

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

NUVEEN QUALITY PREFERRED INCOME FUND 2  
Form N-CSRS  
September 07, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21137  
-----

Nuveen Quality Preferred Income Fund 2  
-----

(Exact name of registrant as specified in charter)

Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
-----

(Address of principal executive offices) (Zip code)

Jessica R. Droeger  
Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606  
-----

(Name and address of agent for service)

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

Date of fiscal year end: December 31  
-----

Date of reporting period: June 30, 2005  
-----

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

SEMIANNUAL REPORT June 30, 2005

Nuveen Investments  
Closed-End  
Exchange-Traded  
Funds

NUVEEN QUALITY PREFERRED INCOME FUND  
JTP

NUVEEN QUALITY PREFERRED INCOME FUND 2  
JPS

NUVEEN QUALITY PREFERRED INCOME FUND 3  
JHP

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

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

Logo: NUVEEN Investments

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

NOW YOU CAN RECEIVE YOUR  
NUVEEN FUND REPORTS FASTER.

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

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

-----  
DELIVERY DIRECT TO  
YOUR E-MAIL INBOX  
-----

IT'S FAST, EASY & FREE:

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

OR

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

WWW.NUVEEN.COM/ACCOUNTACCESS  
if you get your Nuveen Fund dividends  
and statements directly from Nuveen.

(Be sure to have the address sheet that accompanied this report handy. You'll need it to complete the enrollment process.)

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

Chairman's  
LETTER TO SHAREHOLDERS

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

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

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

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

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

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

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

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

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

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger  
Chairman of the Board

August 15, 2005

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5

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

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

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

6

### Distribution and Share Price INFORMATION

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

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

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

each Fund may pay distributions at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in distributions, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid distributions in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income in distributions to shareholders. As of June 30, 2005, each of the Funds in this report had positive UNII balances for both financial statement and tax purposes.

In addition, due to normal portfolio management activity, common shareholders of the following Funds received capital gains and/or net ordinary income distributions at the end of December 2004 as follows:

	LONG-TERM CAPITAL GAINS (PER SHARE)	ORDINARY INCOME (PER SHARE)
JPS	\$0.1587	\$0.0300
JHP	\$0.0588	--

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

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

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

Nuveen Quality Preferred Income Fund  
JTP

### Performance

OVERVIEW As of June 30, 2005

### Pie Chart:

#### PORTFOLIO ALLOCATION

(as a % of total investments)

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

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

Repurchase Agreements	1.1%
Corporate Bonds	0.2%

### Bar Chart:

#### 2004-2005 MONTHLY DIVIDENDS PER SHARE

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

### Line Chart:

#### SHARE PRICE PERFORMANCE

#### Weekly Closing Price

Past performance is not predictive of future results.

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



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

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

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

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

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

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

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

PORTFOLIO STATISTICS

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

INDUSTRIES

(as a % of total investments)

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

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

Repurchase Agreements	1.1%
-----	
Other	12.8%
-----	

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

Wachovia Corporation	3.4%
-----	
JPMorgan Chase & Company	3.1%
-----	
ING Groep NV	3.0%
-----	
HSBC Holdings Public Limited Company	2.6%
-----	
Zurich Financial Services	2.5%
-----	

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

	ON SHARE PRICE	ON NAV
-----		
6-Month (Cumulative)	4.23%	2.33%
-----		
1-Year	13.01%	11.99%
-----		
Since Inception	6.09%	9.37%
-----		

8

Nuveen Quality Preferred Income Fund 2  
JPS

Performance

OVERVIEW As of June 30, 2005

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

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

Bar Chart:

2004-2005 MONTHLY DIVIDENDS PER SHARE<sup>1</sup>

Jul	0.105
Aug	0.105
Sep	0.105
Oct	0.105

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

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

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

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

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

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

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



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

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

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

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

PORTFOLIO STATISTICS

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

INDUSTRIES

(as a % of total investments)

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

TOP FIVE ISSUERS

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

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

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

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

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

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

9

Nuveen Quality Preferred Income Fund 3  
JHP

Performance

OVERVIEW As of June 30, 2005

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

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

Bar Chart:

2004-2005 MONTHLY DIVIDENDS PER SHARE<sup>1</sup>

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

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

Feb	0.1
Mar	0.1
Apr	0.1
May	0.1
Jun	0.0965

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

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

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

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

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

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

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

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

PORTFOLIO STATISTICS

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

INDUSTRIES

(as a % of total investments)

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

TOP FIVE ISSUERS

(EXCLUDING REPURCHASE AGREEMENTS)

(as a % of total investments)



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

Wachovia Corporation	3.8%
-----	
ING Groep NV	3.3%
-----	
JPMorgan Chase & Company	3.0%
-----	
Union Planters Corporation	2.5%
-----	
Zurich Financial Services	2.5%
-----	

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

	ON SHARE PRICE	ON NAV
-----		
6-Month (Cumulative)	4.80%	2.07%
-----		
1-Year	17.06%	11.68%
-----		
Since Inception	7.36%	10.12%
-----		

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

10

### Shareholder MEETING REPORT

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

	JTP		JPS	
-----				
APPROVAL OF THE BOARD MEMBERS				
WAS REACHED AS FOLLOWS:				
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
=====				
Robert P. Bremner				
For	62,271,854	--	115,370,348	
Withhold	764,305	--	945,001	
-----				
Total	63,036,159	--	116,315,349	
=====				
Lawrence H. Brown				
For	62,265,166	--	115,377,065	
Withhold	770,993	--	938,284	
-----				
Total	63,036,159	--	116,315,349	

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

=====					
Jack B. Evans					
For	62,285,293	--		115,397,150	
Withhold	750,866	--		918,199	
-----					
Total	63,036,159	--		116,315,349	
=====					
William C. Hunter					
For	62,287,700	--		115,368,108	
Withhold	748,459	--		947,241	
-----					
Total	63,036,159	--		116,315,349	
=====					
David J. Kundert					
For	62,283,388	--		115,371,707	
Withhold	752,771	--		943,642	
-----					
Total	63,036,159	--		116,315,349	
=====					
William J. Schneider					
For	--	16,654	--	30,000	1
Withhold	--	39	--		1
-----					
Total	--	16,693	--	30,000	2
=====					
Timothy R. Schwertfeger					
For	--	16,654	--	30,000	1
Withhold	--	39	--		1
-----					
Total	--	16,693	--	30,000	2
=====					

11

Shareholder  
MEETING REPORT (continued)

		JTP	JPS
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:			
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class
=====			
Judith M. Stockdale			
For	62,278,191	--	115,374,498
Withhold	757,968	--	940,851
-----			
Total	63,036,159	--	116,315,349
=====			
Eugene S. Sunshine			
For	62,287,681	--	115,388,082

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

Withhold	748,478	--	927,267
-----			
Total	63,036,159	--	116,315,349
=====			

12

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

SHARES	DESCRIPTION(1)	COUPON	RATING ----- MOODY'S
-----			
<p>\$25 PAR (OR SIMILAR) SECURITIES - 77.0% (52.8% OF TOTAL INVESTMENTS)</p>			
<p>AUTOMOBILES - 0.1%</p>			
5,300	Daimler Chrysler (CORTS)	7.250%	A3
25,801	Ford Motor Company, Series F (CORTS)	8.000%	Baa3
-----			
<p>CAPITAL MARKETS - 5.5%</p>			
1,250	ABN AMRO North America, Series L, 144A	6.460%	A3
60,900	Bear Stearns Capital Trust III	7.800%	A2
31,300	BNY Capital Trust V, Series F	5.950%	A1
228,095	Compass Capital Trust III	7.350%	A3
30,700	First Union Capital II, Series II (CORTS)	7.500%	A1
11,300	First Union Institutional Capital II (CORTS)	8.200%	A1
8,700	Goldman Sachs Capital I, Series A (CORTS)	6.000%	A1
6,500	Goldman Sachs Group Inc. (CORTS)	6.300%	A3
500	Goldman Sachs Group Inc. (SATURNS)	5.750%	Aa3
81,500	JPMorgan Chase Capital Trust IX, Series I	7.500%	A1
108,549	Lehman Brothers Holdings Capital Trust III, Series K	6.375%	A2
63,400	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%	A2
13,200	Lehman Brothers Holdings Capital Trust V, Series M	6.000%	A2
103,420	Lehman Brothers Holdings Capital Trust VI, Series N	6.240%	A2
35,000	Lehman Brothers Holdings Inc., Series C	5.940%	N/R
50,000	Lehman Brothers Holdings Inc., Series F	6.500%	A3
81,600	Merrill Lynch Capital Trust	7.000%	A1
71,800	Merrill Lynch Preferred Capital Trust IV	7.120%	A1
88,600	Merrill Lynch Preferred Capital Trust V	7.280%	A1
196,100	Merrill Lynch Preferred Capital Trust	7.750%	A1
178,400	Morgan Stanley Capital Trust II	7.250%	A1
226,700	Morgan Stanley Capital Trust III	6.250%	A1
249,095	Morgan Stanley Capital Trust IV	6.250%	A1
10,800	Morgan Stanley Capital Trust V	5.750%	A1
3,400	Morgan Stanley (PPLUS)	7.050%	Aa3
-----			
<p>COMMERCIAL BANKS - 10.1%</p>			
24,800	Abbey National plc, Series B	7.250%	A1
68,500	Abbey National plc, Series B	7.375%	A2

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

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

13

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

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

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

1,400	IBM Trust II (CORTS)	7.125%	A1
-----			
CONSUMER FINANCE - 0.2%			
60,300	Household Capital Trust VI	8.250%	A2
25,400	Household Capital Trust VII	7.500%	A2
-----			
DIVERSIFIED FINANCIAL SERVICES - 7.6%			
17,000	BBVA Preferred Capital Ltd., Series B	7.750%	A1
32,476	CIT Group Incorporated (CORTS)	7.750%	A3
5,000	Citigroup Capital Trust IX	6.000%	Aa2
237,600	Citigroup Capital Trust VII	7.125%	Aa2
272,700	Citigroup Capital Trust VIII	6.950%	Aa2
51,500	Citigroup Capital Trust XI	6.000%	Aa2
66,300	Citigroup Inc., Series H	6.231%	Aa3
39,400	Citigroup Inc., Series M	5.864%	Aa3
3,000	General Electric Capital Corporation (CORTS)	6.000%	Aaa
2,000	General Electric Capital Corporation	5.875%	N/R
7,400	General Electric Capital Corporation	6.100%	Aaa
1,800	Goldman Sachs Group Inc., Series 2004-04 (SATURNS)	6.000%	A1
569,000	ING Group NV	7.050%	N/R
1,015,458	ING Group NV	7.200%	A2
32,600	JPM Capital Trust I, Series 2001-1, Class A-1 (CORTS)	7.850%	A1
73,600	JPMorgan Chase Capital Trust X	7.000%	A1
90,106	JPMorgan Chase Capital Trust XI	5.875%	A1
68,900	JPMorgan Chase Capital Trust XVI	6.350%	A1
20,000	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%	A1
46,000	Merrill Lynch Capital Trust II	8.000%	A1
-----			
DIVERSIFIED TELECOMMUNICATION SERVICES - 0.4%			
3,300	BellSouth Capital Funding (CORTS)	7.100%	A1
1,400	BellSouth Corporation (CORTS)	7.000%	Aa3
14,800	BellSouth Corporation, Series 2001-3 (SATURNS)	7.125%	A2
5,900	BellSouth Inc. (CORTS)	7.000%	A2
83,200	SBC Communications Inc.	7.000%	A2
1,600	Verizon Communications (CORTS)	7.625%	A2
5,000	Verizon Communications, Series 2004-1 (SATURNS)	6.125%	A2
23,700	Verizon New England Inc., Series B	7.000%	A2
18,500	Verizon South Inc., Series F	7.000%	A2
-----			
ELECTRIC UTILITIES - 3.5%			
77,740	DTE Energy Trust I	7.800%	Baa3
95,305	Entergy Louisiana Inc.	7.600%	Baa1
293,196	Georgia Power Company	5.700%	Aaa
118,651	Georgia Power Company	5.900%	A2
2,100	Gulf Power Capital Trust III	7.375%	A3

14

RATING

SHARES	DESCRIPTION(1)	COUPON	MOODY'S
-----			
ELECTRIC UTILITIES - 3.5%			
77,740	DTE Energy Trust I	7.800%	Baa3
95,305	Entergy Louisiana Inc.	7.600%	Baa1
293,196	Georgia Power Company	5.700%	Aaa
118,651	Georgia Power Company	5.900%	A2
2,100	Gulf Power Capital Trust III	7.375%	A3

