy Mississippi Inc.	7.250%
13,100	Georgia Power Company	5.700%
12,000	National Rural Utilities Cooperative Finance Corporation	7.600%
5,300	National Rural Utilities Cooperative Finance Corporation	7.400%
27,718	National Rural Utilities Cooperative Finance Corporation	5.950%
18,300	Tennessee Valley Authority, Series D	6.750%
8,900	Virginia Power Capital Trust	7.375%
Total Electric Utilities		
Food Products - 0.7%		
23,500	Dairy Farmers of America Inc., 144A, (3)	7.875%
Gas Utilities - 0.2%		
32,900	AGL Capital Trust II	8.000%
Health Care Providers & Services - 0.1%		
12,500	Aetna Inc.	8.500%
Insurance - 20.4%		
133,000	Ace Ltd., Series C	7.800%
406,738	Aegon N.V.	6.375%
33,000	Aegon N.V.	6.500%
32,300	AMBAC Financial Group Inc.	5.950%
95,400	AMBAC Financial Group Inc.	5.875%
136,300	Delphi Financial Group, Inc.	8.000%
102,600	EverestRe Capital Trust II	6.200%
305,571	EverestRe Group Limited	7.850%
151,100	Financial Security Assurance Holdings	6.250%
69,200	Hartford Capital Trust III, Series C	7.450%
106,900	Lincoln National Capital Trust V, Series E	7.650%
25,400	MetLife Inc.	5.875%
193,700	MetLife Inc., Series B, (3)	6.500%
64,600	PartnerRe Limited	7.900%
143,800	PartnerRe Limited, Series C	6.750%
3,000	PartnerRe Limited, Series D	6.500%
56,800	PLC Capital Trust III	7.500%
15,500	PLC Capital Trust IV	7.250%
4,500	PLC Capital Trust V	6.125%
52,544	Prudential plc	6.750%
41,500	RenaissanceRe Holdings Ltd., Series A	8.100%
133,800	RenaissanceRe Holdings Ltd., Series B	7.300%
15,000	Safeco Capital Trust I (CORTS)	8.700%
11,000	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%
32,600	Safeco Corporation, Series 2001-7 (SATURNS)	8.250%
2,500	Saint Paul Capital Trust I	7.600%
32,600	W.R. Berkley Capital Trust, Series 2002-1 (CBTCS)	8.125%



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

32

Shares	Description(1)	Coupon
-----		
	Insurance (continued)	
7,000	W.R. Berkley Corporation	6.750%
61,800	XL Capital Ltd, Series A	8.000%
289,400	XL Capital Ltd, Series B	7.625%
-----		
	Total Insurance	
-----		
	Media - 0.0%	
1,900	The Walt Disney Company	7.000%
-----		
	Multi-Utilities - 0.3%	
17,900	Dominion CNG Capital Trust I	7.800%
24,500	Energy East Capital Trust I	8.250%
-----		
	Total Multi-Utilities	
-----		
	Oil, Gas & Consumable Fuels - 1.8%	
195,200	Nexen, Inc.	7.350%
34,700	TransCanada Pipeline	8.250%
-----		
	Total Oil, Gas & Consumable Fuels	
-----		
	Pharmaceuticals - 0.1%	
10,400	Bristol-Myers Squibb Company (CORTS)	6.250%
3,500	Bristol-Myers Squibb Company Trust (CORTS)	6.800%
-----		
	Total Pharmaceuticals	
-----		
	Real Estate - 19.3%	
10,700	AvalonBay Communities, Inc., Series H	8.700%
135,900	BRE Properties, Series C	6.750%
8,029	BRE Properties, Series D	6.750%
182,209	CarrAmerica Realty Corporation, Series E	7.500%
26,700	Developers Diversified Realty Corporation, Series F	8.600%
171,200	Developers Diversified Realty Corporation, Series G	8.000%
32,000	Developers Diversified Realty Corporation, Series H	7.375%
112,900	Duke Realty Corporation, Series L	6.600%
60,644	Equity Office Properties Trust, Series G	7.750%
18,500	Equity Residential Properties Trust, Series C	9.125%
20,800	Equity Residential Properties Trust, Series D	8.600%
56,200	Federal Realty Investment Trust	8.500%
5,100	First Industrial Realty Trust, Inc., Series C	8.625%
131,900	HRPT Properties Trust, Series A	9.875%
246,707	HRPT Properties Trust, Series B	8.750%
21,000	New Plan Excel Realty Trust, Series D	7.800%

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

36,100	New Plan Excel Realty Trust, Series E	7.625%
20,000	Prologis Trust, Series G	6.750%
136,000	PS Business Parks, Inc.	7.000%
36,900	PS Business Parks, Inc., Series D	9.500%
8,300	PS Business Parks, Inc., Series F	8.750%
120,000	PS Business Parks, Inc., Series L	7.600%
3,000	Public Storage, Inc.	7.125%
16,100	Public Storage, Inc., Series F	6.450%
40,900	Public Storage, Inc., Series Q	8.600%
133,833	Public Storage, Inc., Series R	8.000%
20,800	Public Storage, Inc., Series S	7.875%
26,900	Public Storage, Inc., Series T	7.625%
11,000	Public Storage, Inc., Series U	7.625%
17,000	Public Storage, Inc., Series V	7.500%
3,000	Public Storage, Inc., Series X	6.450%
2,700	Realty Income Corporation	7.375%
12,600	Regency Centers Corporation	7.450%
84,500	Regency Centers Corporation	7.250%
25,900	Regency Centers Corporation	6.700%

33

Nuveen Quality Preferred Income Fund 3 (JHP) (continued)

Portfolio of Investments December 31, 2005

Shares	Description(1)	Coupon
-----		
Real Estate (continued)		
7,500	Simon Property Group, Inc., Series F	8.750%
68,600	Simon Property Group, Inc., Series G	7.890%
39,500	United Dominion Realty Trust	8.600%
61,800	Vornado Realty Trust, Series G	6.625%
4,500	Vornado Realty Trust, Series I	6.625%
252,700	Wachovia Preferred Funding Corporation	7.250%
39,600	Weingarten Realty Trust, Series E	6.950%
-----		
Total Real Estate		
-----		
Specialty Retail - 0.2%		
20,900	Sherwin Williams Company, Series III (CORTS)	7.250%
-----		
Thrifts & Mortgage Finance - 1.9%		
18,100	Countrywide Capital Trust II, Series II (CORTS)	8.000%
241,430	Countrywide Capital Trust IV	6.750%
-----		
Total Thrifts & Mortgage Finance		
-----		
U.S. Agency - 1.9%		
43,800	Fannie Mae, (3)	6.129%
7,000	Federal Home Loan Mortgage Corporation	5.300%
9,000	Federal Home Loan Mortgage Corporation	5.810%

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

20,800	Federal Home Loan Mortgage Corporation, (3)	5.000%
20,900	Federal Home Loan Mortgage Corporation, (3)	6.000%
9,000	Federal Home Loan Mortgage Corporation, (3)	6.140%
5,000	Federal Home Loan Mortgage Corporation, (3)	5.100%
19,900	Federal Home Loan Mortgage Corporation, (3)	5.100%
-----		
Total U.S. Agency		
-----		
Wireless Telecommunication Services - 2.1%		
116,901	Telephone and Data Systems Inc.	7.600%
157,500	United States Cellular Corporation	8.750%
5,300	United States Cellular Corporation	7.500%
-----		
Total Wireless Telecommunication Services		
-----		
Total \$25 Par (or similar) Securities (cost \$305,287,314)		
-----		

Principal Amount (000)	Description(1)	Coupon	Maturity
-----			
Corporate Bonds - 0.6% (0.4% of Total Investments)			
Household Durables - 0.4%			
\$ 1,400	Stanley Works Capital Trust I, 144A	5.902%	12/01/45
-----			
Insurance - 0.2%			
700	AIG Capital Trust I, 144A	5.900%	12/21/65
-----			
2,100	Total Corporate Bonds (cost \$2,084,166)		
-----			

Principal Amount (000)/ Shares	Description(1)	Coupon	Maturity
-----			
Capital Preferred Securities - 53.2% (36.1% of Total Investments)			
Capital Markets - 7.4%			
5,000	Ahmanson Capital Trust I, 144A	8.360%	12/01/26
1,000	Bank of New York Capital I, Series B	7.970%	12/31/26
1,000	BT Capital Trust, Series B1	7.900%	1/15/27
1,000	BT Institutional Capital Trust B, 144A	7.750%	12/01/26
-----			

34

Principal Amount (000)/ Shares	Description(1)	Coupon	Maturity
-----			

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

Capital Markets (continued)

500	BT Preferred Capital Trust II	7.875%	2/25/27
250	C.A. Preferred Fund Trust II	7.000%	10/30/49
3,750	C.A. Preferred Funding Trust	7.000%	1/30/49
1,000	First Hawaiian Capital Trust I, Series B	8.343%	7/01/27
8,485	First Union Capital Trust II, Series A	7.950%	11/15/29