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

251,073	Interstate Power and Light Company, Series B	8.375%	Baa3
1,800	National Rural Utilities Cooperative Finance Corporation	7.600%	A3
17,800	National Rural Utilities Cooperative Finance Corporation	7.400%	A3
143,743	National Rural Utilities Cooperative Finance Corporation	5.950%	A3
7,000	Tennessee Valley Authority, Series D	6.750%	Aaa
187,000	Virginia Power Capital Trust	7.375%	Baa1
-----			
	FOOD PRODUCTS - 0.7%		
64,000	Dairy Farmers of America Inc., 144A	7.875%	Ba1
-----			
	GAS UTILITIES - 0.1%		
32,300	AGL Capital Trust II	8.000%	Baa2
-----			
	INDUSTRIAL CONGLOMERATES - 0.1%		
19,400	General Electric Company, Series GE (CORTS)	6.800%	Aaa
-----			
	INSURANCE - 14.5%		
673,500	Ace Ltd., Series C	7.800%	Baa2
1,102,550	Aegon NV	6.375%	A3
1,800	Allstate Corporation (PCARS)	7.150%	A2
10,500	AMBAC Financial Group Inc.	7.000%	Aa2
21,500	AMBAC Financial Group Inc.	5.950%	Aa2
1,800	AMBAC Financial Group Inc.	5.875%	Aa2
18,700	American General Capital III	8.050%	Aa3
202,000	Delphi Financial Group Inc.	8.000%	Baa3
271,600	EverestRe Capital Trust II	6.200%	Ba1
79,400	EverestRe Group Limited	7.850%	Ba1
2,000	Financial Security Assurance Holdings	6.875%	Aa2
1,400	Financial Security Assurance Holdings	5.600%	Aa2
189,777	Hartford Capital Trust III, Series C	7.450%	Ba1
50,700	Hartford Life Capital Trust II, Series B	7.625%	Ba1
79,200	Lincoln National Capital Trust V, Series E	7.650%	Ba1
31,500	Lincoln National Capital Trust VI	6.750%	Ba1
24,427	MBIA Inc.	8.000%	Aa2
1,900	MetLife Inc.	5.875%	A2
556,700	MetLife Inc., Series B	6.500%	Ba1
250,000	PartnerRe Limited, Series C	6.750%	Ba1
67,300	PartnerRe Limited, Series D	6.500%	Ba1
113,800	PartnerRe Limited	7.900%	A3
79,400	PLC Capital Trust III	7.500%	Ba1
410,200	PLC Capital Trust IV	7.250%	Ba1
264,165	Prudential plc	6.750%	Ba1
61,100	RenaissanceRe Holdings Ltd., Series B	7.300%	Baa2
13,900	RenaissanceRe Holdings Ltd., Series C	6.080%	Baa2
125,650	RenaissanceRe Holdings Ltd., Series A	8.100%	Baa2
40,000	Safeco Capital Trust I (CORTS)	8.700%	Baa2
34,300	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%	Baa2
2,000	Safeco Capital Trust III (CORTS)	8.072%	Baa2
62,500	Torchmark Capital Trust I	7.750%	Ba1
17,800	W.R. Berkley Capital Trust, Series 2002-1, (CBTCS)	8.125%	Baa3
4,600	W.R. Berkley (CORTS)	8.250%	Baa3
391,854	XL Capital Ltd., Series A	8.000%	Ba1

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

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

-----  
IT SERVICES - 0.1%

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

15

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

			RATING
SHARES	DESCRIPTION(1)	COUPON	MOODY'S
-----			
MEDIA - 0.3%			
5,300	The Walt Disney Company	7.000%	Baa1
123,700	Viacom Inc.	7.300%	A3
-----			
MULTI-UTILITIES & UNREGULATED POWER - 0.7%			
96,200	Dominion CNG Capital Trust I	7.800%	Baa1
59,100	Dominion Resources Capital Trust II	8.400%	Baa2
98,300	Energy East Capital Trust I	8.250%	Baa3
-----			
OIL & GAS - 1.8%			
531,632	Nexen Inc.	7.350%	Baa3
108,500	TransCanada Pipeline	8.250%	A3
-----			
PHARMACEUTICALS - 0.1%			
23,000	Bristol Myers Squibb Company (CORTS)	6.250%	A1
5,500	Bristol-Myers Squibb Company Trust (CORTS)	6.800%	A1
-----			
REAL ESTATE - 23.8%			
49,658	AMB Property Corporation, Series M	6.750%	Baa2
13,400	AvalonBay Communities, Inc., Series H	8.700%	Baa2
409,400	BRE Properties, Series B	8.080%	Baa3
17,800	BRE Properties, Series C	6.750%	Baa3
42,644	BRE Properties, Series D	6.750%	Baa3
541,048	CarrAmerica Realty Corporation, Series E	7.500%	Baa3
385,100	Developers Diversified Realty Corporation, Series H	7.375%	Ba1
46,200	Developers Diversified Realty Corporation, Series G	8.000%	Ba1
56,500	Developers Diversified Realty Corporation, Series F	8.600%	Ba1
156,800	Duke Realty Corporation, Series L	6.600%	Baa2
157,779	Duke-Weeks Realty Corporation, Series B	7.990%	Baa2
10,800	Duke-Weeks Realty Corporation, Series I	8.450%	Baa2
1,097,400	Equity Office Properties Trust, Series G	7.750%	Baa3
24,700	Equity Residential Properties Trust, Series D	8.600%	Baa2
30,400	Equity Residential Properties Trust	9.125%	Baa2
10,600	First Industrial Realty Trust Inc., Series C	8.625%	Baa3

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

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

16

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



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

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

17

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

PRINCIPAL

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

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

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

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
-----			
DIVERSIFIED FINANCIAL SERVICES - 7.2%			
1,500	BNP Paribas Capital Trust, 144A	9.003%	12/29/49
4,250	BNP Paribas Capital Trust	7.200%	12/31/49
5,000	Chase Capital Trust I, Series A	7.670%	12/01/26
25,500	HBOS Capital Funding LP, Notes	6.850%	3/01/49
19,500	JPM Capital Trust II	7.950%	2/01/27
8,100	Old Mutual Capital Funding, Notes	8.000%	6/22/53
-----			
18			
-----			
DIVERSIFIED TELECOMMUNICATION SERVICES - 1.6%			
11,250	Centaur Funding Corporation, Series B, 144A	9.080%	4/21/20
-----			
INSURANCE - 10.7%			
7,570	Ace Capital Trust II	9.700%	4/01/30
1,000	Allstate Financing II	7.830%	12/01/45
2,000	American General Capital II	8.500%	7/01/30
7,500	Berkeley Capital Trust	8.197%	12/15/45
2,500	Mangrove Bay, Class 3, 144A	6.102%	7/15/33
4,000	MIC Financing Trust I	8.375%	2/01/27
7,000	Prudential plc	6.500%	6/29/49
2,000	RenaissanceRe Capital Trust	8.540%	3/01/27
26,216	Sun Life Canada Capital Trust, Capital Securities, 144A	8.526%	5/06/47
31,373	Zurich Capital Trust I, 144A	8.376%	6/01/37
-----			
OIL & GAS - 3.6%			
4,000	KN Capital Trust I, Preferred Securities	8.560%	4/15/27
5,860	KN Capital Trust III	7.630%	4/15/28
20,900	Phillips 66 Capital Trust II	8.000%	1/15/37
-----			
THRIFTS & MORTGAGE FINANCE - 1.6%			
8,500	Dime Capital Trust I, Series A	9.330%	5/06/27
5,000	Great Western Financial Trust II, Series A	8.206%	2/01/27
-----			
Total Capital Preferred Securities (cost \$566,119,794)			
-----			
CORPORATE BONDS - 0.4% (0.2% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.4%			
1,150	Ford Motor Company, Debenture	7.400%	11/01/46
4,200	Ford Motor Company, Debenture	7.400%	5/15/97
-----			

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

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

19

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

PRINCIPAL  
AMOUNT (000)/  
SHARES

DESCRIPTION(1)

PRINCIPAL AMOUNT (000)/SHARES	DESCRIPTION(1)
	REPURCHASE AGREEMENTS - 1.5% (1.1% OF TOTAL INVESTMENTS)
	State Street Bank, 2.600%, dated 6/30/05, due 7/01/05, repurchase price \$14,641,274, collateralized by \$10,340,000
\$ 14,640	U.S. Treasury Bonds, 8.125%, due 8/15/19, value \$14,936,326
=====	
	Total Repurchase Agreements (cost \$14,640,217)
	-----
	Total Investments (cost \$1,316,389,713) - 145.6%
	-----
	Other Assets Less Liabilities - 0.9%
	-----
	FundPreferred Shares, at Liquidation Value - (46.5)%
	-----
	Net Assets Applicable to Common Shares - 100%
	=====

INTEREST RATE SWAP TRANSACTIONS OUTSTANDING AT JUNE 30, 2005:

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

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

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

\*\* Based on LIBOR (London Interbank Offered Rate)

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

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

institutional buyers.

(CBTCS) Corporate Backed Trust Certificates.

(CORTS) Corporate Backed Trust Securities.

(PCARS) Public Credit and Repackaged Securities.

(PPLUS) PreferredPlus Trust.

(SATURNS) Structured Asset Trust Unit Repackaging.

N/R Security is not rated.

See accompanying notes to financial statements.

20

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

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
\$25 PAR (OR SIMILAR) SECURITIES - 77.9% (54.7% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.1%			
4,300	Daimler Chrysler (CORTS)	7.500%	A3
2,400	Daimler Chrysler (CORTS)	8.250%	A3
3,000	Daimler Chrysler (CORTS)	6.875%	A3
3,400	DaimlerChrysler AG (CORTS)	7.875%	A3
23,300	DaimlerChrysler Corp. (PPLUS)	7.250%	A3
32,403	Ford Motor Company, Series F (CORTS)	8.000%	Baa3
11,015	Ford Motor Company	0.000%	Baa1
CAPITAL MARKETS - 4.7%			
103,100	Bear Stearns Capital Trust III	7.800%	A2
19,300	BNY Capital Trust IV, Series E	6.875%	A1
47,800	BNY Capital Trust V, Series F	5.950%	A1
383,825	Compass Capital Trust III	7.350%	A3
26,900	CSFB USA, Series 2002-10 (SATURNS)	7.000%	Aa3
63,300	First Union Capital II, Series II (CORTS)	7.500%	A1
31,300	First Union Institutional Capital II (CORTS)	8.200%	A1
2,100	Goldman Sachs Capital I, Series A (CORTS)	6.000%	A1
2,000	Goldman Sachs Group Inc. (PPLUS)	6.000%	Aa3
3,800	Goldman Sachs Group Inc. (SATURNS)	5.750%	Aa3
366,000	JPMorgan Chase Capital Trust IX, Series I	7.500%	A1
323,400	Lehman Brothers Holdings Capital Trust III, Series K	6.375%	A2
102,900	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%	A2
37,800	Lehman Brothers Holdings Capital Trust V, Series M	6.000%	A2
42,000	Lehman Brothers Holdings Inc., Series C	5.940%	N/R
70,000	Lehman Brothers Holdings Inc., Series F	6.500%	A3

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

198,200	Merrill Lynch Capital Trust	7.000%	A1
113,500	Merrill Lynch Preferred Capital Trust IV	7.120%	A1
188,200	Merrill Lynch Preferred Capital Trust V	7.280%	A1
103,500	Merrill Lynch Preferred Capital Trust	7.750%	A1
166,508	Morgan Stanley Capital Trust II	7.250%	A1
457,500	Morgan Stanley Capital Trust III	6.250%	A1
380,000	Morgan Stanley Capital Trust IV	6.250%	A1
21,300	Morgan Stanley Capital Trust V	5.750%	A1
55,200	Morgan Stanley (PPLUS)	7.050%	Aa3
20,000	Safeco Capital Trust I (CORTS)	8.750%	Baa2
1,500	Safeco Capital Trust IV (CORTS)	8.375%	Baa2
7,600	UBS Preferred Funding Trust III	7.250%	A1

-----  
COMMERCIAL BANKS - 10.3%

119,000	ABN AMRO Capital Fund Trust V	5.900%	A2
152,060	ASBC Capital I	7.625%	Baa1
135,900	BAC Capital Trust I	7.000%	Aa3
168,500	BAC Capital Trust II	7.000%	Aa3
218,300	BAC Capital Trust III	7.000%	Aa3
304,100	Banco Santander	6.410%	A2
54,100	Banco Totta & Acores Finance, Series A	8.875%	A3
3,600	BancorpSouth Capital Trust I	8.150%	Baa2
82,100	BancWest Capital I	9.500%	A3
731,000	Banesto Holdings, Series A, 144A	10.500%	A2
198,500	Bank One Capital Trust VI	7.200%	A1
58,600	BankNorth Capital Trust II	8.000%	A3
121,500	Chittenden Capital Trust I	8.000%	Baa1
14,300	Citigroup Capital X	6.100%	Aa2