Total Capital Markets

Commercial Banks - 22.7%

2,000	AB Svensk Exportkredit, 144A	6.375%	10/27/49
1,000	Abbey National Capital Trust I	8.963%	6/30/50
1,900	AgFirst Farm Credit Bank	7.300%	12/15/53
1,000	BankAmerica Capital II, Series 2	8.000%	12/15/26
1,500	BankBoston Capital Trust II, Series B	7.750%	12/15/26
1,000	BanPonce Trust I, Series A	8.327%	2/01/27
6,200	Barclays Bank plc, 144A	8.550%	6/15/49
900	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 I	8.234%	2/01/27
500	First Midwest Bancorp Inc.	6.950%	12/01/33
9,100	HBOS Capital Funding LP, Notes	6.850%	3/23/49
1,430	HSBC USA Capital Trust II, 144A	8.380%	5/15/27
2,500	KBC Bank Fund Trust III, 144A	9.860%	5/02/50
1,000	KeyCorp Capital II	6.875%	3/17/29
2,500	Lloyds TSB Bank plc, Subordinated Note	6.900%	11/22/49
4,000	North Fork Capital Trust I, Capital Securities	8.700%	12/15/26
1,500	North Fork Capital Trust II	8.000%	12/15/27
3,150	Peoples Heritage Capital Trust I, Series B	9.060%	2/01/27
5,000	PNC Institutional Capital Trust B, 144A	8.315%	5/15/27
1,000	Popular North American Capital Trust I	6.564%	9/15/34
4,500	RBS Capital Trust B	6.800%	12/31/49
2,500	St. George Funding Company LLC, 144A	8.485%	12/31/47
655	Swedbank ForeningsSparbanken AB, 144A	9.000%	9/17/50
4,600	Union Planters Capital Trust A	8.200%	12/15/26
70	Union Planters Preferred Fund, 144A	7.750%	7/15/53
3,000	Zions Institutional Capital Trust, Series A	8.536%	12/15/26

Total Commercial Banks

Diversified Financial Services - 4.1%

1,000	BNP Paribas Capital Trust	7.200%	12/31/49
1,000	Chase Capital Trust I, Series A	7.670%	12/01/26
10,300	Citigroup Capital X	6.100%	9/30/33
9,000	JPM Capital Trust I	7.540%	1/15/27
1,800	Old Mutual Capital Funding, Notes	8.000%	6/22/53

Total Diversified Financial Services

Diversified Telecommunication Services - 2.0%

5,260	Centaur Funding Corporation, Series B, 144A	9.080%	4/21/20
-------	---------------------------------------------	--------	---------

Insurance - 12.8%

3,450	Ace Capital Trust II	9.700%	4/01/30
500	Allstate Financing II	7.830%	12/01/45
750	Mangrove Bay, Class 3, 144A	6.102%	7/15/33
10,000	MIC Financing Trust I	8.375%	2/01/27

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

1,500	Prudential plc	6.500%	6/29/49
3,000	RenaissanceRe Capital Trust	8.540%	3/01/27
10,000	Sun Life Canada Capital Trust, Capital Securities, 144A	8.526%	5/06/47
10,500	Zurich Capital Trust I, 144A	8.376%	6/01/37
-----			
	Total Insurance		
-----			

35

Nuveen Quality Preferred Income Fund 3 (JHP) (continued)

Portfolio of Investments December 31, 2005

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity
-----			
	Oil, Gas & Consumable Fuels - 2.4%		
3,000	KN Capital Trust III	7.630%	4/15/28
4,500	Phillips 66 Capital Trust II	8.000%	1/15/37
-----			
	Total Oil, Gas & Consumable Fuels		
-----			
	Thriffs & Mortgage Finance - 1.7%		
1,000	Countrywide Capital Trust I	8.000%	12/15/26
4,225	Dime Capital Trust I, Series A	9.330%	5/06/27
-----			
	Total Thriffs & Mortgage Finance		
-----			
	U.S. Agency - 0.1%		
6,700	Fannie Mae	5.100%	4/15/49
-----			
	Total Capital Preferred Securities (cost \$177,335,449)		
-----			

Principal Amount (000)	Description (1)	Coupon	Maturity
-----			
	Short-Term Investments - 2.2% (1.5% of Total Investments)		
	Repurchase Agreement with State Street Bank, dated 12/30/05, repurchase price \$7,475,919, collateralized by \$7,730,000 U.S. Treasury Bonds, 4.000%, due 11/15/12, valued at \$7,623,713		
\$ 7,473		3.250%	1/03/06
=====			
	Total Short-Term Investments (cost \$7,473,220)		
-----			

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

Total Investments (cost \$496,145,353) - 147.3%

-----  
 Other Assets Less Liabilities - 1.8%

-----  
 Preferred Shares, at Liquidation Value - (49.1)%

-----  
 Net Assets Applicable to Common Shares - 100%

=====

Interest Rate Swap Contracts Outstanding at December 31, 2005:

Counterparty	Notional Amount	Fixed Rate Paid by the Fund (annualized)	Fixed Rate Payment Frequency	Floating Rate Received by the Fund(4)	Floating Rate Payment Frequency
Citigroup Inc.	\$42,000,000	2.413%	Monthly	4.320%	Monthly
Citigroup Inc.	42,000,000	3.255%	Monthly	4.320%	Monthly
Citigroup Inc.	42,000,000	3.815%	Monthly	4.320%	Monthly

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

(2) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's or Moody's rating. Ratings below Baa by Moody's Investor Service, Inc. or BBB by Standard & Poor's Group are considered to be below investment grade.

(3) Security is eligible for the Dividends Received Deduction.

(4) Based on LIBOR (London Inter-Bank Offered Rate).

N/R Investment is not rated.

144A Securities 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 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.

See accompanying notes to financial statements.

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

Statement of  
Assets and Liabilities December 31, 2005

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
<b>Assets</b>		
Investments, at value (cost \$1,318,535,020, \$2,477,619,478 and \$496,145,353, respectively)	\$ 1,342,619,630	\$ 2,538,352,882
Unrealized appreciation on interest rate swaps	3,011,102	10,954,666
Receivables:		
Dividends	2,447,827	3,593,038
Interest	8,532,353	12,466,203
Investments sold	1,043,564	2,169,024
Reclaims	--	40,864
Other assets	74,448	137,423
<b>Total assets</b>	<b>1,357,728,924</b>	<b>2,567,714,100</b>
<b>Liabilities</b>		
Payable for investments purchased	944,577	80,213
Accrued expenses:		
Management fees	627,585	1,131,305
Other	356,508	626,382
FundPreferred share dividends payable	202,530	333,691
<b>Total liabilities</b>	<b>2,131,200</b>	<b>2,171,591</b>
FundPreferred shares, at liquidation value	440,000,000	800,000,000
Net assets applicable to Common shares	\$ 915,597,724	\$ 1,765,542,509
Common shares outstanding	64,462,104	119,541,842
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.20	\$ 14.77
Net assets applicable to Common shares consist of:		
Common shares, \$.01 par value per share	\$ 644,621	\$ 1,195,418
Paid-in surplus	911,539,984	1,693,035,834
Undistributed (Over-distribution of) net investment income	8,725,182	12,953,839
Accumulated net realized gain (loss) from investments and derivative transactions	(32,407,775)	(13,330,652)
Net unrealized appreciation (depreciation) of investments and derivative transactions	27,095,712	71,688,070
Net assets applicable to Common shares	\$ 915,597,724	\$ 1,765,542,509
Authorized shares:		
Common	Unlimited	Unlimited
FundPreferred shares	Unlimited	Unlimited

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

See accompanying notes to financial statements.

37

Statement of  
Operations Year Ended December 31, 2005

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
Investment Income		
Dividends (net of foreign tax withheld of \$8,366, \$11,731 and \$4,093, respectively)	\$ 50,776,468	\$ 101,881,541
Interest	42,452,437	75,760,522
Total investment income	93,228,905	177,642,063
Expenses		
Management fees	11,946,853	22,017,335
FundPreferred shares - auction fees	1,091,225	1,986,947
FundPreferred shares - dividend disbursing agent fees	26,082	38,501
Shareholders' servicing agent fees and expenses	11,499	13,868
Custodian's fees and expenses	314,871	566,887
Trustees' fees and expenses	26,237	50,116
Professional fees	64,571	102,260
Shareholders' reports - printing and mailing expenses	226,225	432,052
Stock exchange listing fees	25,069	46,238
Investor relations expense	203,091	327,484
Other expenses	41,529	67,882
Total expenses before custodian fee credit and expense reimbursement	13,977,252	25,649,570
Custodian fee credit	(706)	(1,575)
Expense reimbursement	(4,404,201)	(8,403,718)
Net expenses	9,572,345	17,244,277
Net investment income	83,656,560	160,397,786
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) from:		
Investments	10,256,942	29,542,155
Futures	--	626,810
Interest rate swaps	(1,997,325)	(1,219,301)
Change in net unrealized appreciation (depreciation) of:		
Investments	(58,087,700)	(120,450,106)
Futures	--	313,500
Interest rate swaps	6,484,892	9,852,715
Net realized and unrealized gain (loss)	(43,343,191)	(81,334,227)
Distributions to FundPreferred Shareholders		
From net investment income	(13,746,475)	(21,967,419)
From accumulated net realized gains	--	(2,969,505)



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

Decrease in net assets applicable to Common shares from distributions to FundPreferred shareholders	(13,746,475)	(24,936,924)
Net increase (decrease) in net assets applicable to Common shares from operations	\$ 26,566,894	\$ 54,126,635

See accompanying notes to financial statements.