21

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

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
-----			
COMMERCIAL BANKS (continued)			
225,500	Cobank ABC, 144A	7.000%	N/R
265,100	Comerica Capital Trust I	7.600%	A3
36,400	KeyCorp (PCARS)	7.500%	A3
32,100	KeyCorp, Series 2001-7 (CORTS)	7.750%	A3
92,900	KeyCorp, Series B (CORTS)	8.250%	A3
267,600	National Commerce Capital Trust II	7.700%	A1
112,200	National Westminster Bank plc, Series A	7.875%	Aa2
289,600	PFCI Capital Corporation	7.750%	A3
40,500	Regions Finance Trust I	8.000%	A2
596,876	Royal Bank of Scotland Group plc, Series N	6.350%	A1
142,400	SunTrust Capital Trust IV	7.125%	A1
157,500	SunTrust Capital Trust V	7.050%	A1
714,300	USB Capital Trust III	7.750%	Aa3
271,300	USB Capital Trust IV	7.350%	Aa3
123,300	USB Capital Trust V	7.250%	Aa3
12,100	USB Capital Trust VI	5.750%	Aa3
92,300	VNB Capital Trust I	7.750%	Baa1

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

43,500	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%	Baa1
49,900	Well Fargo Capital Trust IX	5.625%	Aa2
34,400	Wells Fargo Capital Trust IV	7.000%	Aa2
247,000	Wells Fargo Capital Trust V	7.000%	Aa2
42,800	Wells Fargo Capital Trust VI	6.950%	Aa2
61,300	Wells Fargo Capital Trust VII	5.850%	Aa2
578,650	Zions Capital Trust B	8.000%	Baa1

-----  
COMPUTERS & PERIPHERALS - 0.1%

20,700	IBM Inc. (CORTS)	7.125%	A1
5,600	IBM Inc., Trust Certificates, Series 2001-2	7.100%	A1
14,500	IBM Trust II (CORTS)	7.125%	A1
33,300	IBM Trust III (CORTS)	7.200%	A1

-----  
CONSUMER FINANCE - 2.8%

620,196	Household Capital Trust VI	8.250%	A2
72,200	Household Capital Trust VII	7.500%	A2
917,000	HSBC Finance Corporation	6.360%	A3
362,100	HSBC Finance Corporation	6.875%	A1
2,700	HSBC Finance Corporation	6.000%	A1
16,100	SLM Corporation	6.000%	A2

-----  
DIVERSIFIED FINANCIAL SERVICES - 8.1%

75,800	BBVA Preferred Capital Ltd., Series B	7.750%	A1
34,600	CIT Group Incorporated (CORTS)	7.750%	A3
6,800	Citigroup Capital Trust IX	6.000%	Aa2
467,700	Citigroup Capital Trust VII	7.125%	Aa2
789,107	Citigroup Capital Trust VIII	6.950%	Aa2
16,700	Citigroup Capital Trust XI	6.000%	Aa2
36,900	Citigroup Inc., Series H	6.231%	Aa3
39,000	Citigroup Inc., Series M	5.864%	Aa3
10,100	General Electric Capital Corporation	5.875%	N/R
300,700	General Electric Capital Corporation	6.100%	Aaa
199,700	General Electric Capital Corporation	6.625%	Aaa
3,600	Goldman Sachs Capital I (CORTS)	6.000%	A1
12,000	Goldman Sachs Group Inc., Series 2004-04 (SATURNS)	6.000%	A1
1,433,655	ING Group NV	7.050%	N/R
1,519,300	ING Group NV	7.200%	A2
11,000	ING Group NV	6.200%	A2
800	JP Morgan Chase Capital Trust XII	6.250%	A1
10,600	JPM Capital Trust I, Series 2001-1, Class A-1 (CORTS)	7.850%	A1
89,600	JPM Capital Trust (CORTS)	7.200%	A2
3,000	JPMorgan Chase & Company (PCARS)	7.125%	A2
203,600	JPMorgan Chase Capital Trust X	7.000%	A1
10,156	JPMorgan Chase Capital Trust XI	5.875%	A1

22

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

-----

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

DIVERSIFIED FINANCIAL SERVICES (continued)

210,300	JPMorgan Chase Capital Trust XVI	6.350%	A1
51,200	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%	A1
117,500	Merrill Lynch Capital Trust II	8.000%	A1
5,000	National Westminster Bank plc	7.760%	Aa3

DIVERSIFIED TELECOMMUNICATION SERVICES - 0.5%

11,500	BellSouth Capital Funding (CORTS)	7.100%	A1
15,200	BellSouth Corporation (CORTS)	7.000%	Aa3
10,200	BellSouth Corporation, Series 2001-3 (SATURNS)	7.125%	A2
14,000	BellSouth Corporation (CORTS)	7.000%	A2
30,900	BellSouth Corporation	7.125%	A2
16,300	BellSouth Inc. (CORTS)	7.000%	A2
22,800	BellSouth Telecommunications (PPLUS)	7.300%	Aa3
104,199	SBC Communications Inc.	7.000%	A2
30,000	Verizon Communications (CORTS)	7.625%	A2
6,700	Verizon Communications (CORTS)	7.375%	A2
68,000	Verizon Global Funding Corporation (SATURNS)	7.500%	A2
15,200	Verizon New England Inc., Series B	7.000%	A2
7,800	Verizon South Inc., Series F	7.000%	A2

ELECTRIC UTILITIES - 5.0%

189,500	Alabama Power Company	5.830%	Baa1
17,200	Consolidated Edison Company of New York Inc.	7.500%	A1
27,400	DTE Energy Trust I	7.800%	Baa3
5,500	Entergy Arkansas Inc.	6.700%	Aaa
49,000	Entergy Louisiana Inc.	7.600%	Baa1
1,299,100	Entergy Mississippi Inc.	7.250%	Baa2
3,000	Georgia Power Capital Trust V	7.125%	A3
1,500	Georgia Power Capital Trust VII	5.875%	A3
28,800	Georgia Power Company	5.700%	Aaa
941,500	Interstate Power and Light Company, Series B	8.375%	Baa3
7,700	National Rural Utilities Cooperative Finance Corporation	7.600%	A3
5,400	National Rural Utilities Cooperative Finance Corporation	7.400%	A3
20,000	National Rural Utilities Cooperative Finance Corporation	6.100%	A3
269,400	National Rural Utilities Cooperative Finance Corporation	5.950%	A3
53,200	Public Service Company of Oklahoma, Series B	6.000%	Aaa
1,900	Southern Company Capital Trust I (CORTS)	7.375%	Baa1
56,700	Tennessee Valley Authority, Series D	6.750%	Aaa
257,300	Virginia Power Capital Trust	7.375%	Baa1

FOOD PRODUCTS - 0.7%

122,000	Dairy Farmers of America Inc., 144A	7.875%	Ba1
---------	-------------------------------------	--------	-----

GAS UTILITIES - 0.1%

53,500	AGL Capital Trust II	8.000%	Baa2
--------	----------------------	--------	------



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

HEALTHCARE PROVIDERS & SERVICES - 0.1%

62,900	Aetna Incorporated	8.500%	Baa1
--------	--------------------	--------	------

INDUSTRIAL CONGLOMERATES - 0.0%

8,200	General Electric Company (CORTS)	6.800%	Aaa
-------	----------------------------------	--------	-----

INSURANCE - 17.6%

972,600	Ace Ltd., Series C	7.800%	Baa2
2,097,900	Aegon NV	6.375%	A3
5,400	AMBAC Financial Group Inc.	7.000%	Aa2
39,300	AMBAC Financial Group Inc.	5.950%	Aa2
3,000	AMBAC Financial Group Inc.	5.875%	Aa2
38,800	American General Capital III	8.050%	Aa3
474,557	Delphi Financial Group Inc.	8.000%	Baa3
2,639,100	EverestRe Group Limited	7.850%	Baa1
46,500	Financial Security Assurance Holdings	6.875%	Aa2
698,000	Financial Security Assurance Holdings	6.250%	Aa2

23

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

			RATING
SHARES	DESCRIPTION(1)	COUPON	MOODY'S
INSURANCE (continued)			
6,300	Financial Security Assurance Holdings	5.600%	Aa2
339,900	Hartford Capital Trust III, Series C	7.450%	Baa1
104,600	Hartford Life Capital Trust II, Series B	7.625%	Baa1
94,000	Lincoln National Capital Trust V, Series E	7.650%	Baa1
44,700	Lincoln National Capital Trust VI	6.750%	Baa1
19,413	MBIA Inc.	8.000%	Aa2
7,500	MetLife Inc.	5.875%	A2
1,097,500	MetLife Inc., Series B	6.500%	Baa1
639,020	PartnerRe Limited, Series C	6.750%	Baa1
25,000	PartnerRe Limited, Series D	6.500%	Baa1
274,681	PartnerRe Limited	7.900%	A3
108,700	PLC Capital Trust III	7.500%	Baa1
443,040	PLC Capital Trust IV	7.250%	Baa1
11,700	PLC Capital Trust V	6.125%	Baa1
222,200	Prudential plc	6.750%	Baa1
145,800	RenaissanceRe Holdings Ltd., Series B	7.300%	Baa2
20,200	RenaissanceRe Holdings Ltd., Series C	6.080%	Baa2
324,060	RenaissanceRe Holdings Ltd., Series A	8.100%	Baa2
89,700	Safeco Capital Trust I (CORTS)	8.700%	Baa2
60,200	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%	Baa2
4,700	Safeco Capital Trust III (CORTS)	8.072%	Baa2
2,300	Safeco Corporation, Series 2001-7 (SATURNS)	8.250%	Baa2
6,900	Safeco Corporation, Series 2002-5 (SATURNS)	8.250%	Baa2
132,300	Torchmark Capital Trust I	7.750%	Baa1
2,000	Torchmark Capital Trust II	7.750%	Baa1
21,400	W.R. Berkley Capital Trust, Series 2002-1, (CBTCS)	8.125%	Baa3

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

18,100	W.R. Berkley (CORTS)	8.250%	Baa3
565,200	XL Capital Ltd., Series A	8.000%	Baa1
598,417	XL Capital Ltd., Series B	7.625%	Baa1
-----			
IT SERVICES - 0.0%			
9,200	Vertex Industries Inc. (PPLUS)	7.625%	A2
-----			
MEDIA - 0.2%			
4,400	The Walt Disney Company	7.000%	Baa1
144,200	Viacom Inc.	7.300%	A3
-----			
MULTI-UTILITIES & UNREGULATED POWER - 0.4%			
107,800	Dominion CNG Capital Trust I	7.800%	Baa1
46,300	Dominion Resources Capital Trust II	8.400%	Baa2
113,100	Energy East Capital Trust I	8.250%	Baa3
-----			
OIL & GAS - 1.5%			
909,511	Nexen Inc.	7.350%	Baa3
151,900	TransCanada Pipeline	8.250%	A3
-----			
PHARMACEUTICALS - 0.0%			
14,700	Bristol Myers Squibb Company (CORTS)	6.250%	A1
1,400	Bristol-Myers Squibb Company Trust (CORTS)	6.800%	A1
-----			
REAL ESTATE - 19.6%			
95,400	AvalonBay Communities, Inc., Series H	8.700%	Baa2
16,400	BRE Properties, Series B	8.080%	Baa3
356,900	BRE Properties, Series C	6.750%	Baa3
81,006	BRE Properties, Series D	6.750%	Baa3
1,004,095	CarrAmerica Realty Corporation, Series E	7.500%	Baa3
1,200	Developers Diversified Realty Corporation	7.500%	Ba1
142,900	Developers Diversified Realty Corporation, Series H	7.375%	Ba1
564,413	Developers Diversified Realty Corporation, Series G	8.000%	Ba1
103,900	Developers Diversified Realty Corporation, Series F	8.600%	Ba1
297,700	Duke Realty Corporation, Series L	6.600%	Baa2
220,650	Duke-Weeks Realty Corporation, Series B	7.990%	Baa2
38,600	Duke-Weeks Realty Corporation, Series I	8.450%	Baa2

24

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

REAL ESTATE (continued)

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

5,600	Duke-Weeks Realty Corporation	6.625%	Baa2
378,600	Equity Office Properties Trust, Series G	7.750%	Baa3
54,000	Equity Residential Properties Trust, Series C	9.125%	Baa2
36,484	Equity Residential Properties Trust, Series N	6.480%	Baa2
65,050	Equity Residential Properties Trust, Series D	8.600%	Baa2
88,800	Equity Residential Properties Trust	9.125%	Baa2
329,500	Federal Realty Investment Trust	8.500%	Baa3
18,600	First Industrial Realty Trust Inc., Series C	8.625%	Baa3
16,800	Harris Preferred Capital Corporation, Series A	7.375%	A1
211,200	HRPT Properties Trust, Series A	9.875%	Baa3
1,546,125	HRPT Properties Trust, Series B	8.750%	Baa3
153,000	Kimco Realty Corporation, Series F	6.650%	Baa2
147,350	New Plan Excel Realty Trust, Series D	7.800%	Baa3
768,000	New Plan Excel Realty Trust, Series E	7.625%	N/R
1,700	Prologis Trust, Series F	6.750%	Baa2
97,728	Prologis Trust, Series G	6.750%	Baa2
734,970	PS Business Parks Inc.	7.000%	Ba1
107,600	PS Business Parks Inc., Series I	6.875%	Ba1
401,000	PS Business Parks Inc., Series L	7.600%	Ba1
4,100	Public Storage Inc.	7.125%	Baa2
230,400	Public Storage Inc., Series C	6.600%	Baa2
25,000	Public Storage Inc., Series D	6.180%	Baa2
35,000	Public Storage Inc., Series E	6.750%	Baa2
86,300	Public Storage Inc., Series Q	8.600%	Baa2
260,795	Public Storage Inc., Series R	8.000%	Baa2
46,100	Public Storage Inc., Series S	7.875%	Baa2
100,665	Public Storage Inc., Series T	7.625%	Baa2
106,200	Public Storage Inc., Series U	7.625%	Baa2
148,000	Public Storage Inc., Series V	7.500%	Baa2
2,129	Public Storage Inc., Series X	6.450%	Baa2
161,000	Realty Income Corporation	7.375%	Baa3
303,200	Regency Centers Corporation	7.450%	Baa3
156,300	Regency Centers Corporation	7.250%	Baa3
34,500	Simon Property Group, Inc., Series F	8.750%	Baa2
326,041	Simon Property Group, Inc., Series G	7.890%	Baa2
56,200	United Dominion Realty Trust	8.600%	Baa3
3,000	Vornado Realty Trust, Series E	7.000%	Baa3
21,500	Vornado Realty Trust, Series F	6.750%	Baa3
211,940	Vornado Realty Trust, Series G	6.625%	Baa3
2,461,900	Wachovia Preferred Funding Corporation	7.250%	A2
156,500	Weingarten Realty Trust, Series E	6.950%	Baa1

-----  
SPECIALTY RETAIL - 0.1%

39,800	Sherwin Williams Company, Series III (CORTS)	7.250%	A2
--------	--	--------	----

-----  
THRIFTS & MORTGAGE FINANCE - 3.6%

2,200	Countrywide Capital Trust II, Series II (CORTS)	8.000%	Baa1
1,043,000	Countrywide Capital Trust IV	6.750%	Baa1
245,500	Fannie Mae	0.000%	Aa3
70,200	Fannie Mae	5.125%	Aa3
83,500	Fannie Mae	3.780%	Aa3
45,000	Fannie Mae	5.810%	Aa3
124,200	Federal Home Loan Mortgage Corporation	6.000%	Aa3
58,200	Federal Home Loan Mortgage Corporation	6.140%	Aa3
107,900	Federal Home Loan Mortgage Corporation	5.100%	Aa3
66,600	Federal Home Loan Mortgage Corporation	5.000%	Aa3

-----

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

U.S. AGENCY - 0.2%

60,000	Federal Home Loan Mortgage Corporation	5.100%	Aa3
34,000	Federal Home Loan Mortgage Corporation	5.300%	Aa3

25

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

SHARES	DESCRIPTION(1)	COUPON	RATING
			MOODY'S
-----			
WIRELESS TELECOMMUNICATION SERVICES - 2.2%			
163,100	Telephone and Data Systems Inc.	7.600%	Baa1
1,319,200	United States Cellular Corporation	8.750%	Baa1
-----			
Total \$25 Par (or similar) Securities (cost \$1,380,800,603)			
-----			
CONVERTIBLE PREFERRED SECURITIES - 3.8% (2.7% OF TOTAL INVESTMENTS)			
-----			
DIVERSIFIED FINANCIAL SERVICES - 0.6%			
210,000	Citigroup Global Markets	2.000%	Aa1
-----			
ELECTRIC UTILITIES - 0.4%			
126,500	FPL Group Inc.	8.000%	N/R
-----			
FOOD & STAPLES RETAILING - 0.6%			
511,790	Albertson's, Inc.	7.250%	Baa2
-----			
HEALTHCARE EQUIPMENT & SUPPLIES - 0.4%			
128,600	Baxter International Inc.	7.000%	Baa1
-----			
INSURANCE - 0.2%			
118,000	XL Capital Ltd.	6.500%	A2
-----			
MULTI-UTILITIES & UNREGULATED POWER - 1.4%			
468,500	Dominion Resources Inc.	8.750%	Baa1
-----			
THRIFTS & MORTGAGE FINANCE - 0.2%			
172,300	PMI Group Inc.	5.875%	A1
-----			

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

Total Convertible Preferred Securities (cost \$61,683,044)

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
CAPITAL PREFERRED SECURITIES - 58.3% (40.9% OF TOTAL INVESTMENTS)			
CAPITAL MARKETS - 8.7%			
15,000	Ahmanson Capital Trust I, 144A	8.360%	12/01/26
1,465	Bank of New York Capital I, Series B	7.970%	12/31/26
4,000	BT Capital Trust, Series B1	7.900%	1/15/27
2,000	BT Institutional Capital Trust B, 144A	7.750%	12/01/26
500	BT Preferred Capital Trust II	7.875%	2/25/27
5,000	C.A. Preferred Fund Trust II	7.000%	10/30/49
18,600	C.A. Preferred Funding Trust	7.000%	1/30/49
5,050	First Hawaiian Capital Trust I, Series B	8.343%	7/01/27
1,000	First Security Capital I	8.410%	12/15/26
17,095	First Union Capital Trust II, Series A	7.950%	11/15/29
25,000	M&I Capital Trust A	7.650%	12/01/26
25,000	Mellon Capital Trust I, Series A	7.720%	12/01/26
3,240	State Street Institutional Capital Trust, 144A	7.940%	12/30/26
19,800	UBS Preferred Funding Trust I	8.622%	10/29/49

COMMERCIAL BANKS - 27.0%

19,000	AB Svensk Exportkredit, 144A	6.375%	10/27/49
37,250	Abbey National Capital Trust I	8.963%	12/30/49
7,100	AgFirst Farm Credit Bank	7.300%	12/15/53
6,500	Bank One Capital III	8.750%	9/01/30
26,355	BankBoston Capital Trust I, Series B	8.250%	12/15/26
3,031	BankBoston Capital Trust II, Series B	7.750%	12/15/26
5,000	BanPonce Trust I, Series A	8.327%	2/01/27
36,000	Barclays Bank plc, 144A	8.550%	6/15/49
5,300	Barnett Capital I	8.060%	12/01/26
2,229	Corestates Capital Trust I, 144A	8.000%	12/15/26
3,700	DBS Capital Funding Corporation, 144A	7.657%	3/15/49
3,500	First Chicago NBD Institutional Capital, 144A	7.950%	12/01/26

26

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

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
COMMERCIAL BANKS (continued)			
1,500	First Empire Capital Trust I	8.234%	2/01/27
1,500	First Midwest Bancorp Inc.	6.950%	12/01/33
22,080	Fleet Capital Trust II	7.920%	12/11/26
2,400	HSEC Capital Funding LP, 144A	9.547%	12/31/49

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

6,250	HSBC Capital Funding LP, Debt	10.176%	6/30/50
32,000	KBC Bank Fund Trust III, 144A	9.860%	11/02/49
8,000	KeyCorp Capital III	7.750%	7/15/29
2,500	KeyCorp Institutional Capital Trust A	7.826%	12/01/26
13,500	Lloyds TSB Bank plc, Subordinated Note	6.900%	11/22/49
19,500	NB Capital Trust II	7.830%	12/15/26
14,000	Nordbanken AB, 144A	8.950%	11/29/49
2,000	North Fork Capital Trust I, Capital Securities	8.700%	12/15/26
8,000	North Fork Capital Trust II	8.000%	12/15/27
2,000	Peoples Heritage Capital Trust I, Series B	9.060%	2/01/27
33,085	PNC Institutional Capital Securities, 144A	7.950%	12/15/26
2,000	Popular North American Capital Trust I	6.564%	9/15/34
13,100	RBS Capital Trust B	6.800%	12/31/49
8,000	Reliance Capital Trust I, Series B	8.170%	5/01/28
500	Republic New York Capital II, Capital Securities	7.530%	12/04/26
17,500	Royal Bank of Scotland Group plc	9.118%	3/31/49
2,150	Royal Bank of Scotland Group plc	7.648%	8/31/49
5,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/01/49
9,000	St. George Funding Company LLC, 144A	8.485%	6/30/47
3,400	Swedbank ForeningsSparbanken AB, 144A	9.000%	12/29/49
7,500	Union Planters Capital Trust A	8.200%	12/15/26
240	Union Planters Preferred Fund, 144A	7.750%	7/15/53
1,000	Wells Fargo Capital Securities	7.950%	12/01/26
10,000	Zions Institutional Capital Trust, Series A	8.536%	12/15/26

-----  
 DIVERSIFIED FINANCIAL SERVICES - 5.5%

1,000	BNP Paribas Capital Trust, 144A	9.003%	12/29/49
2,750	BNP Paribas Capital Trust	7.200%	12/31/49
8,750	Chase Capital Trust I, Series A	7.670%	12/01/26
44,010	HBOS Capital Funding LP, Notes	6.850%	3/01/49
3,600	JPM Capital Trust I	7.540%	1/15/27
22,085	JPM Capital Trust II	7.950%	2/01/27
13,800	Old Mutual Capital Funding, Notes	8.000%	6/22/53

-----  
 DIVERSIFIED TELECOMMUNICATION SERVICES - 2.2%

30,250	Centaur Funding Corporation, Series B, 144A	9.080%	4/21/20
--------	---	--------	---------

-----  
 INSURANCE - 11.1%

14,280	Ace Capital Trust II	9.700%	4/01/30
2,000	Allstate Financing II	7.830%	12/01/45
28,000	American General Institutional Capital, 144A	8.125%	3/15/46
10,000	Berkeley Capital Trust	8.197%	12/15/45
2,000	Mangrove Bay, Class 3, 144A	6.102%	7/15/33
6,000	MIC Financing Trust I	8.375%	2/01/27
10,250	Prudential plc	6.500%	6/29/49
10,000	RenaissanceRe Capital Trust	8.540%	3/01/27
51,700	Sun Life Canada Capital Trust, Capital Securities, 144A	8.526%	5/06/47
43,000	Zurich Capital Trust I, 144A	8.376%	6/01/37

-----  
 OIL & GAS - 1.3%

3,680	KN Capital Trust I, Preferred Securities	8.560%	4/15/27
10,750	KN Capital Trust III	7.630%	4/15/28
7,355	Phillips 66 Capital Trust II	8.000%	1/15/37

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

THRIFTS & MORTGAGE FINANCE - 2.5%

8,595	Countrywide Capital Trust I	8.000%	12/15/26
8,460	Countrywide Capital Trust III, Series B	8.050%	6/15/27
11,825	Dime Capital Trust I, Series A	9.330%	5/06/27

27

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

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
THRIFTS & MORTGAGE FINANCE (continued)			
13,000	Great Western Financial Trust II, Series A	8.206%	2/01/27
Total Capital Preferred Securities (cost \$1,007,768,223)			
CORPORATE BONDS - 0.3% (0.2% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.3%			
7,150	Ford Motor Company, Debenture	7.400%	11/01/46
Total Corporate Bonds (cost \$5,679,599)			
REPURCHASE AGREEMENTS - 2.2% (1.5% OF TOTAL INVESTMENTS)			
\$ 41,296	State Street Bank, 2.600%, dated 6/30/05, due 7/01/05, repurchase price \$41,299,4 collateralized by \$30,670,000 U.S. Treasury Bonds, 7.125%, due 2/15/23, value \$42,123,589		
Total Repurchase Agreements (cost \$41,296,420)			
Total Investments (cost \$2,497,227,889) - 142.5%			
Other Assets Less Liabilities - 0.9%			
FundPreferred Shares, at Liquidation Value - (43.4)%			
Net Assets Applicable to Common Shares - 100%			

INTEREST RATE SWAP TRANSACTIONS OUTSTANDING AT JUNE 30, 2005:

COUNTERPARTY	NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE
Citibank, N.A.	\$200,000,000	2.6300%	3.15
Citibank, N.A.	200,000,000	3.3750	3.15
Citibank, N.A.	200,000,000	3.9100	3.15

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

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

\*\* Based on LIBOR (London Interbank Offered Rate)

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

(CBTCS) Corporate Backed Trust Certificates.

(CORTS) Corporate Backed Trust Securities.

(PCARS) Public Credit and Repackaged Securities.

(PPLUS) PreferredPlus Trust.

(SATURNS) Structured Asset Trust Unit Repackaging.

N/R Security is not rated.

See accompanying notes to financial statements.