38

Statement of  
Changes in Net Assets

Quality Preferred Income (

	Year Ended 12/31/05	Five Months Ended 12/31/04
Operations		
Net investment income	\$ 83,656,560	\$ 38,406,778
Net realized gain (loss) from:		
Investments	10,256,942	(789,063)
Futures	--	--
Interest rate swaps	(1,997,325)	(2,754,561)
Change in net unrealized appreciation (depreciation) of:		
Investments	(58,087,700)	34,446,726
Futures	--	--
Interest rate swaps	6,484,892	(130,099)
Distributions to FundPreferred shareholders:		
From net investment income	(13,746,475)	(3,338,840)
From accumulated net realized gains	--	--
Net increase (decrease) in net assets applicable to Common shares from operations	26,566,894	65,840,941
Distributions to Common Shareholders		
From net investment income	(72,552,099)	(32,291,619)
From accumulated net realized gains	--	--
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(72,552,099)	(32,291,619)
Capital Share Transactions		
Common shares:		
Offering costs adjustments	--	--
Net proceeds from shares issued to		

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

shareholders due to reinvestment of distributions	--	141,543
FundPreferred shares offering costs adjustments	--	92
-----		
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	141,635
-----		
Net increase (decrease) in net assets applicable to Common shares	(45,985,205)	33,690,957
Net assets applicable to Common shares at the beginning of period	961,582,929	927,891,972
-----		
Net assets applicable to Common shares at the end of period	\$ 915,597,724	\$ 961,582,929
=====		
Undistributed (Over-distribution of) net investment income at the end of period	\$ 8,725,182	\$ 6,133,164
=====		

Quality Preferred Income 2

	Year Ended 12/31/05	Five Months Ended 12/31/04
-----		
Operations		
Net investment income	\$ 160,397,786	\$ 71,895,333
Net realized gain (loss) from:		
Investments	29,542,155	35,993
Futures	626,810	--
Interest rate swaps	(1,219,301)	(4,109,979)
Change in net unrealized appreciation (depreciation) of:		
Investments	(120,450,106)	66,169,186
Futures	313,500	(313,500)
Interest rate swaps	9,852,715	(1,229,256)
Distributions to FundPreferred shareholders:		
From net investment income	(21,967,419)	(4,886,184)
From accumulated net realized gains	(2,969,505)	(1,197,900)
-----		
Net increase (decrease) in net assets applicable to Common shares from operations	54,126,635	126,363,693
-----		
Distributions to Common Shareholders		
From net investment income	(138,788,080)	(62,896,099)
From accumulated net realized gains	(22,079,378)	(22,062,289)
-----		
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(160,867,458)	(84,958,388)
-----		
Capital Share Transactions		
Common shares:		
Offering costs adjustments	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--

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

FundPreferred shares offering costs adjustments	--	92
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	92
Net increase (decrease) in net assets applicable to Common shares	(106,740,823)	41,405,397
Net assets applicable to Common shares at the beginning of period	1,872,283,332	1,830,877,935
Net assets applicable to Common shares at the end of period	\$ 1,765,542,509	\$ 1,872,283,332
Undistributed (Over-distribution of) net investment income at the end of period	\$ 12,953,839	\$ 7,485,948

See accompanying notes to financial statements.

39

Statement of  
Changes in Net Assets (continued)

Quality Preferred Income 3

	Year Ended 12/31/05	Five Months Ended 12/31/04
Operations		
Net investment income	\$ 31,177,398	\$ 14,203,151
Net realized gain (loss) from:		
Investments	2,801,561	(292,843)
Futures	--	--
Interest rate swaps	(22,484)	(785,894)
Change in net unrealized appreciation (depreciation) of:		
Investments	(21,236,219)	12,474,854
Futures	--	--
Interest rate swaps	2,007,568	(494,654)
Distributions to FundPreferred shareholders:		
From net investment income	(4,959,898)	(1,232,711)
From accumulated net realized gains	(324,959)	(79,282)
Net increase (decrease) in net assets applicable to Common shares from operations	9,442,967	23,792,621
Distributions to Common Shareholders		
From net investment income	(27,602,875)	(12,158,797)
From accumulated net realized gains	(2,179,859)	(1,336,468)
Decrease in net assets applicable to		

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

Common shares from distributions to Common shareholders	(29,782,734)	(13,495,265)
<hr style="border-top: 1px dashed black;"/>		
Capital Share Transactions		
Common shares:		
Offering costs adjustments	--	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	--
FundPreferred shares offering costs adjustments	--	--
<hr style="border-top: 1px dashed black;"/>		
Net increase (decrease) in net assets applicable to Common shares from capital share transactions	--	--
<hr style="border-top: 1px dashed black;"/>		
Net increase (decrease) in net assets applicable to Common shares	(20,339,767)	10,297,356
Net assets applicable to Common shares at the beginning of period	358,197,431	347,900,075
<hr style="border-top: 1px dashed black;"/>		
Net assets applicable to Common shares at the end of period	\$ 337,857,664	\$ 358,197,431
<hr style="border-top: 1px dashed black;"/>		
Undistributed (Over-distribution of) net investment income at the end of period	\$ 1,949,002	\$ 2,985,426
<hr style="border-top: 1px dashed black;"/>		

See accompanying notes to financial statements.

40

### Notes to Financial Statements

#### 1. General Information and Significant Accounting Policies

The funds (the "Funds") covered in this report and their corresponding Common share New York Stock Exchange symbols are Nuveen Quality Preferred Income Fund (JTP), Nuveen Quality Preferred Income Fund 2 (JPS) and Nuveen Quality Preferred Income Fund 3 (JHP). The Funds are registered under the Investment Company Act of 1940, as amended, as non-diversified, closed-end management investment companies.

Each Fund seeks to provide high current income consistent with capital preservation by investing primarily in a portfolio of preferred securities, debt securities including convertible debt securities and convertible preferred securities.

The Board of Trustees of the Funds approved a change in the Funds' fiscal year end from July 31 to December 31 upon completion of the Funds' July 31, 2004 fiscal year.

Effective January 1, 2005, Nuveen Institutional Advisory Corp. ("NIAC"), the Funds' previous Adviser, and its affiliate, Nuveen Advisory Corp. ("NAC"), were merged into Nuveen Asset Management ("NAM"), each wholly owned subsidiaries of Nuveen Investments, Inc. ("Nuveen"). As a result of the merger, NAM is now the Adviser to all funds previously advised by either NIAC or NAC.

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

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles.

### Investment Valuation

Exchange-listed securities and instruments, other than futures, are generally valued at the last sales price on the exchange on which such securities or instruments are primarily traded. Securities or instruments traded on an exchange for which there are no transactions on a given day or securities or instruments not listed on an exchange are valued at the mean of the closing bid and asked prices. Securities traded on Nasdaq are valued at the Nasdaq Official Closing Price. Futures contracts are valued using the closing settlement price or, in the absence of such a price, at the mean of the bid and asked prices. Prices of the other derivative instruments are provided by an independent pricing service approved by the Funds' Board of Trustees. The prices of fixed-income securities are generally also provided by an independent pricing service approved by the Funds' Board of Trustees and based on the mean between the bid and asked prices. When price quotes are not readily available, the pricing service or, in the absence of a pricing service for a particular security or instrument, the Board of Trustees of the Funds, or its designee, may establish fair market value using a wide variety of market data including yields or prices of securities of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant by the pricing service or the Board of Trustee's designee. Short-term investments are valued at amortized cost, which approximates market value.

### Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from investment transactions are determined on the specific identification method. Investments purchased on a when-issued or delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At December 31, 2005, the Funds' had no such outstanding purchase commitments.

41

### Notes to Financial Statements (continued)

#### Investment Income

Dividend income is recorded on the ex-dividend date or, for foreign securities, when information is available. Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis.

#### Professional Fees

Professional fees presented in the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment, or to pursue other claims or legal actions on behalf of Fund shareholders.

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

### Federal Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required.

### Dividends and Distributions to Common Shareholders

Distributions to Common shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles.

Distributions to Common shareholders are declared monthly. With respect to the Real Estate Investment Trust ("REIT") securities held in the Funds' Portfolio of Investments, distributions received by the Funds are generally comprised of ordinary income, long-term and short-term capital gains, and a return of REIT capital. The actual character of amounts received during the period is not known until after the fiscal year-end. For the fiscal year ended December 31, 2005, the character of distributions to the Funds from the REITs was as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
-----			
Ordinary income	77.28%	74.67%	78.86%
Long-term and short-term capital gains	22.72	25.33	21.14
Return of REIT capital	--	--	--
=====			

For the fiscal year ended December 31, 2004, the character of distributions to the Funds from the REITs was as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
-----			
Ordinary income	91.42%	91.38%	84.61%
Long-term and short-term capital gains	8.37	7.83	14.31
Return of REIT capital	.21	.79	1.08
=====			

For the fiscal year ended July 31, 2004, the character of distributions to the Funds from the REITs was as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
-----			
Ordinary income	88.48%	90.38%	79.75%
Long-term and short-term capital gains	11.31	8.93	19.20
Return of REIT capital	.21	.69	1.05
=====			

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

For the fiscal year ended December 31, 2005, and the fiscal period ended December 31, 2004, each Fund applied the actual character of distributions reported by the REITs in which the Fund invests to its receipts from the REITs. If a REIT held in the portfolio of investments did not report the actual character of its distributions during the period, the Fund treated the distributions as ordinary income.

For fiscal year ended July 31, 2004, each Fund applied a percentage estimate for the breakdown of income type, to its receipts from the REITs and treated as income in the Statement of Operations only the amount of ordinary income so calculated. Each Fund adjusted that estimated breakdown of income type (and consequently its net investment income) as necessary in the following calendar year when the REITs informed their shareholders of the actual breakdown of income type.