28

Nuveen Quality Preferred Income Fund 3 (JHP)  
 Portfolio of  
 INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
-----			
\$25 PAR (OR SIMILAR) SECURITIES - 85.2% (58.4% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.1%			
8,000	DaimlerChrysler AG (CORTS)	7.875%	A3
-----			
CAPITAL MARKETS - 7.1%			
32,000	Bear Stearns Capital Trust III	7.800%	A2
50,100	Compass Capital Trust III	7.350%	A3



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

39,900	CSFB USA, Series 2002-10 (SATURNS)	7.000%	Aa3
23,100	First Union Capital II, Series II (CORTS)	7.500%	A1
11,300	First Union Institutional Capital II (CORTS)	8.200%	A1
355,900	Lehman Brothers Holdings Capital Trust III, Series K	6.375%	A2
18,300	Merrill Lynch Preferred Capital Trust IV	7.120%	A1
76,100	Merrill Lynch Preferred Capital Trust V	7.280%	A1
36,300	Merrill Lynch Preferred Capital Trust	7.750%	A1
80,000	Morgan Stanley Capital Trust II	7.250%	A1
212,600	Morgan Stanley Capital Trust III	6.250%	A1
40,900	Morgan Stanley (PPLUS)	7.050%	Aa3

-----  
 COMMERCIAL BANKS - 14.4%

3,700	Abbey National plc, Series B	7.375%	A2
105,898	ABN AMRO Capital Trust Fund VII	6.080%	A2
34,100	ASBC Capital I	7.625%	Baa1
60,394	BAC Capital Trust I	7.000%	Aa3
38,700	BAC Capital Trust II	7.000%	Aa3
99,500	BAC Capital Trust III	7.000%	Aa3
64,900	BAC Capital Trust V	6.000%	Aa3
32,800	Banco Santander	6.410%	A2
37,300	Banco Totta & Acores Finance, Series A	8.875%	A3
18,600	BancWest Capital I	9.500%	A3
222,200	Banesto Holdings, Series A, 144A	10.500%	A2
32,300	Bank One Capital Trust VI	7.200%	A1
4,800	BankNorth Capital Trust II	8.000%	A3
23,000	Chittenden Capital Trust I	8.000%	Baa1
44,500	Cobank ABC, 144A	7.000%	N/R
54,200	Comerica Capital Trust I	7.600%	A3
161,300	Fleet Capital Trust VII	7.200%	Aa3
26,516	Fleet Capital Trust VIII	7.200%	Aa3
6,400	KeyCorp Capital Trust V	5.875%	A3
7,100	KeyCorp (PCARS)	7.500%	A3
7,200	KeyCorp, Series 2001-7 (CORTS)	7.750%	A3
12,500	KeyCorp, Series B (CORTS)	8.250%	A3
22,400	National Commerce Capital Trust II	7.700%	A1
30,400	National Westminster Bank plc, Series A	7.875%	Aa2
16,500	National Westminster Bank plc, Series B	7.875%	Aa3
20,100	PNC Capital Trust	6.125%	A3
40,000	Royal Bank of Scotland Group plc, Series M	6.400%	A1
104,465	Royal Bank of Scotland Group plc, Series N	6.350%	A1
17,000	SunTrust Capital Trust IV	7.125%	A1
25,500	SunTrust Capital Trust V	7.050%	A1
110,300	USB Capital Trust III	7.750%	Aa3
59,500	USB Capital Trust IV	7.350%	Aa3
50,000	USB Capital Trust V	7.250%	Aa3
19,000	VNB Capital Trust I	7.750%	Baa1
31,600	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%	Baa1
16,000	Well Fargo Capital Trust IX	5.625%	Aa2

Nuveen Quality Preferred Income Fund 3 (JHP) (continued)  
 Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

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

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

COMMERCIAL BANKS (continued)

35,800	Wells Fargo Capital Trust V	7.000%	Aa2
87,900	Wells Fargo Capital Trust VII	5.850%	Aa2
80,800	Zions Capital Trust B	8.000%	Baa1

CONSUMER FINANCE - 4.3%

14,600	Household Capital Trust VI	8.250%	A2
100,500	Household Capital Trust VII	7.500%	A2
120,000	HSEC Finance Corporation	6.360%	A3
136,000	HSEC Finance Corporation	6.875%	A1
95,300	SLM Corporation, Series A	6.970%	Baa1

DIVERSIFIED FINANCIAL SERVICES - 8.9%

10,000	BBVA Preferred Capital Ltd., Series B	7.750%	A1
42,900	CIT Group Incorporated (CORTS)	7.750%	A3
25,600	Citigroup Capital Trust VII	7.125%	Aa2
51,200	Citigroup Capital Trust VIII	6.950%	Aa2
13,000	Citigroup Capital Trust XI	6.000%	Aa2
16,549	Citigroup Inc., Series F	6.365%	Aa3
68,500	Citigroup Inc., Series H	6.231%	Aa3
50,901	Citigroup Inc., Series M	5.864%	Aa3
142,900	ING Group NV	7.050%	N/R
504,300	ING Group NV	7.200%	A2
42,600	JPMorgan Chase Capital Trust X	7.000%	A1
43,800	JPMorgan Chase Capital Trust XVI	6.350%	A1
25,800	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%	A1
22,000	Merrill Lynch Capital Trust II	8.000%	A1

DIVERSIFIED TELECOMMUNICATION SERVICES - 0.4%

6,000	BellSouth Corporation (CORTS)	7.000%	A2
12,900	BellSouth Inc. (CORTS)	7.000%	A2
25,200	Verizon Communications (CORTS)	7.625%	A2
15,300	Verizon New England Inc., Series B	7.000%	A2

ELECTRIC UTILITIES - 2.3%

53,400	Entergy Louisiana Inc.	7.600%	Baa1
203,447	Entergy Mississippi Inc.	7.250%	Baa2
13,100	Georgia Power Company	5.700%	Aaa
10,500	National Rural Utilities Cooperative Finance Corporation	7.600%	A3
4,500	National Rural Utilities Cooperative Finance Corporation	7.400%	A3
18,300	Tennessee Valley Authority, Series D	6.750%	Aaa

FOOD PRODUCTS - 0.7%

23,500	Dairy Farmers of America Inc., 144A	7.875%	Ba1
--------	-------------------------------------	--------	-----

GAS UTILITIES - 0.2%

32,900	AGL Capital Trust II	8.000%	Baa2
--------	----------------------	--------	------

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

HEALTHCARE PROVIDERS & SERVICES - 0.1%			
SHARES	DESCRIPTION(1)	COUPON	RATING
12,500	Aetna Incorporated	8.500%	Baa1
INSURANCE - 19.0%			
133,000	Ace Ltd., Series C	7.800%	Baa2
398,838	Aegon NV	6.375%	A3
30,700	AMBAC Financial Group Inc.	5.950%	Aa2
95,000	AMBAC Financial Group Inc.	5.875%	Aa2
8,500	American General Capital III	8.050%	Aa3
134,400	Delphi Financial Group Inc.	8.000%	Baa3
261,171	EverestRe Group Limited	7.850%	Baa1
151,100	Financial Security Assurance Holdings	6.250%	Aa2
68,900	Hartford Capital Trust III, Series C	7.450%	Baa1
106,900	Lincoln National Capital Trust V, Series E	7.650%	Baa1
4,000	MetLife Inc.	5.875%	A2
193,700	MetLife Inc., Series B	6.500%	Baa1
140,000	PartnerRe Limited, Series C	6.750%	Baa1

30

INSURANCE (continued)			
SHARES	DESCRIPTION(1)	COUPON	MOODY'S
55,700	PartnerRe Limited	7.900%	A3
55,700	PLC Capital Trust III	7.500%	Baa1
15,500	PLC Capital Trust IV	7.250%	Baa1
52,544	Prudential plc	6.750%	Baa1
217,000	RenaissanceRe Holdings Ltd., Series B	7.300%	Baa2
41,500	RenaissanceRe Holdings Ltd., Series A	8.100%	Baa2
16,400	Safeco Capital Trust I (CORTS)	8.700%	Baa2
9,300	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%	Baa2
32,200	Safeco Corporation, Series 2001-7 (SATURNS)	8.250%	Baa2
61,800	XL Capital Ltd., Series A	8.000%	Baa1
289,400	XL Capital Ltd., Series B	7.625%	Baa1
MULTI-UTILITIES & UNREGULATED POWER - 0.3%			
17,900	Dominion CNG Capital Trust I	7.800%	Baa1
24,300	Energy East Capital Trust I	8.250%	Baa3
OIL & GAS - 1.7%			
187,900	Nexen Inc.	7.350%	Baa3
34,700	TransCanada Pipeline	8.250%	A3
PHARMACEUTICALS - 0.1%			
10,000	Bristol Myers Squibb Company (CORTS)	6.250%	A1

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

REAL ESTATE - 18.8%

10,700	AvalonBay Communities, Inc., Series H	8.700%	Baa2
135,900	BRE Properties, Series C	6.750%	Baa3
8,829	BRE Properties, Series D	6.750%	Baa3
200,533	CarrAmerica Realty Corporation, Series E	7.500%	Baa3
30,000	Developers Diversified Realty Corporation, Series H	7.375%	Ba1
170,900	Developers Diversified Realty Corporation, Series G	8.000%	Ba1
26,300	Developers Diversified Realty Corporation, Series F	8.600%	Ba1
112,500	Duke Realty Corporation, Series L	6.600%	Baa2
60,644	Equity Office Properties Trust, Series G	7.750%	Baa3
18,500	Equity Residential Properties Trust, Series C	9.125%	Baa2
20,800	Equity Residential Properties Trust, Series D	8.600%	Baa2
25,900	Equity Residential Properties Trust	9.125%	Baa2
55,300	Federal Realty Investment Trust	8.500%	Baa3
5,100	First Industrial Realty Trust Inc., Series C	8.625%	Baa3
131,900	HRPT Properties Trust, Series A	9.875%	Baa3
240,207	HRPT Properties Trust, Series B	8.750%	Baa3
21,000	New Plan Excel Realty Trust, Series D	7.800%	Baa3
35,600	New Plan Excel Realty Trust, Series E	7.625%	N/R
20,000	Prologis Trust, Series G	6.750%	Baa2
136,000	PS Business Parks Inc.	7.000%	Ba1
36,900	PS Business Parks Inc., Series D	9.500%	Ba2
8,300	PS Business Parks Inc., Series F	8.750%	Ba2
120,000	PS Business Parks Inc., Series L	7.600%	Ba1
40,900	Public Storage Inc., Series Q	8.600%	Baa2
129,533	Public Storage Inc., Series R	8.000%	Baa2
19,300	Public Storage Inc., Series S	7.875%	Baa2
22,500	Public Storage Inc., Series T	7.625%	Baa2
11,000	Public Storage Inc., Series U	7.625%	Baa2
17,000	Public Storage Inc., Series V	7.500%	Baa2
12,600	Regency Centers Corporation	7.450%	Baa3
80,700	Regency Centers Corporation	7.250%	Baa3
7,500	Simon Property Group, Inc., Series F	8.750%	Baa2
68,600	Simon Property Group, Inc., Series G	7.890%	Baa2
36,400	United Dominion Realty Trust	8.600%	Baa3
61,800	Vornado Realty Trust, Series G	6.625%	Baa3
252,700	Wachovia Preferred Funding Corporation	7.250%	A2
39,600	Weingarten Realty Trust, Series E	6.950%	Baa1

31

Nuveen Quality Preferred Income Fund 3 (JHP) (continued)  
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
SPECIALTY RETAIL - 0.2%			
20,000	Sherwin Williams Company, Series III (CORTS)	7.250%	A2
THRIFTS & MORTGAGE FINANCE - 4.4%			
16,600	Countrywide Capital Trust II, Series II (CORTS)	8.000%	Baa1
240,430	Countrywide Capital Trust IV	6.750%	Baa1

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

25,600	Fannie Mae	0.000%	Aa3
42,700	Fannie Mae	5.125%	Aa3
43,800	Fannie Mae	3.780%	Aa3
20,900	Federal Home Loan Mortgage Corporation	6.000%	Aa3
9,000	Federal Home Loan Mortgage Corporation	6.140%	Aa3
19,900	Federal Home Loan Mortgage Corporation	5.100%	Aa3
20,800	Federal Home Loan Mortgage Corporation	5.000%	Aa3
-----			
	U.S. AGENCY - 0.1%		
7,000	Federal Home Loan Mortgage Corporation	5.300%	Aa3
-----			
	WIRELESS TELECOMMUNICATION SERVICES - 2.1%		
116,901	Telephone and Data Systems Inc.	7.600%	Baa1
157,500	United States Cellular Corporation	8.750%	Baa1
5,300	United States Cellular Corporation	7.500%	Baa1
-----			
	Total \$25 Par (or similar) Securities (cost \$293,637,462)		
-----			
	CONVERTIBLE PREFERRED SECURITIES - 3.7% (2.5% OF TOTAL INVESTMENTS)		
	DIVERSIFIED FINANCIAL SERVICES - 0.9%		
61,000	Citigroup Global Markets	2.000%	Aa1
-----			
	FOOD & STAPLES RETAILING - 0.7%		
100,196	Albertson's, Inc.	7.250%	Baa2
-----			
	HEALTHCARE EQUIPMENT & SUPPLIES - 0.4%		
28,000	Baxter International Inc.	7.000%	Baa1
-----			
	MULTI-UTILITIES & UNREGULATED POWER - 1.6%		
102,400	Dominion Resources Inc.	8.750%	Baa1
-----			
	THRIFTS & MORTGAGE FINANCE - 0.1%		
20,100	PMI Group Inc.	5.875%	A1
-----			
	Total Convertible Preferred Securities (cost \$11,385,461)		
-----			
PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
-----			
	CAPITAL PREFERRED SECURITIES - 55.5% (38.0% OF TOTAL INVESTMENTS)		
	CAPITAL MARKETS - 7.4%		

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

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
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

-----  
 COMMERCIAL BANKS - 21.2%

2,000	AB Svensk Exportkredit, 144A	6.375%	10/27/49
1,000	Abbey National Capital Trust I	8.963%	12/30/49
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

32

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

-----  
 COMMERCIAL BANKS (continued)

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
1,430	HSBC USA Capital Trust II, 144A	8.380%	5/15/27
2,500	KBC Bank Fund Trust III, 144A	9.860%	11/02/49
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
9,200	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%	6/30/47
655	Swedbank ForeningsSparbanken AB, 144A	9.000%	12/29/49
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

-----  
 DIVERSIFIED FINANCIAL SERVICES - 6.6%

1,000	BNP Paribas Capital Trust	7.200%	12/31/49
1,000	Chase Capital Trust I, Series A	7.670%	12/01/26
9,100	HBOS Capital Funding LP, Notes	6.850%	3/01/49
9,000	JPM Capital Trust I	7.540%	1/15/27
1,800	Old Mutual Capital Funding, Notes	8.000%	6/22/53

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

DIVERSIFIED TELECOMMUNICATION SERVICES - 2.0%

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

-----  
INSURANCE - 14.3%

3,450	Ace Capital Trust II	9.700%	4/01/30
500	Allstate Financing II	7.830%	12/01/45
5,000	Berkeley Capital Trust	8.197%	12/15/45
750	Mangrove Bay, Class 3, 144A	6.102%	7/15/33
10,000	MIC Financing Trust I	8.375%	2/01/27
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
11,500	Zurich Capital Trust I, 144A	8.376%	6/01/37

-----  
OIL & GAS - 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

-----  
THRIFTS & MORTGAGE FINANCE - 1.6%

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 Capital Preferred Securities (cost \$187,773,615)  
-----

33

Nuveen Quality Preferred Income Fund 3 (JHP) (continued)  
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
-----			
CORPORATE BONDS - 0.4% (0.2% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.4%			
1,700	Ford Motor Company, Debenture	7.400%	11/01/46
-----			
Total Corporate Bonds (cost \$1,458,959)			
-----			
REPURCHASE AGREEMENTS - 1.3% (0.9% OF TOTAL INVESTMENTS)			
\$ 4,424	State Street Bank, 2.600%, dated 6/30/05, due 7/01/05, repurchase price \$4,423,82 collateralized by \$3,125,000 U.S. Treasury Bonds, 8.125%, due 8/15/19, value \$4		
=====	-----		
Total Repurchase Agreements (cost \$4,423,508)			
-----			

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

Total Investments (cost \$498,679,005) - 146.1%

-----  
 Other Assets Less Liabilities - 1.2%

-----  
 FundPreferred Shares, at Liquidation Value - (47.3)%

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

=====

INTEREST RATE SWAP CONTRACTS OUTSTANDING AT JUNE 30, 2005:

COUNTERPARTY	NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE
Citibank, N.A.	\$42,000,000	2.4125%	3.15
Citibank, N.A.	42,000,000	3.2550	3.15
Citibank, N.A.	42,000,000	3.8150	3.15

-----

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

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

\*\* Based on LIBOR (London Interbank Offered Rate)

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

(CORTS) Corporate Backed Trust Securities.

(PCARS) Public Credit and Repackaged Securities.

(PPLUS) PreferredPlus Trust.

(SATURNS) Structured Asset Trust Unit Repackaging.

N/R Security is not rated.

See accompanying notes to financial statements.



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

	INCOME (JTP)
-----	
ASSETS	
Investments, at market value (cost \$1,316,389,713, \$2,497,227,889 and \$498,679,005, respectively)	\$1,377,825,446
Cash	190,291
Interest rate swaps, at value	--
Receivables:	
Dividends	2,020,152
Interest	7,125,453
Investments sold	1,350,178
Reclaims	--
Other assets	62,049
-----	
Total assets	1,388,573,569
-----	
LIABILITIES	
Interest rate swaps, at value	1,227,305
Payable for investments purchased	36,449
Accrued expenses:	
Management fees	622,447
Other	298,066
FundPreferred share dividends payable	131,871
-----	
Total liabilities	2,316,138
-----	
FundPreferred shares, at liquidation value	440,000,000
=====	
Net assets applicable to Common shares	\$ 946,257,431
=====	
Common shares outstanding	64,462,104
=====	
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 14.68
=====	
NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:	
-----	
Common shares, \$.01 par value per share	\$ 644,621
Paid-in surplus	911,539,984
Undistributed net investment income	6,077,844
Accumulated net realized gain (loss) from investments, futures and interest rate swaps	(32,213,446)
Net unrealized appreciation (depreciation) of investments and interest rate swaps	60,208,428
-----	
Net assets applicable to Common shares	\$ 946,257,431
=====	
Authorized shares:	
Common	Unlimited
FundPreferred shares	Unlimited
=====	

See accompanying notes to financial statements.

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

Statement of  
OPERATIONS Six Months Ended June 30, 2005 (Unaudited)

	QUALITY PREFERRED INCOME (JTP)
<hr/>	
INVESTMENT INCOME	
Dividends (net of foreign tax withheld of \$8,366, \$11,731 and \$4,093, respectively)	\$ 25,701,862
Interest	22,317,315
Total investment income	48,019,177
<hr/>	
EXPENSES	
Management fees	5,974,494
FundPreferred shares - auction fees	545,480
FundPreferred shares - dividend disbursing agent fees	12,495
Shareholders' servicing agent fees and expenses	5,811
Custodian's fees and expenses	159,635
Trustees' fees and expenses	14,087
Professional fees	38,445
Shareholders' reports - printing and mailing expenses	133,282
Stock exchange listing fees	12,431
Investor relations expense	94,510
Other expenses	20,938
<hr/>	
Total expenses before custodian fee credit and expense reimbursement	7,011,608
Custodian fee credit	(433)
Expense reimbursement	(2,201,043)
<hr/>	
Net expenses	4,810,132
<hr/>	
Net investment income	43,209,045
<hr/>	
REALIZED AND UNREALIZED GAIN (LOSS) Net realized gain (loss) from:	
Investments	4,890,576
Futures	--
Interest rate swaps	(1,670,662)
Change in net unrealized appreciation (depreciation) of:	
Investments	(20,736,577)
Futures	--
Interest rate swaps	2,246,485
<hr/>	
Net realized and unrealized gain (loss)	(15,270,178)
<hr/>	
DISTRIBUTIONS TO FUNDPREFERRED SHAREHOLDERS	
From net investment income	(5,973,035)
From accumulated net realized gains from investments	--
<hr/>	
Decrease in net assets applicable to Common shares from distributions to FundPreferred shareholders	(5,973,035)
<hr/>	
Net increase in net assets applicable to Common shares from operations	\$ 21,965,83
<hr/>	

See accompanying notes to financial statements.

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

Statement of  
CHANGES IN NET ASSETS (Unaudited)

	QUALITY PREFERRED INCOME (JTP)			QUAL
	SIX MONTHS ENDED 6/30/05	FIVE MONTHS ENDED 12/31/04	YEAR ENDED 7/31/04	SIX MONTHS ENDED 6/30/05
<hr/>				
OPERATIONS				
Net investment income	\$ 43,209,045	\$ 38,406,778	\$ 88,172,724	\$ 81,824,678
Net realized gain (loss) from:				
Investments	4,890,576	(789,063)	6,457,519	20,637,419
Futures	--	--	--	626,810
Interest rate swaps	(1,670,662)	(2,754,561)	(8,829,243)	(1,927,391)
Change in net unrealized appreciation (depreciation) of:				
Investments	(20,736,577)	34,446,726	15,444,743	(49,899,713)
Futures	--	--	--	313,500
Interest rate swaps	2,246,485	(130,099)	3,409,919	2,985,352
Distributions to FundPreferred shareholders:				
From net investment income	(5,973,035)	(3,338,840)	(5,266,011)	(10,889,411)
From accumulated net realized gains from investments	--	--	--	--
<hr/>				
Net increase in net assets applicable to Common shares from operations	21,965,832	65,840,941	99,389,651	43,671,244
<hr/>				
DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(37,291,330)	(32,291,619)	(80,656,204)	(71,366,480)
From accumulated net realized gains from investments	--	--	--	--
<hr/>				
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(37,291,330)	(32,291,619)	(80,656,204)	(71,366,480)
<hr/>				
CAPITAL SHARE TRANSACTIONS				
Common shares:				
Net proceeds from sale of shares	--	--	(2,071)	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--	141,543	1,421,340	--
FundPreferred shares offering costs	--	92	(7,166)	--
<hr/>				
Net increase in net assets applicable to Common shares from capital share transactions	--	141,635	1,412,103	--
<hr/>				
Net increase in net assets applicable to Common shares	(15,325,498)	33,690,957	20,145,550	(27,695,236)
Net assets applicable to Common shares at the beginning of period	961,582,929	927,891,972	907,746,422	1,872,283,332

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

Net assets applicable to Common shares at the end of period	\$946,257,431	\$961,582,929	\$927,891,972	\$1,844,588,096
Undistributed net investment income at the end of period	\$ 6,077,844	\$ 6,133,164	\$ 3,356,845	\$ 7,054,735

See accompanying notes to financial statements.

37

Statement of  
CHANGES IN NET ASSETS (Unaudited) (continued)

	SIX MONTH ENDE 6/30/0
<b>OPERATIONS</b>	
Net investment income	\$ 15,579,08
Net realized gain (loss) from:	
Investments	2,083,53
Futures	-
Interest rate swaps	(312,91
Change in net unrealized appreciation (depreciation) of:	
Investments	(8,764,21
Futures	-
Interest rate swaps	519,59
Distributions to FundPreferred shareholders:	
From net investment income	(2,312,86
From accumulated net realized gains from investments	-
Net increase in net assets applicable to Common shares from operations	6,792,22
<b>DISTRIBUTIONS TO COMMON SHAREHOLDERS</b>	
From net investment income	(14,102,88
From accumulated net realized gains from investments	-
Decrease in net assets applicable to Common shares from distributions to Common shareholders	(14,102,88
<b>CAPITAL SHARE TRANSACTIONS</b>	
Common shares:	
Net proceeds from sale of shares	--
Net proceeds from shares issued to shareholders due to reinvestment of distributions	--
FundPreferred shares offering costs	--

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

Net increase in net assets applicable to Common shares from capital share transactions	--
<hr style="border-top: 1px dashed black;"/>	
Net increase in net assets applicable to Common shares	(7,310,654)
Net assets applicable to Common shares at the beginning of period	358,197,431
<hr style="border-top: 1px dashed black;"/>	
Net assets applicable to Common shares at the end of period	\$350,886,777
<hr style="border-top: 3px double black;"/>	
Undistributed net investment income at the end of period	\$ 2,148,767
<hr style="border-top: 3px double black;"/>	

See accompanying notes to financial statements.

38

Notes to  
FINANCIAL STATEMENTS (Unaudited)

### 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.

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.

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.

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.

#### Securities Valuation

Exchange-listed securities and instruments 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.

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

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. Securities traded on Nasdaq are valued at the Nasdaq Official Closing Price. The prices of fixed-income securities are generally 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 securities are valued at amortized cost, which approximates market value.

### Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Securities purchased on a when-issued or delayed delivery basis may have extended settlement periods. Any securities 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 June 30, 2005, there were no such outstanding purchase commitments in any of the Funds.

### 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.

### Notes to

#### FINANCIAL STATEMENTS (Unaudited) (continued)

### 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.

Dividends to Common shareholders are declared monthly. With respect to the REIT securities held in the Funds' Portfolio of Investments, distributions received by the Funds are generally comprised of investment 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 twelve months ended December 31, 2004, the character of distributions to

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

the Funds from the REITs was as follows:

2004	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

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

For the six months ended June 30, 2005, each Fund applied the actual percentages for the twelve months ended December 31, 2004, described above, 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 adjusts that estimated breakdown of income type (and consequently its net investment income) as necessary early in the following calendar year when the REITs inform their shareholders of the actual breakdown of income type. For 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.