For the fiscal year ended December 31, 2005, and the fiscal period ended December 31, 2004, each Fund applied the actual character of distributions reported by the REITs in which the Fund invests to the distributions paid to each Funds shareholders.

With respect to the portion of each Fund's monthly distribution to its shareholders derived from the Fund's investments in REIT securities for the fiscal year ended July 31, 2004, each Fund treated that portion of its distribution as being entirely from net investment income. The Funds recharacterized those distributions as being from ordinary income, long-term and short-term capital gains, and return of capital, if necessary, in the subsequent calendar year, based upon the income type breakdown information conveyed at that time by the REITs whose securities were held in each Fund's portfolio.

### FundPreferred Shares

The Funds have issued and outstanding FundPreferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's FundPreferred shares are issued in more than one Series. The dividend rate paid by the Fund on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period. The number of shares outstanding, by Series and in total, for each Fund is as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
-----			
Number of shares:			
Series M	3,520	4,800	3,320
Series T	3,520	4,800	--
Series T2	--	4,000	--
Series W	3,520	4,800	--
Series TH	3,520	4,800	3,320
Series TH2	--	4,000	--
Series F	3,520	4,800	--
-----			
Total	17,600	32,000	6,640
=====			

### Interest Rate Swap Transactions

The Funds may invest in certain derivative financial instruments. The Funds' use of interest rate swap transactions is intended to mitigate the negative impact

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

that an increase in short-term interest rates could have on Common share net earnings as a result of leverage. Interest rate swap transactions involve each Fund's agreement with the counterparty to pay a fixed rate payment in exchange for the counterparty paying the Fund a variable rate payment that is intended to approximate each Fund's variable rate payment obligation on Fund Preferred shares or any variable rate borrowing. The payment obligation is based on the notional amount of the interest rate swap contract. Interest rate swaps do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the net amount of interest payments that each Fund is to receive. Interest rate swap positions are valued daily. Although there are economic advantages of entering into interest rate swap transactions, there are also additional risks. The Funds help manage the credit risks associated with interest rate swap transactions by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser continually monitor the financial stability of the swap counterparties.

43

### Notes to

#### Financial Statements (continued)

Due to clarification provided by the SEC to regulated investment companies, effective with the July 31, 2004 reporting period, the Funds changed the way they present net interest expense on interest rate swap transactions in the financial statements. Net interest expense amounts paid during the year are included in "Net realized gain (loss) from interest rate swap transactions". Net interest expense amounts accrued, but not yet paid, at the end of the fiscal year, are included in "Change in net unrealized appreciation (depreciation) of interest rate swap transactions". Previously, net interest expense was presented in "Expenses" and reported as "Net interest expense on interest rate swap transactions". This reclassification does not alter the tax treatment of interest rate payments on swap transactions which is to include such payments as an operating expense for tax purposes.

For the fiscal year ended July 31, 2004, this reclassification, for financial reporting purposes only, resulted in increases to net investment income, decreases to net realized gain (loss) from interest rate swap transactions and decreases to change in net unrealized appreciation (depreciation) of interest rate swap transactions as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	
-----			
Net investment income	\$ 8,892,767	\$ 13,237,853	\$
Net realized gain (loss) from interest rate swap transactions	(8,829,243)	(12,395,021)	(
Change in net unrealized appreciation (depreciation) of interest rate swap transactions	(63,524)	(842,832)	
=====			

### Futures Contracts

Each Fund may use futures contracts to hedge against changes in the values of



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

securities the Fund owns. Each Fund bears the market risk arising from changes in the value of these financial instruments. At the time a Fund enters into a futures contract, the Fund deposits and maintains as collateral an initial margin as required by the exchange on which the transaction is affected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses on futures contracts. Risk may arise from the potential inability of the counterparty to meet the terms of the contract. When a contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the time it was closed. At December 31, 2005, there were no open futures contracts in any of the Funds.

### Repurchase Agreements

In connection with transactions in repurchase agreements, it is the Funds' policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral may be delayed or limited.

### Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

44

### Indemnifications

Under the Funds' organizational documents, their Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

## 2. Fund Shares

Transactions in Common shares were as follows:

Quality Preferred  
Income (JTP)

Quality Prefe  
Income 2 (JP

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

	Year Ended 12/31/05	Five Months Ended 12/31/04	Year Ended 7/31/04	Year Ended 12/31/05	Five Month Ende 12/31/0
Common shares issued to shareholders due to reinvestment of distributions	--	9,641	95,759	--	--

	Year Ended 12/31/05	Five Month Ende 12/31/0
Common shares issued to shareholders due to reinvestment of distributions	--	--

3. Investment Transactions

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the fiscal year ended December 31, 2005, were as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
Purchases	\$ 255,175,849	\$ 425,983,525
Sales and maturities	269,429,029	493,256,057

45

Notes to  
Financial Statements (continued)

4. Income Tax Information

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

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

At December 31, 2005, the cost of investments was as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
Cost of investments	\$1,325,016,071	\$2,485,900,712

Gross unrealized appreciation and gross unrealized depreciation of investments at December 31, 2005, were as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
Gross unrealized:		
Appreciation	\$ 38,901,473	\$ 87,309,497
Depreciation	(21,297,914)	(34,857,327)
Net unrealized appreciation (depreciation) of investments	\$ 17,603,559	\$ 52,452,170

The tax components of undistributed net ordinary income and net realized gains at July 31, 2005, the Funds' last tax year end, were as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
Undistributed net ordinary income *	\$3,556,793	\$ 8,682,726
Undistributed net long-term capital gains	--	19,370,073

\* Net ordinary income consists of net taxable income derived from dividends, interest and net short-term capital gains, if any.

46

The tax character of distributions paid during the tax years ended July 31, 2005 and July 31, 2004, was designated for purposes of the dividends paid deduction as follows:

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

July 31, 2005	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
---------------	-----------------------------------------	-------------------------------------------

Distributions from net ordinary income *	\$86,458,729	\$168,985,896
Distributions from net long-term capital gains	--	19,485,262

July 31, 2004	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
---------------	-----------------------------------------	-------------------------------------------

Distributions from net ordinary income *	\$86,134,890	\$171,962,461
Distributions from net long-term capital gains	--	--

\* Net ordinary income consists of net taxable income derived from dividends, interest and net short-term capital gains, if any.

At July 31, 2005, the Funds' last tax year end, Quality Preferred Income (JTP) had unused capital loss carryforwards of \$22,268,801 available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire in the year 2012.

Calculation of certain of the amounts presented above (namely, undistributed net ordinary income for tax purposes) involves the application of complex aspects of the Internal Revenue Code to certain securities held by the Funds. In calculating the amount of taxable income derived from these securities, management made assumptions as to the correct tax treatment of certain of those securities and made estimates about the tax characteristics of income received from those securities, based on information currently available to the Funds. The use of these assumptions and estimates will not affect the qualification of the Funds as regulated investment companies under Subchapter M of the Internal Revenue Code, nor is it expected that these assumptions and estimates will be used in computing taxable income for purposes of preparing the federal and state income and excise tax returns.

#### 5. Management Fee and Other Transactions with Affiliates

Each Fund's management fee is separated into two components - a complex-level component, based on the aggregate amount of all fund assets managed by the Adviser, and a specific fund-level component, based only on the amount of assets within each individual fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

The annual fund-level fee, payable monthly, for each Fund is based upon the average daily Managed Assets of each Fund as follows:

Average Daily Managed Assets	Fund-Level Fee Rate
For the first \$500 million	.7000%
For the next \$500 million	.6750
For the next \$500 million	.6500
For the next \$500 million	.6250

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

For Managed Assets over \$2 billion .6000

=====

47

Notes to  
Financial Statements (continued)

The annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as stated in the table below. As of December 31, 2005, the complex-level fee rate was .1895%.

Complex-Level Assets(1)	Complex-Level Fee Rate
For the first \$55 billion	.2000%
For the next \$1 billion	.1800
For the next \$1 billion	.1600
For the next \$3 billion	.1425
For the next \$3 billion	.1325
For the next \$3 billion	.1250
For the next \$5 billion	.1200
For the next \$5 billion	.1175
For the next \$15 billion	.1150
For Managed Assets over \$91 billion(2)	.1400

=====

- (1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to all types of leverage used by the Nuveen funds) of Nuveen-sponsored funds in the U.S.
- (2) With respect to the complex-wide Managed Assets over \$91 billion, the fee rate or rates that will apply to such assets will be determined at a later date. In the unlikely event that complex-wide Managed Assets reach \$91 billion prior to a determination of the complex-level fee rate or rates to be applied to Managed Assets in excess of \$91 billion, the complex-level fee rate for such complex-wide Managed Assets shall be .1400% until such time as a different rate or rates is determined.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser has entered into Sub-Advisory Agreements with Spectrum Asset Management, Inc. ("Spectrum"), under which Spectrum manages the investment portfolios of the Funds. Spectrum is compensated for its services to the Funds from the management fees paid to the Adviser. Spectrum also receives compensation on certain portfolio transactions for providing brokerage services to the Funds.

The Funds pay no compensation directly to those of its Trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Trustees has adopted a deferred compensation plan for independent Trustees that enables Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised Funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised Funds.

48

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

For the first eight years of Quality Preferred Income's (JTP) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily Managed Assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending June 30,		Year Ending June 30,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		

\* From the commencement of operations.

The Adviser has not agreed to reimburse Quality Preferred Income (JTP) for any portion of its fees and expenses beyond June 30, 2010.

For the first eight years of Quality Preferred Income 2's (JPS) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily Managed Assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending September 30,		Year Ending September 30,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		

\* From the commencement of operations.

The Adviser has not agreed to reimburse Quality Preferred Income 2 (JPS) for any portion of its fees and expenses beyond September 30, 2010.

For the first eight years of Quality Preferred Income 3's (JHP) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily Managed Assets, for fees and expenses in the amounts and for the time periods set forth below:

Year Ending December 31,		Year Ending December 31,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		

\* From the commencement of operations.

The Adviser has not agreed to reimburse Quality Preferred Income 3 (JHP) for any portion of its fees and expenses beyond December 31, 2010.

Notes to  
Financial Statements (continued)

6. Announcement Regarding Parent Company of Adviser

In early April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers"), which owned 79% of Nuveen, (A) completed a public offering of a substantial portion of its equity stake in Nuveen, (B) sold Nuveen \$200 million of its Nuveen shares, (C) entered into an agreement with Nuveen to sell an additional \$400 million of its Nuveen shares on a "forward" basis with payment for and settlement of these shares delayed for several months, and (D) entered into agreements with two unaffiliated investment banking firms to sell an amount equal to most or all of its remaining Nuveen shares for current payment but for future settlement. Transactions (C) and (D) above were settled in late July, which effectively reduced St. Paul Travelers' controlling stake in Nuveen and was deemed an "assignment" (as defined in the 1940 Act) of the investment management agreements between the Funds and the Adviser, which resulted in the automatic termination of each agreement under the 1940 Act. In anticipation of such deemed assignment, the Board of Trustees had approved new ongoing investment management agreements for each Fund and the submission of those agreements for approval by each respective Fund's shareholders, which shareholder approval was received prior to the settlement of transactions (C) and (D). The new ongoing management agreements took effect upon such settlement.

7. Subsequent Events - Distributions to Common Shareholders

The Funds declared Common share distributions which were paid on February 1, 2006, to shareholders of record on January 15, 2006, as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
July 31, 2005			
Distributions per share	\$ .0900	\$ .0930	\$ .0945

50

Financial  
Highlights

51

Financial  
Highlights

Selected data for a Common share outstanding throughout each period:

Investment Operations

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

	Beginning Common Share Net Asset Value	Net Investment Income (a)	Net Realized/ Unrealized Gain (Loss)	Distributions from Net Investment Income to FundPreferred Share- holders+	Distributions from Capital Gains to FundPreferred Share- holders+
Quality Preferred Income (JTP)					
Year ended 12/31:					
2005	\$ 14.92	\$ 1.30	\$ (.68)	\$ (.21)	\$ --
8/1/04-12/31/04	14.40	.60	.47	(.05)	--
Year Ended 7/31:					
2004 (b)	14.10	1.37	.26	(.08)	--
2003	14.12	1.31	.16	(.09)	--
2002 (c)	14.33	.06	(.25)	--	--
Quality Preferred Income 2 (JPS)					
Year ended 12/31:					
2005	15.66	1.34	(.69)	(.18)	(.02)
8/1/04-12/31/04	15.32	.60	.50	(.04)	(.01)
Year Ended 7/31:					
2004 (b)	14.97	1.42	.37	(.08)	--
2003 (d)	14.33	1.02	.79	(.07)	--
Quality Preferred Income 3 (JHP)					
Year ended 12/31:					
2005	15.15	1.32	(.70)	(.21)	(.01)
8/1/04-12/31/04	14.71	.60	.46	(.05)	--
Year Ended 7/31:					
2004 (b)	14.38	1.38	.40	(.08)	(.01)
2003 (e)	14.33	.67	.22	(.04)	--

Less Distributions

	Net Investment Income to Common Shareholders	Capital Gains to Common Share- holders	Total	Offering Costs and FundPreferred Share Underwriting Discounts	Ending Common Share Net Asset Value
Quality Preferred Income (JTP)					
Year ended 12/31:					
2005	\$ (1.13)	\$ --	\$ (1.13)	\$ --	\$ 14.2
8/1/04-12/31/04	(.50)	--	(.50)	--	14.9
Year Ended 7/31:					
2004 (b)	(1.25)	--	(1.25)	--	14.4
2003	(1.25)	--	(1.25)	(.15)	14.1
2002 (c)	--	--	--	(.02)	14.1
Quality Preferred Income 2 (JPS)					



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

Year ended 12/31:					
2005	(1.16)	(.18)	(1.34)	--	14.7
8/1/04-12/31/04	(.53)	(.18)	(.71)	--	15.6
Year Ended 7/31:					
2004 (b)	(1.32)	(.04)	(1.36)	--	15.3
2003 (d)	(.95)	--	(.95)	(.15)	14.9

Quality Preferred Income 3 (JHP)

Year ended 12/31:					
2005	(1.17)	(.09)	(1.26)	--	14.2
8/1/04-12/31/04	(.51)	(.06)	(.57)	--	15.1
Year Ended 7/31:					
2004 (b)	(1.24)	(.12)	(1.36)	--	14.7
2003 (e)	(.62)	--	(.62)	(.18)	14.3

\* Annualized.

\*\* Total Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. Total Return on Common Share Net Asset Value is the combination of changes in Common Share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. Total returns are not annualized.

\*\*\* After custodian fee credit and expense reimbursement, where applicable.

+ The amounts shown are based on Common share equivalents.

- ++ o Ratios do not reflect the effect of dividend payments to FundPreferred shareholders.
- o Income ratios reflect income earned on assets attributable to FundPreferred shares.
- o For the periods presented below each ratio includes the effect of the interest expense paid on interest rate swap transactions as follows:

Ratio of Net Interest Expense to Average  
Net Assets Applicable to Common Shares

Quality Preferred Income (JTP)	
Year Ended 7/31:	
2003	.80%
2002 (c)	--
Quality Preferred Income 2 (JPS)	
Year Ended 7/31:	
2003 (d)	.58*
Quality Preferred Income 3 (JHP)	
Year Ended 7/31:	
2003 (e)	.51*

(a) Per share Net Investment Income is calculated using the average daily shares method.

(b) As discussed in the accompanying notes to financial statements the Funds changed their method of presentation for net interest expense on interest rate swap transactions. The effect of this reclassification for the fiscal

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

year ended July 31, 2004, was as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)
	-----	
Increase of Net Investment Income per share with a corresponding decrease in Net Realized/Unrealized Investment Gain (Loss)	\$ .14	\$ .11
Decrease in each of the Ratios of Expenses to Average Net Assets Applicable to Common Shares with a corresponding increase in each of the Ratios of Net Investment Income to Average Net Assets Applicable to Common Shares	.94%	.71%
(c) For the period June 25, 2002 (commencement of operations) through July 31, 2002.		
(d) For the period September 24, 2002 (commencement of operations) through July 31, 2003.		
(e) For the period December 18, 2002 (commencement of operations) through July 31, 2003.		

52

	Total Returns	
	-----	
	Based on Market Value**	Based on Share Net Asset Value**
	-----	
Quality Preferred Income (JTP)		
-----		
Year ended 12/31:		
2005	(3.69)%	2.89%
8/1/04-12/31/04	3.79	7.10
Year Ended 7/31:		
2004 (b)	4.20	11.17
2003	4.95	9.15
2002 (c)	1.00	(1.47)
Quality Preferred Income 2 (JPS)		
-----		
Year ended 12/31:		
2005	(2.06)	3.01
8/1/04-12/31/04	3.34	6.94
Year Ended 7/31:		
2004 (b)	8.98	11.60
2003 (d)	4.02	11.22

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

Quality Preferred Income 3 (JHP)

Year ended 12/31:		
2005	(2.16)	2.88
8/1/04-12/31/04	4.64	6.81
Year Ended 7/31:		
2004 (b)	9.36	11.93
2003 (e)	(.19)	4.62

Ratios/Supplemental Data

	Before Credit/Reimbursement		After Credit	
	Ratio of Expenses to Average Net Assets Applicable to Common Shares (000)	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++	Ratio of Expenses to Average Net Assets Applicable to Common Shares++	Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++

Quality Preferred Income (JTP)

Year ended 12/31:				
2005	\$ 915,598	1.49%	8.47%	1.02
8/1/04-12/31/04	961,583	1.49*	9.15*	1.02
Year Ended 7/31:				
2004 (b)	927,892	1.51	8.87	1.04
2003	907,746	2.38	8.84	1.91
2002 (c)	880,006	.96*	4.51*	.64

Quality Preferred Income 2 (JPS)

Year ended 12/31:				
2005	1,765,543	1.40	8.32	.94
8/1/04-12/31/04	1,872,283	1.40*	8.69*	.94
Year Ended 7/31:				
2004 (b)	1,830,878	1.41	8.64	.95
2003 (d)	1,789,809	1.99*	7.59*	1.54

Quality Preferred Income 3 (JHP)

Year ended 12/31:				
2005	337,858	1.54	8.48	1.07
8/1/04-12/31/04	358,197	1.54*	9.03*	1.07
Year Ended 7/31:				
2004 (b)	347,900	1.55	8.75	1.08
2003 (e)	339,499	1.97*	7.14*	1.53

Fund Preferred Shares at End of Period

Aggregate Amount Outstanding	Liquidation and Market Value	Asset Coverage
------------------------------	------------------------------	----------------

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

	(000)	Per Share	Per Share
-----			
Quality Preferred Income (JTP)			
-----			
Year ended 12/31:			
2005	\$ 440,000	\$ 25,000	\$ 77,023
8/1/04-12/31/04	440,000	25,000	79,635
Year Ended 7/31:			
2004 (b)	440,000	25,000	77,721
2003	440,000	25,000	76,577
2002 (c)	--	--	--
-----			
Quality Preferred Income 2 (JPS)			
-----			
Year ended 12/31:			
2005	800,000	25,000	80,173
8/1/04-12/31/04	800,000	25,000	83,509
Year Ended 7/31:			
2004 (b)	800,000	25,000	82,215
2003 (d)	800,000	25,000	80,932
-----			
Quality Preferred Income 3 (JHP)			
-----			
Year ended 12/31:			
2005	166,000	25,000	75,882
8/1/04-12/31/04	166,000	25,000	78,945
Year Ended 7/31:			
2004 (b)	166,000	25,000	77,395
2003 (e)	166,000	25,000	76,129
-----			

See accompanying notes to financial statements.