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 six months ended June 30, 2005, each Fund treated that portion of its distributions as being entirely from net investment income. The Funds will recharacterize those distributions as being from ordinary income, long-term and short-term capital gains, and return of capital, if necessary, at the beginning of the subsequent year, based upon the income type breakdown information conveyed at that time by the REITs whose securities are held in each Fund's portfolio. For 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 are held in each Fund's portfolio.

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

### 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 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)
-----			
2004			
-----			
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 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 FundPreferred 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.

Due to recent 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



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

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 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.

41

Notes to  
FINANCIAL STATEMENTS (Unaudited) (continued)

### 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.

### 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

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

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 PREFERRED INCOME 3	
	SIX MONTHS ENDED 6/30/05	FIVE MONTHS ENDED 12/31/04	YEAR ENDED 7/31/04	SIX MONTHS ENDED 6/30/05	FIVE MONTHS ENDED 12/31/04
	Common shares issued to shareholders due to reinvestment of distributions	--	9,641	95,759	--

	QUALITY PREFERRED INCOME 3	
	SIX MONTHS ENDED 6/30/05	FIVE MONTHS ENDED 12/31/04
	Common shares issued to shareholders due to reinvestment of distributions	--

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments) of investment securities during the six months ended June 30, 2005, were as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)

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

Purchases	\$166,908,075	\$313,811,495
Sales and maturities	173,037,854	360,754,575

---

#### 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 the recognition of income on certain securities which are treated as debt securities for income tax purposes and equity securities for financial statement purposes, and timing differences in recognizing certain gains and losses on investment transactions.

At June 30, 2005, the cost of investments was as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)
Cost of investments	\$1,319,062,587	\$2,501,971,122

---

Gross unrealized appreciation and gross unrealized depreciation of investments at June 30, 2005, were as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)
Gross unrealized:		
Appreciation	\$67,622,748	\$142,286,492
Depreciation	(8,859,889)	(15,745,928)
Net unrealized appreciation of investments	\$58,762,859	\$126,540,564

---

The tax components of undistributed net ordinary income and net realized gains at July 31, 2004, the Funds' last tax year end, were as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)
Undistributed net ordinary income *	\$7,699,609	\$14,357,609
Undistributed net long-term capital gains	--	20,000,209

---

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

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

The tax character of distributions paid during the tax year ended July 31, 2004, the Funds' last tax year end, was designated for purposes of the dividends paid deduction as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)
-----		
JULY 31, 2004		
-----		
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.

43

### Notes to FINANCIAL STATEMENTS (Unaudited) (continued)

At July 31, 2004, the Funds' last tax year end, Quality Preferred Income (JTP) had unused capital loss carryforwards of \$25,060,612 available for federal income tax purposes to be applied against future capital gains, if any. If not applied, \$693,161 of the carryforwards will expire in the year 2011 and \$24,367,451 will expire in 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. As of July 31, 2005, the complex-level fee rate was .1899%.

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

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

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
For Managed Assets over \$2 billion	.6000

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 follows:

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

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

been invested in shares of select Nuveen advised Funds.

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 (Unaudited) (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 dividend distributions from their net investment income which were paid on August 1, 2005, to shareholders of record on July 15, 2005, as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)	QUALITY PREFERRED INCOME 3 (JHP)
Dividend per share	\$ .0935	\$ .0960	\$ .0965

Financial  
HIGHLIGHTS (Unaudited)

Financial  
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

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

	Investment Operations						Total
	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)							
2005 (f)	\$14.92	\$ .67	\$ (.24)	\$ (.09)	\$ --		\$ .34
8/1/04-12/31/04	14.40	.60	.47	(.05)	--		1.02
Year Ended 7/31:							
2004 (b)	14.10	1.37	.26	(.08)	--		1.55
2003	14.12	1.31	.16	(.09)	--		1.38
2002 (c)	14.33	.06	(.25)	--	--		(.19)
QUALITY PREFERRED INCOME 2 (JPS)							
2005 (f)	15.66	.68	(.22)	(.09)	--		.37
8/1/04-12/31/04	15.32	.60	.50	(.04)	(.01)		1.05
Year Ended 7/31:							
2004 (b)	14.97	1.42	.37	(.08)	--		1.71
2003 (d)	14.33	1.02	.79	(.07)	--		1.74
QUALITY PREFERRED INCOME 3 (JHP)							
2005 (f)	15.15	.66	(.27)	(.10)	--		.29
8/1/04-12/31/04	14.71	.60	.46	(.05)	--		1.01
Year Ended 7/31:							
2004 (b)	14.38	1.38	.40	(.08)	(.01)		1.69
2003 (e)	14.33	.67	.22	(.04)	--		.85

	Total Returns				
	Offering Costs and FundPreferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Based on Common Share Net Asset Value**
QUALITY PREFERRED INCOME (JTP)					
2005 (f)	\$ --	\$14.68	\$14.00	4.23%	2.33%
8/1/04-12/31/04	--	14.92	14.00	3.79	7.10
Year Ended 7/31:					
2004 (b)	--	14.40	13.96	4.20	11.17
2003	(.15)	14.10	14.59	4.95	9.15
2002 (c)	(.02)	14.12	15.15	1.00	(1.47)



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

QUALITY PREFERRED  
INCOME 2 (JPS)

2005 (f)	--	15.43	14.45	4.57	2.40
8/1/04-12/31/04	--	15.66	14.40	3.34	6.94
Year Ended 7/31:					
2004 (b)	--	15.32	14.61	8.98	11.60
2003 (d)	(.15)	14.97	14.65	4.02	11.22

QUALITY PREFERRED  
INCOME 3 (JHP)

2005 (f)	--	14.84	14.53	4.80	2.07
8/1/04-12/31/04	--	15.15	14.44	4.64	6.81
Year Ended 7/31:					
2004 (b)	--	14.71	14.34	9.36	11.93
2003 (e)	(.18)	14.38	14.36	(.19)	4.62

Ratios/Supplemental Data

	Before Credit/Reimbursement			After Credit/Reimbursement	
	Ending Net Assets Applicable to Common Shares (000)	Ratio of Expenses to Average Net Assets to Common Shares++	Ratio of Net Investment Income to Average Net Assets to Common Shares++	Ratio of Expenses to Average Net Assets to Common Shares++	Ratio of Net Investment Income to Average Net Assets to Common Shares++
2005 (f)	\$ 946,257	1.49%*	8.73%*	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 (JTP)

2005 (f)	\$ 946,257	1.49%*	8.73%*	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)

2005 (f)	1,844,588	1.40*	8.48*	.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)

2005 (f)	350,887	1.54*	8.44*	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*

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

FundPreferred Shares at End of Period			
	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share
=====			
QUALITY PREFERRED INCOME (JTP)			
-----			
2005 (f)	\$440,000	\$25,000	\$78,765
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)			
-----			
2005 (f)	800,000	25,000	82,643
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)			
-----			
2005 (f)	166,000	25,000	77,844
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
=====			

\* Annualized.

\*\* Total Investment 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)

--

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

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 year ended July 31, 2004, was as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)	QUALITY PREFERRED INCOME 3 (JHP)
Increase of Net Investment Income per share with a corresponding decrease in Net Realized/Unrealized Investment Gain (Loss)	\$ .14	\$ .11	\$ .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%	.73%

- (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.
- (f) For the six months ended June 30, 2005.

See accompanying notes to financial statements.

48-49 SPREAD

### ANNUAL INVESTMENT MANAGEMENT AGREEMENT APPROVAL PROCESS

At a meeting held on May 10-12, 2005, the Board of Trustees of the Funds, including the independent Trustees, unanimously approved the Investment Management Agreement between each Fund and NAM and the Sub-Advisory Agreement between NAM and Spectrum for each Fund (NAM and Spectrum are each a "Fund Adviser").

#### THE APPROVAL PROCESS

To assist the Board in its evaluation of an advisory contract with a Fund Adviser, the independent Trustees received a report in adequate time in advance of their meeting which outlined, among other things, the services provided by the Fund Adviser; the organization of the Fund Adviser, including the

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

responsibilities of various departments and key personnel; the Fund's past performance as well as the Fund's performance compared to funds of similar investment objectives compiled by an independent third party (a "Peer Group") as described below and with recognized and/or customized benchmarks (as appropriate); the profitability of the Fund Adviser and certain industry profitability analyses for advisers to unaffiliated investment companies; the expenses of the Fund Adviser in providing the various services; the advisory fees of the Fund Adviser, including comparisons of such fees with the management fees of comparable funds in its Peer Group as well as comparisons of the Fund Adviser's management fees with the fees the Fund Adviser assesses to other types of investment products or accounts, if any; the soft dollar practices of the Fund Adviser; and the expenses of each Fund, including comparisons of the Fund's expense ratios (after any fee waivers) with the expense ratios of its Peer Group. This information supplements that received by the Board throughout the year regarding Fund performance, expense ratios, portfolio composition, trade execution and sales activity.

In addition to the foregoing materials, independent legal counsel to the independent Trustees provided, in advance of the meeting, a legal memorandum outlining, among other things, the duties of the Trustees under the 1940 Act as well as the general principles of relevant state law in reviewing and approving advisory contracts; the requirements of the 1940 Act in such matters; an adviser's fiduciary duty with respect to advisory agreements and compensation; the standards used by courts in determining whether investment company boards of directors have fulfilled their duties and factors to be considered by the board in voting on advisory agreements.

At the Board meeting, NAM made a presentation to and responded to questions from the Board. In addition, the independent Trustees noted that Spectrum has also previously made written or oral presentations to the Board providing it with the opportunity to explain its investment strategies, discuss market conditions, and highlight any material issues. Many of these presentations were part of site visits by the Board throughout the year. After the presentations and after reviewing the written materials, the independent Trustees met privately with their legal counsel to review the Board's duties in reviewing advisory contracts and consider the renewal of the advisory contract. It is with this background that the Trustees considered each advisory contract (which includes sub-advisory contracts) with a Fund Adviser. The independent Trustees, in consultation with independent counsel, reviewed the factors set out in judicial decisions and SEC directives relating to the renewal of advisory contracts. As outlined in more detail below, the Trustees considered all factors they believed relevant with respect to each Fund, including the following: (a) the nature, extent and quality of the services to be provided by the Fund Adviser; (b) the investment performance of the Fund and the Fund Adviser; (c) the costs of the services to be provided and profits to be realized by the Fund Adviser and its affiliates from the relationship with the Fund; (d) the extent to which economies of scale would be realized as the Fund grows; and (e) whether fee levels reflect these economies of scale for the benefit of Fund investors.

### A. NATURE, EXTENT AND QUALITY OF SERVICES

In evaluating the nature, extent and quality of the respective Fund Adviser's services, the Trustees reviewed information concerning the types of services that a Fund Adviser or its affiliates provide and are expected to provide to the Nuveen Funds; narrative and statistical information concerning the Fund's performance record and how such performance compares to the Fund's Peer Group and recognized benchmarks and/or customized benchmarks (as described in further detail in Section B below); information describing the Fund Adviser's organization and its various departments, the experience and responsibilities of key personnel, and available resources. In the discussion of key personnel, the Trustees received materials regarding the changes or additions in personnel of the applicable Fund Adviser. The Trustees further noted the willingness of the personnel of NAM to engage in open, candid discussions with the Board. The

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

Trustees further considered the quality of the Fund Adviser's investment process in making portfolio management decisions, including any refinements or improvements to the portfolio management processes, enhancements to technology and systems that are available to portfolio managers, and any additions of new personnel which may strengthen or expand the research and investment capabilities of the Fund Adviser. In their review of the advisory contracts for the fixed income funds, the Trustees also noted that Nuveen won the Lipper Award for Best Fund Family: Fixed Income-Large Asset Class, for 2004. Given the Trustees' experience with the Funds, other Nuveen funds and the Fund Advisers, the Trustees noted that they were familiar with and continue to have a good understanding of the organization, operations and personnel of the Fund Advisers.