53

Board Members  
and Officers

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board Members of the Funds. The number of board members of the Fund is currently set at nine. None of the board members who are not "interested" persons of the Funds has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the board members and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

Name, Birthdate and Address	Position(s) Held with the Funds	Year First Elected or Appointed(2)	Principal Occupation(s) Including other Directorships During Past 5 Years
--------------------------------	------------------------------------	---------------------------------------	---------------------------------------------------------------------------------

-----  
Board members who is an interested person of the Funds:  
-----

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

Timothy R. Schwertfeger(1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606	Chairman of the Board and Trustee	1994	Chairman (since 1996) and Director Investments, Inc., Nuveen Investment Nuveen Advisory Corp. and Nuveen I Advisory Corp.(3); Director (since Institutional Capital Corporation; Director (since 1997) of Nuveen AS Management; Chairman and Director Asset Management, Inc. (since 1999 Nuveen Investments Advisers Inc. (
-----------------------------------------------------------------------------------	-----------------------------------	------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Board members who are not interested persons of the Funds:

Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606	Board member	1997	Private Investor and Management Co
--------------------------------------------------------------------------	--------------	------	------------------------------------

Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606	Board member	1993	Retired (since 1989) as Senior Vice The Northern Trust Company; Director 2002) Community Advisory Board for and Highwood, United Way of the No
--------------------------------------------------------------------------	--------------	------	------------------------------------------------------------------------------------------------------------------------------------------------

Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606	Board member	1999	President, The Hall-Perrine Founda private philanthropic corporation Director and Vice Chairman, United publicly held company; Adjunct Fac University of Iowa; Director, Gaze Life Trustee of Coe College and Io Foundation; formerly, Director, Al formerly, Director, Federal Reserv Chicago; formerly, President and C Officer, SCI Financial Group, Inc. financial services firm.
-----------------------------------------------------------------------	--------------	------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

William C. Hunter 3/6/48 333 W. Wacker Drive Chicago, IL 60606	Board member	2004	Dean and Distinguished Professor o School of Business at the Universi Connecticut (since 2002); previous Vice President and Director of Res Federal Reserve Bank of Chicago (1 Director (since 1997), Credit Rese Georgetown University; Director (s Xerox Corporation; Director SS&C T Inc. (May 2005–October 2005).
-------------------------------------------------------------------------	--------------	------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

David J. Kundert 10/28/42 333 W. Wacker Drive Chicago, IL 60606	Board member	2005	Retired (since 2004) as Chairman, Fleming Asset Management, Presiden Banc One Investment Advisors Corpo President, One Group Mutual Funds; thereto, Executive Vice President, Corporation and Chairman and CEO, Investment Management Group; Board Luther College; member of the Wisc Association; member of Board of Di Friends of Boerner Botanical Garde
--------------------------------------------------------------------------	--------------	------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Name, Birthdate and Address	Position(s) Held with the Funds	Year First Elected or Appointed(2)	Principal Occupation(s) Including other Directorships During Past 5 Years
--------------------------------	------------------------------------	---------------------------------------	---------------------------------------------------------------------------------

---

Board members who are not interested persons of the Funds (continued):

---

William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606	Board member	1997	Chairman of Miller-Valentine Partn real estate investment company; fo Senior Partner and Chief Operating (retired, December 2004), of Mille Group; formerly, Vice President, Miller-Valentine Realty; Board Mem the Finance Committee and member o Committee of Premier Health Partne not-for-profit company of Miami Va Hospital; Vice President, Dayton P Orchestra Association; Board Membe Leaders Forum, which promotes coop economic development issues; Direc Development Coalition; formerly, M Community Advisory Board, National Dayton, Ohio and Business Advisory Cleveland Federal Reserve Bank.
-----------------------------------------------------------------------------	--------------	------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

---

Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606	Board member	1997	Executive Director, Gaylord and Do Donnelley Foundation (since 1994); thereto, Executive Director, Great Protection Fund (from 1990 to 1994)
-----------------------------------------------------------------------------	--------------	------	-------------------------------------------------------------------------------------------------------------------------------------------------------

---

Eugene S. Sunshine 1/22/50 333 W. Wacker Drive Chicago, IL 60606	Board member	2005	Senior Vice President for Business Northwestern University (since 199 (since 2003), Chicago Board Option Director (since 2003), National Me Holdings, a privately-held, nation of home and community-based servic (since 1997), Board of Directors, pure captive insurance company own Northwestern University; Director Evanston Chamber of Commerce and E Inventure, a business development
---------------------------------------------------------------------------	--------------	------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Name, Birthdate and Address	Position(s) Held with the Funds	Year First Elected or Appointed(4)	Principal Occupation(s) During Past 5 Years
--------------------------------	------------------------------------	---------------------------------------	------------------------------------------------

---

Officers of the Funds

---

Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	1988	Managing Director (since 2002), As Secretary and Associate General Co formerly, Vice President and Assis Counsel, of Nuveen Investments, LL Director (2002-2004), General Coun (1998-2004) and Assistant Secretar Vice President of Nuveen Advisory Nuveen Institutional Advisory Corp
----------------------------------------------------------------------------	------------------------------------	------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Managing Director (since 2002) and Secretary and Associate General Counsel (since 2002); formerly, Vice President (since 1994) of Nuveen Asset Management; Managing Director (since 2004) and Assistant Secretary (since 2004) of Nuveen Investments, Inc.; Secretary of NWQ Investment Management LLC. (since 2002); Vice President and Secretary of Nuveen Investments Advisors, Inc. (since 2002); Managing Director, Assistant General Counsel and Assistant Secretary of Rittenhouse Asset Management, Inc. (since 2003); Chartered Financial Analyst.

55

Board Members  
and Officers (continued)

Name, Birthdate and Address	Position(s) Held with the Funds	Year First Elected or Appointed(4)	Principal Occupation(s) During Past 5 Years
----- Officers of the Funds (continued): -----			
Julia L. Antonatos 9/22/63 333 W. Wacker Drive Chicago, IL 60606	Vice President	2004	Managing Director (since 2005), former President (since 2002); formerly, Vice President (since 2000) of Nuveen Investments, LLC; Chartered Financial Analyst.
Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2000	Vice President (since 2002), former Vice President (since 2000) of Nuveen Investments, LLC.
Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	1999	Vice President of Nuveen Investments (since 1999); Vice President and Treasurer of Nuveen Investments, Inc.; Vice President and Treasurer (1999-2004) of Nuveen Advisors and Nuveen Institutional Advisory Services, Inc.; President and Treasurer of Nuveen Asset Management (since 2002) and of Nuveen Investments Advisors Inc. (since 2002); Assistant Treasurer of NWQ Investment Management Company, LLC. (since 2002); Vice President and Treasurer of Nuveen Rittenhouse Asset Management, Inc. (since 2003); Chartered Financial Analyst.
John N. Desmond 8/24/61 333 W. Wacker Drive Chicago, IL 60606	Vice President	2005	Vice President, Director of Investment Operations, Nuveen Investments, LLC (since January 2005); formerly, Director, Manager, Deutsche Asset Management and Director, Business Development and

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

Transformation, Deutsche Trust Bank (2002-2003); previously, Senior Vice Head of Investment Operations and Scudder Investments Japan, (2000-2002); Vice President, Head of Plan Administration, Participant Services, Scudder Investments (1995-2002).

Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	1998	Vice President (since 2002), Assistant and Assistant General Counsel (since 2002) formerly, Assistant Vice President of Nuveen Investments, LLC; Vice President (2002-2004) and Assistant Secretary formerly, Assistant Vice President of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.(3); Vice President and Assistant (since 2005) of Nuveen Asset Management.
---------------------------------------------------------------------------	---------------------------------	------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606	Vice President	1998	Managing Director (since 2004), formerly, Vice President of Nuveen Investments, LLC; Managing Director (2004) formerly, Vice President (1998-2004) of Nuveen Advisory Corporation and Nuveen Institutional Advisory Corp.(3); Managing Director (since 2005) of Nuveen Asset Management.
---------------------------------------------------------------------------	----------------	------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

William M. Fitzgerald 3/2/64 333 W. Wacker Drive Chicago, IL 60606	Vice President	1995	Managing Director (since 2002), formerly, Vice President of Nuveen Investments; Managing Director (1997-2004) of Nuveen Advisory Corporation and Nuveen Institutional Advisory Corporation; Managing Director of Nuveen Asset Management (since 2001); Vice President of Nuveen Investments Advisers Inc. (since 2002); Chartered Financial Analyst.
-----------------------------------------------------------------------------	----------------	------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

56

Name, Birthdate and Address	Position(s) Held with the Funds	Year First Elected or Appointed(4)	Principal Occupation(s) During Past 5 Years
--------------------------------	------------------------------------	---------------------------------------	------------------------------------------------

Officers of the Funds (continued):

Stephen D. Foy 5/31/54 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	1998	Vice President (since 1993) and Fund Controller (since 1998) of Nuveen Investments, LLC; formerly, Vice President and Funds Controller (1998-2004) of Nuveen Investments, LLC; Certified Public Accountant.
-----------------------------------------------------------------------	----------------------------------	------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

James D. Grassi 4/13/56 333 W. Wacker Drive Chicago, IL 60606	Vice President and Chief Compliance Officer	2004	Vice President and Deputy Director of Compliance (since 2004) of Nuveen Investments, LLC; formerly, Vice President of Compliance of Nuveen Investments Advisers Inc., Nuveen Institutional Advisory Corporation and Rittenhouse Asset Management Inc.; previously, Vice President and Director of Compliance (2004) of Nuveen Investments, LLC.
------------------------------------------------------------------------	------------------------------------------------------	------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



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

Corp. and Nuveen Institutional Adv  
Corp.(3); formerly, Senior Attorne  
The Northern Trust Company.

<p>David J. Lamb 3/22/63 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President</p>	<p>2000</p>	<p>Vice President (since 2000) of Nuve Investments, LLC; Certified Public</p>
<p>Tina M. Lazar 8/27/61 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President</p>	<p>2002</p>	<p>Vice President of Nuveen Investmen 1999).</p>
<p>Larry W. Martin 7/27/51 333 W. Wacker Drive Chicago, IL 60606</p>	<p>Vice President and Assistant Secretary</p>	<p>1988</p>	<p>Vice President, Assistant Secretar Assistant General Counsel of Nuvee LLC; Vice President and Assistant Nuveen Advisory Corp. and Nuveen I Advisory Corp.(3); Vice President and Assistant Secretary of Nuveen Inc.; Vice President (since 2005) Secretary (since 1997) of Nuveen A Management; Vice President (since Assistant Secretary and Assistant Counsel (since 1998) of Rittenhous Management, Inc.; Vice President a Secretary of Nuveen Investments Ad (since 2002); Assistant Secretary Investment Management Company, LLC</p>

- (1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and board member of the Adviser.
- (2) Board members serve an indefinite term until his/her successor is elected. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (3) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005.
- (4) Officers serve one year terms through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

57

Reinvest Automatically  
Easily and Conveniently

Nuveen makes  
reinvesting easy.  
A phone call is  
all it takes to  
set up your  
reinvestment  
account

Nuveen Exchange-Traded Closed-End Funds

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

### Dividend Reinvestment Plan

Your Nuveen Exchange-Traded Closed-End Fund allows you to conveniently reinvest dividends and/or capital gains distributions in additional fund shares

By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of compounding.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

### Easy and convenient

To make recordkeeping easy and convenient, each month you'll receive a statement showing your total dividends and distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

### How shares are purchased

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

### Flexible

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

### Call today to start reinvesting dividends and/or distributions

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

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

### Other Useful Information

In April, 2005, The St. Paul Travelers Companies, Inc. ("St. Paul Travelers") sold the majority of its controlling equity interest in Nuveen Investments, Inc. ("Nuveen") to the general public. Nuveen is the parent of Nuveen Asset Management ("NAM"), which is each Fund's investment manager. This sale was deemed to be an "assignment" of the investment management agreement between each Fund and NAM and, if applicable, of the sub-advisory agreement between NAM and the Fund's sub-adviser. As required by law, the shareholders of each Fund were asked to approve a new investment management agreement and, if applicable, a new subadvisory agreement that reflected this change in ownership. The shareholders of each Fund voted this approval at a Shareholders' Meeting on July 26, 2005. There were no changes to the investment objectives or management of any Fund as a result of these actions.

### Quarterly Portfolio of Investments and Proxy voting information

The Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the most recent 12-month period ended June 30, 2005, and (iii) a description of the policies and procedures that the Fund used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at [www.nuveen.com](http://www.nuveen.com).

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to the SEC's Public Reference Section at 450 Fifth Street NW, Washington, D.C. 20549.

### CEO Certification Disclosure

Each Fund's Chief Executive Officer has submitted to the New York Stock Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

Each Fund has filed with the Securities and Exchange Commission the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

### Distribution Information

Nuveen Quality Preferred Income Fund (JTP), Nuveen Quality Preferred Income Fund 2 (JPS) and Nuveen Quality Preferred Income Fund 3 (JHP) designate 15.22%, 12.12% and 11.60%, respectively, of dividends declared from net investment income as dividends qualifying for the 70% dividends received deduction for corporations and 21.15%, 17.41% and 17.85%, respectively, as qualified dividend income for individuals under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

### Board of Trustees

Robert P. Bremner  
Lawrence H. Brown  
Jack B. Evans  
William C. Hunter

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

David J. Kundert  
William J. Schneider  
Timothy R. Schwertfeger  
Judith M. Stockdale  
Eugene S. Sunshine

### Fund Manager

Nuveen Asset Management  
333 West Wacker Drive  
Chicago, IL 60606

### Custodian

State Street Bank & Trust Company  
Boston, MA

### Transfer Agent and Shareholder Services

State Street Bank & Trust Company  
Nuveen Funds  
P.O. Box 43071  
Providence, RI 02940-3071  
(800) 257-8787

### Legal Counsel

Chapman and Cutler LLP  
Chicago, IL

### Independent Registered Public Accounting Firm

Ernst & Young LLP  
Chicago, IL

The Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period covered by this report. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

59

[GRAPHIC OMITTED]

Learn more  
about Nuveen Funds at  
[www.nuveen.com/etf](http://www.nuveen.com/etf)

Nuveen Investments:

SERVING Investors  
For GENERATIONS

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility.

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

Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio. Our clients have come to appreciate this diversity, as well as our continued adherence to proven, long-term investing principles.

We offer many different investing solutions for our clients' different needs.

Managing more than \$135 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

Find out how we can help you reach your financial goals.

To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest.

Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

- o Share prices
- o Fund details
- o Daily financial news
- o Investor education
- o Interactive planning tools

[LOGO]  
NUVEEN  
Investments

EAN-E-1205D

### ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at [www.nuveen.com/etf](http://www.nuveen.com/etf). (To view the code, click on the Investor Resources drop down menu box, click on Fund Governance and then click on Code of Conduct.)

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees determined that the registrant

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

has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial expert is Jack B. Evans, Chairman of the Audit Committee, who is "independent" for purposes of Item 3 of Form N-CSR.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser ("SCI"). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the "CFO") and actively supervised the CFO's preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI's financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr. Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

#### Nuveen Quality Preferred Income Fund 2

The following tables show the amount of fees that Ernst & Young LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For engagements with Ernst & Young LLP the Audit Committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the "pre-approval exception"). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

#### SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

FISCAL YEAR ENDED	AUDIT FEES BILLED TO FUND	AUDIT-RELATED FEES BILLED TO FUND	TAX FEES BILLED TO
December 31, 2005	\$ 28,211	\$ 0	\$
Percentage approved pursuant to pre-approval exception		0%	
December 31, 2004 (1)	\$ 26,088	\$ 0	\$
Percentage approved		0%	

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

pursuant to  
pre-approval  
exception

The above "Tax Fees" were billed for professional services for tax advice, tax compliance, and tax planning.

- (1) This fund changed its fiscal year end from July 31 to December 31. For the stub period ending, 12/31/04 the fund incurred the following fees : Audit fees of \$26,088 ; Tax fees of \$3,676 ; and All Other fees of \$1,800.

### SERVICES THAT THE FUND'S AUDITOR BILLED TO THE ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Asset Management ("NAM" or the "Adviser"), and any entity controlling, controlled by or under common control with NAM ("Control Affiliate") that provides ongoing services to the Fund ("Affiliated Fund Service Provider"), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

FISCAL YEAR ENDED	AUDIT-RELATED FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS	TAX FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS	ALL OTHER BILLED TO A AND AFFILIAT SERVICE PRO
December 31, 2005	\$ 0	\$ 282,575	
Percentage approved pursuant to pre-approval exception	0%	0%	
December 31, 2004	\$ 0	\$ 0	
Percentage approved pursuant to pre-approval exception	0%	0%	

The above "Tax Fees" are primarily fees billed to the Adviser for Fund tax return preparation.

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

## NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. For engagements entered into on or after May 6, 2003, the Audit Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the de minimis exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP's independence.

FISCAL YEAR ENDED	TOTAL NON-AUDIT FEES BILLED TO FUND	TOTAL NON-AUDIT FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND)	TOTAL NON- BILLED TO AFFILIATED PROVIDERS ENGA
December 31, 2005	\$ 7,573	\$ 282,575	
December 31, 2004 (2)	\$ 12,548	\$ 0	

The above "Non-Audit Fees billed to Adviser" for 2005 include "Tax-Fees" billed to Adviser in the amount of \$282,575 from previous table.

- (2) This fund changed its fiscal year end from July 31 to December 31. For the stub period ending, 12/31/04 the fund incurred total Non-Audit fees of \$5,476.

Audit Committee Pre-Approval Policies and Procedures. Generally, the Audit Committee must approve (i) all non-audit services to be performed for the Fund by the Fund's independent accountants and (ii) all audit and non-audit services to be performed by the Fund's independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the Audit Committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the Audit Committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the Audit Committee at the next Audit Committee meeting if they are expected to be for an amount under \$5,000.

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board of Directors or Trustees has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Lawrence H. Brown, Jack B. Evans, William J. Schneider and Eugene S. Sunshine.



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

### ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The Adviser has engaged Spectrum Asset Management, Inc. ("Spectrum" or "Sub-Adviser") as Sub-Adviser to provide discretionary investment advisory services. As part of these services, the Adviser has also delegated to the Sub-Adviser the full responsibility for proxy voting and related duties in accordance with the Sub-Adviser's policy and procedures. The Adviser periodically will monitor the Sub-Adviser's voting to ensure that they are carrying out their duties. The Sub-Adviser's proxy voting policies and procedures are summarized as follows:

Spectrum has adopted a Policy on Proxy Voting for Investment Advisory Clients (the "Voting Policy"), which provides that Spectrum aims to ensure that, when delegated proxy voting authority by a client, Spectrum acts (1) solely in the interest of the client in providing for ultimate long-term stockholder value, and (2) without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. Spectrum relies on the custodian bank to deliver proxies to Spectrum for voting.

Spectrum has selected Institutional Shareholder Services, Inc. ("ISS") to assist with Spectrum's proxy voting responsibilities. Spectrum generally follows ISS standard proxy voting guidelines which embody the positions and factors Spectrum considers important in casting proxy votes. In connection with each proxy vote, ISS prepares a written analysis and recommendation based on its guidelines. In order to avoid any conflict of interest for ISS, the CCO will require ISS to deliver additional information or certify that ISS has adopted policies and procedures to detect and mitigate such conflicts of interest in issuing voting recommendations. Spectrum also may obtain voting recommendations from two proxy voting services as an additional check on the independence of ISS' voting recommendations.

Spectrum may, on any particular proxy vote, diverge from ISS' guidelines or recommendations. In such a case, Spectrum's Voting Policy requires that: (i) the requesting party document the reason for the request; (ii) the approval of the Chief Investment Officer; (iii) notification to appropriate compliance personnel; (iv) a determination that the decision is not influenced by any conflict of interest; and (v) a written record of the process.

When Spectrum determines not to follow ISS' guidelines or recommendations, Spectrum classifies proxy voting issues into three broad categories: (1) Routine Administrative Items; (2) Special Interest Issues; and (3) Issues having the Potential for Significant Economic Impact, and casts proxy votes in accordance with the philosophy and decision guidelines developed for that category in the Voting Policy.

- o Routine Administrative Items. Spectrum is willing to defer to management on matters of a routine administrative nature. Examples of issues on which Spectrum will normally defer to management's recommendation include selection of auditors, increasing the authorized number of common shares and the election of unopposed directors.
- o Special Interest Issues. In general, Spectrum will abstain from voting on shareholder social, political, environmental proposals because their long-term impact on share value cannot be calculated with any reasonable degree of confidence.

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

- o Issues Having the Potential for Significant Economic Impact. Spectrum is not willing to defer to management on proposals which have the potential for major economic impact on the corporation and value of its shares and believes such issues should be carefully analyzed and decided by shareholders. Examples of such issues are classification of board of directors' cumulative voting and supermajority provisions, defensive strategies (e.g., greenmail prevention), business combinations and restructurings and executive and director compensation.

Conflicts of Interest. There may be a material conflict of interest when Spectrum votes, on behalf of a client, a proxy that is solicited by an affiliated person of Spectrum or another Spectrum client. To avoid such conflicts, Spectrum has established procedures under its Voting Policy to seek to ensure that voting decisions are based on a client's best interests and are not the product of a material conflict. In addition to employee monitoring for potential conflicts, the CCO reviews Spectrum's and its affiliates' material business relationships and personal and financial relationships of senior personnel of Spectrum and its affiliates to monitor for conflicts of interest.

If a conflict of interest is identified, Spectrum considers both financial and non-financial materiality to determine if a conflict of interest is material. If a material conflict of interest is found to exist, the CCO discloses the conflict to affected clients and obtains consent from each client in the manner in which Spectrum proposed to vote.

Spectrum clients can obtain a copy of the Voting Policy or information on how Spectrum voted their proxies by calling Spectrum's Compliance Department at (203) 322-0189.

### ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

#### SPECTRUM ASSET MANAGEMENT

##### A. PORTFOLIO MANAGER BIOGRAPHY

BERNARD M. SUSSMAN is Chief Investment Officer and Chairman of Spectrum's Investment Committee. Prior to joining Spectrum in 1995, Mr. Sussman was with Goldman Sachs & Co. for nearly 18 years.

MARK A. LIEB is Chief Financial Officer and is responsible for business development. Prior to founding Spectrum in 1987, Mr. Lieb was a Founder, Director and Partner of DBL Preferred Management, Inc., a wholly owned corporate cash management subsidiary of Drexel Burnham Lambert, Inc.

L. PHILLIP JACOBY, IV is a Senior Vice President and joined Spectrum in 1995. From 1989-1995, Mr. Jacoby was a Senior Investment Officer at USL Capital Corporation (a subsidiary of Ford Motor Corporation) and was co-portfolio manager of a \$600 million preferred stock portfolio.

##### B. OTHER ACCOUNTS MANAGED BY SPECTRUM

-----

(a) (1) Identify portfolio manager(s) of the Adviser to be named in the Fund	(a) (2) For each person identified in column (a) (1), provide number of accounts other than the Funds managed by the person within each category below and the total assets in the accounts managed within each category below	(a) (3) PERFORMANCE FE the categories in col of accounts and the t with respect to which ON THE PERFORMANCE OF
------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------

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

prospectus

	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		Registered Investment Companies		Other Investment Accounts
	Number of Accounts	Total Assets (\$mills)	Number of Accounts	Total Assets (\$mill)	Number of Accounts	Total Assets (\$mill)	Number of Accounts	Total Assets	
Bernard M. Sussman	10	\$8.12	16	\$2.52	42	\$2.58	-	-	
Mark A. Lieb	10	\$8.12	16	\$2.52	42	\$2.58	-	-	
Phil Jacoby	10	\$8.12	16	\$2.52	38	\$2.57	-	-	

### C. POTENTIAL MATERIAL CONFLICTS OF INTEREST

As described above, the portfolio manager may manage other accounts with investment strategies similar to the Fund, including other investment companies and separately managed accounts. Fees earned by the sub-advisers may vary among these accounts and the portfolio managers may personally invest in some but not all of these accounts. These factors could create conflicts of interest because a portfolio manager may have incentives to favor certain accounts over others, resulting in other accounts outperforming the Fund. A conflict may also exist if a portfolio manager identified a limited investment opportunity that may be appropriate for more than one account, but the Fund is not able to take full advantage of that opportunity due to the need to allocate that opportunity among multiple accounts. In addition, the portfolio manager may execute transactions for another account that may adversely impact the value of securities held by the Fund. However, the sub-advisers believe that these risks are mitigated by the fact that accounts with like investment strategies managed by a particular portfolio manager are generally managed in a similar fashion, subject to exceptions to account for particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes, and similar factors. In addition, each sub-adviser has adopted trade allocation procedures that require equitable allocation of trade orders for a particular security among participating accounts.

### D. FUND MANAGER COMPENSATION

All employees of Spectrum Asset Management are paid a base salary and discretionary bonus. The bonus is paid quarterly and may represent a significant proportion of an individual's total annual compensation. Discretionary bonuses are determined by management after consideration of several factors including but not necessarily limited to:

- o Changes in overall firm assets under management (employees have no direct incentive to increase assets)
- o Portfolio performance relative to benchmarks
- o Contribution to client servicing
- o Compliance with firm and/or regulatory policies and procedures
- o Work ethic
- o Seniority and length of service

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

- o Contribution to overall functioning of organization

### E. OWNERSHIP OF JPS SECURITIES AS DECEMBER 31, 2005.

	None	\$1-\$10,000	\$10,001-\$50,000	\$50,001-\$100,000	\$100,001-\$500,000
Portfolio Manager					
Bernard M. Sussman					X
Mark A. Lieb					X
Phil Jacoby	X				

### ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

### ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board during the reporting period and implemented after the registrant last provided disclosure in response to this Item.

### ITEM 11. 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 Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (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 second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

### ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant's website at [www.nuveen.com/etf](http://www.nuveen.com/etf) and there were no amendments during the period covered by this report. (To view the

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

code, click on the Investor Resources drop down menu box, click on Fund Governance and then Code of Conduct.)

(a)(2) 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)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 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 Quality Preferred Income Fund 2

By (Signature and Title)\* /s/ Jessica R. Droeger

-----  
Jessica R. Droeger  
Vice President and Secretary

Date: March 8, 2006

-----  
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: March 8, 2006

-----  
By (Signature and Title)\* /s/ Stephen D. Foy

-----  
Stephen D. Foy  
Vice President and Controller

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

(principal financial officer)

Date: March 8, 2006

-----

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