50

In addition to advisory services, the independent Trustees considered the quality of the administrative or non-advisory services provided. In this regard, NAM provides the Funds with such administrative and other services (exclusive of, and in addition to, any such services provided by others for the Funds) and officers and other personnel as are necessary for the operations of the respective Fund. In addition to investment management services, NAM and its affiliates provide each Fund with a wide range of services, including: preparing shareholder reports; providing daily accounting; providing quarterly financial statements; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal support (such as helping to prepare registration statements, amendments thereto and proxy statements and responding to regulatory inquiries); and performing other Fund administrative tasks necessary for the operation of the respective Fund (such as tax reporting and fulfilling regulatory filing requirements). In addition, in evaluating the administrative services, the Trustees considered, in particular, a Fund Adviser's policies and procedures for assuring compliance with applicable laws and regulations in light of the new SEC regulations governing compliance. The Trustees noted NAM's focus on compliance and its compliance systems. In their review, the Trustees considered, among other things, the additions of experienced personnel to NAM's compliance group and modifications and other enhancements to NAM's computer systems. In addition to the foregoing, the Trustees also noted that NAM outsources certain services that cannot be replicated without significant costs or at the same level of expertise. Such outsourcing has been a beneficial and efficient use of resources by keeping expenses low while obtaining quality services. Further, as the Funds utilize a sub-adviser, the Trustees considered NAM's ability and procedures to monitor Spectrum's performance, business practices and compliance policies and procedures. In this regard, the Trustees noted the role of NAM's investment oversight committee, including its increased personnel, the responsibilities and experience of the staff, and procedures to monitor sub-advisers, including the use of site visits.

In addition to the above, in reviewing the variety of additional services that NAM or its affiliates must provide to closed-end funds, such as the Funds, the independent Trustees determined that Nuveen's commitment to supporting the secondary market for the common shares of its closed-end funds is particularly noteworthy. In this regard, the Trustees noted Nuveen's efforts to sponsor numerous forums for analysts and specialists regarding the various Nuveen closed-end funds, its creation of a new senior position dedicated to providing secondary market support services and enhancing communications with investors and analysts, and its advertising and media relations efforts designed to raise investor and analyst awareness of the closed-end funds.

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

In evaluating the services of Spectrum, the independent Trustees noted that the Sub-Advisory Agreements were essentially agreements for portfolio management services only and Spectrum was not expected to supply other significant administrative services to the Funds.

Based on their review, the Trustees found that, overall, the nature, extent and quality of services provided (and expected to be provided) to the Fund under the Investment Management Agreement or Sub-Advisory Agreement, as applicable, were of a high level and were quite satisfactory.

### B. THE INVESTMENT PERFORMANCE OF THE FUND AND FUND ADVISERS

As previously noted, the Board received a myriad of performance information regarding each Fund and its Peer Group, if available. Among other things, the Board received materials reflecting a Fund's historic performance, the Fund's performance compared to its Peer Group (as available) and its performance compared to recognized and/or customized benchmarks (as applicable). The Trustees reviewed performance information including, among other things, total return information compared with a Fund's Peer Group as well as recognized and/or customized benchmarks (as appropriate) for the one-, three- and five-year periods (as applicable) ending December 31, 2004. This information supplements the Fund performance information provided to the Board at each of their quarterly meetings. Based on their review, the Trustees determined that the respective Fund's absolute and relative investment performance over time had been satisfactory.

### C. FEES, EXPENSES AND PROFITABILITY

#### 1. FEES AND EXPENSES

In evaluating the management fees and expenses that a Fund is expected to bear, the Trustees considered the Fund's current management fee structure, the sub-advisory fee arrangements and the Fund's expected expense ratios in absolute terms as well as compared with the fees and expense ratios of the unaffiliated funds in its Peer Group. The Trustees reviewed the financial information of the respective Fund Adviser, including its respective revenues, expenses and profitability. In reviewing fees, the Trustees, among other things, reviewed comparisons of the Fund's gross management fees (fees after fund-level and complex-wide level breakpoints but before reimbursement and fee waivers), net management fees (after breakpoints and reimbursements and fee waivers) and total expense ratios (before and after waivers) with those of the unaffiliated funds in its Peer Group and peer averages. In this regard, the Trustees noted that the relative ranking of the Nuveen funds on fees and expenses was aided by the significant level of fee reductions provided by the fund-level and complex-wide breakpoint schedules, and the fee waivers and reimbursements provided by Nuveen for certain funds launched since 1999. The complex-wide breakpoint schedule was instituted in 2004 and is described in further detail below in Section D entitled "Economies of Scale and Whether Fee Levels Reflect These Economies of Scale." In its review, the Trustees noted that all taxable closed-end exchange-traded Nuveen funds had net expense ratios below or within an acceptable range compared to peers.

#### 2. COMPARISONS WITH THE FEES OF OTHER CLIENTS

The Trustees further compared the fees of NAM to the fees NAM or an affiliate thereof assessed for other types of clients (such as separate managed accounts as well as fees charged on funds that are not offered by Nuveen but are sub-advised by one of Nuveen's investment management teams). With respect to separately managed accounts, the advisory fees to such separate managed accounts are generally lower than those charged to the Fund. The Trustees noted, however, the additional services that are provided and the costs incurred by Nuveen in managing and operating registered investment companies, such as the Funds,

ANNUAL INVESTMENT MANAGEMENT  
AGREEMENT APPROVAL PROCESS (continued)

compared to individually managed separate accounts. For instance, as described above, NAM and its affiliates provide numerous services to the Funds including, but not limited to, preparing shareholder reports; providing daily accounting; preparing quarterly financial statements; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal support; and administering all other aspects of the Fund's operations. Further, the Trustees noted the increased compliance requirements for funds in light of new SEC regulations and other legislation. These services are generally not required to the same extent, if at all, for separate accounts. In addition to the differences in services, the Trustees also considered, among other things, the differences in product distribution, investor profiles and account sizes. Accordingly, the Trustees believe that the nature and number of services provided to operate a Fund merit the higher fees than those to separate managed accounts.

In considering the fees of Spectrum, the Trustees also considered the pricing schedule Spectrum charges for similar investment management services for other fund sponsors or clients. Generally, the sub-advisory fees were at the lower end of the Sub-Adviser's fee schedule. In addition, the Trustees noted that such sub-advisory fees and arrangements with the unaffiliated sub-advisers were established through arms-length negotiations between Spectrum and NAM.

### 3. PROFITABILITY OF ADVISERS

In conjunction with its review of fees, the Trustees also considered the profitability of NAM as well as the profitability of Spectrum. The Trustees reviewed the respective Fund Adviser's revenues, expenses and profitability margins (on both a pre-tax and after-tax basis). In reviewing profitability, the Trustees recognized that one of the most difficult issues in determining profitability is establishing a method of allocating expenses. Accordingly, the Trustees reviewed a Fund Adviser's assumptions and methodology of allocating expenses. In this regard, the methods of allocation used appeared reasonable but the Board noted the inherent limitations in allocating costs among various advisory products. The Trustees also recognized that individual fund or product line profitability of other advisers is generally not publicly available. Further, profitability may be affected by numerous factors including the types of funds managed, expense allocations, business mix, etc. and therefore comparability of profitability is somewhat limited. Nevertheless, to the extent available, the Trustees considered the respective Fund Adviser's profit margin compared to the profitability of various publicly-traded investment management companies and/or investment management companies that publicly disclose some or all of their financial results compiled by three independent third-party service providers. The Trustees also reviewed the revenues, expenses and profit margins of various unaffiliated advisory firms with similar amounts of assets under management for the last year prepared by NAM. Based on their review, the Trustees were satisfied that each Fund Adviser's level of profitability from its relationship with each Fund was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Trustees also considered any other revenues paid to a Fund Adviser as well as any indirect benefits (such as soft dollar arrangements, if any) the Fund Adviser and its affiliates are expected to receive that are directly attributable to their

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

management of the Funds, if any. See Section E below for additional information. Based on their review of the overall fee arrangements of the applicable Fund, the Trustees determined that the advisory fees and expenses of the respective Fund were reasonable.

### D. ECONOMIES OF SCALE AND WHETHER FEE LEVELS REFLECT THESE ECONOMIES OF SCALE

In reviewing the compensation, the Trustees have long understood the benefits of economies of scale as the assets of a fund grows and have sought to ensure that shareholders share in these benefits. One method for shareholders to share in economies of scale is to include breakpoints in the advisory fee schedules that reduce fees as fund assets grow. Accordingly, the Trustees received and reviewed the schedules of advisory fees for each Fund, including fund-level breakpoints thereto. In addition, after lengthy negotiations with management, the Board in May, 2004 approved a complex-wide fee arrangement pursuant to which fees of the funds in the Nuveen complex, including the Funds, are reduced as the assets in the fund complex reach certain levels. The complex-wide fee arrangement was introduced on August 1, 2004 and the Trustees reviewed data regarding the reductions of fees for the Funds for the period of August 1, 2004 to December 31, 2004. In evaluating the complex-wide fee arrangement, the Trustees considered, among other things, the historic and expected fee savings to shareholders as assets grow, the amount of fee reductions at various asset levels, and that the arrangement would extend to all Funds in the Nuveen complex. The Trustees also considered the impact, if any, the complex-wide fee arrangement may have on the level of services provided. Based on their review, the Trustees concluded that the breakpoint schedule and complex-wide fee arrangement currently was acceptable and desirable in providing benefits from economies of scale to shareholders.

52

### E. INDIRECT BENEFITS

In evaluating fees, the Trustees also considered any indirect benefits or profits the respective Fund Adviser or its affiliates may receive as a result of its relationship with each Fund. In this regard, the Trustees considered any benefits from soft dollar arrangements. The Trustees noted that although NAM manages a large amount of assets, it has very little, if any, brokerage to allocate. This is due to the fact that NAM typically manages the portfolios of the municipal funds in the Nuveen complex and municipal bonds generally trade on a principal basis. Accordingly, NAM does not currently have any soft dollar arrangements and does not pay excess brokerage commissions (or spreads on principal transactions) in order to receive research services. The Trustees also considered the soft dollar arrangements of the sub-adviser. The Trustees noted that Spectrum also does not use soft dollar arrangements. However, the Trustees received materials and considered any revenues received by Spectrum in executing trades through its internal broker-dealer.

In addition to soft dollar arrangements, the Trustees also considered any other revenues, if any, received by NAM or its affiliates. In this regard, for Nuveen funds with outstanding preferred shares and new closed-end funds, the Trustees also considered revenues received by Nuveen for serving as agent for broker-dealers at its preferred trading desk and for acting as co-manager in the initial public offering of new closed-end exchange-traded funds.

### F. OTHER CONSIDERATIONS

Nuveen, until recently, was a majority owned subsidiary of St. Paul Travelers Companies, Inc. ("St. Paul"). As noted, St. Paul earlier this year announced its intention to divest its equity stake in Nuveen. Nuveen is the parent of NAM. Pursuant to a series of transactions, St. Paul had begun to reduce its interest in Nuveen which would ultimately result in a change of control of Nuveen and



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

therefore NAM. As mandated by the 1940 Act, such a change in control would result in an assignment of the Investment Management Agreement with NAM and the automatic termination of such agreement. Accordingly, the Board also considered the approval of a New Investment Management Agreement with each Fund in light of, and which would take effect upon, the anticipated change of control. More specifically, the Board considered for each Fund a New Investment Management Agreement on substantially identical terms to the existing Investment Management Agreement, to take effect after the change of control has occurred and the contract has been approved by Fund shareholders. In its review, the Board considered whether the various transactions necessary to divest St. Paul's interest will have an impact on the various factors they considered in approving NAM, such as the scope and quality of services to be provided following the change of control. In reviewing the St. Paul transactions, the Board considered, among other things, the impact, if any, on the operations and organizational structure of NAM; the possible benefits and costs of the transactions to the respective Fund; the potential implications of any arrangements used by Nuveen to finance certain of the transactions; the ability of NAM to perform its duties after the transactions; whether a Fund's fee structure or expense ratio would change; any changes to the current practices of the respective Fund; any changes to the terms of the advisory agreement; and any anticipated changes to the operations of NAM. Based on its review, the Board determined that St. Paul's divestiture would not affect the nature and quality of services provided by NAM, the terms of the Investment Management Agreement, including the fees thereunder, and would not materially affect the organization or operations of NAM. Accordingly, the Board determined that their analysis of the various factors regarding their approval of NAM would continue to apply after the change of control.

In addition to the foregoing, a change in control of NAM may be deemed an assignment of the Sub-Advisory Agreement between NAM and Spectrum. The Board therefore considered approval of a New Sub-Advisory Agreement with Spectrum in light of the anticipated change of control. More specially, the Board considered approval of each New Sub-Advisory Agreement on substantially identical terms as the respective Original Sub-Advisory Agreement, to take effect after the change of control has occurred and the agreement has been approved by Fund shareholders. In reviewing the impact of the St. Paul divestiture on Spectrum, the Board considered the same factors as outlined previously with respect to their review of NAM. As with NAM, the Board concluded that the St. Paul divestiture would not affect the nature and quality of services provided by Spectrum, the terms of the Sub-Advisory Agreement, including the fees paid thereunder, and would not materially affect the organization or operations of Spectrum. Accordingly, the Board determined that their analysis of the various factors regarding their review and approval of Spectrum, as sub-adviser, would continue to apply following the change in control.

### G. APPROVAL

The Trustees did not identify any single factor discussed previously as all-important or controlling. The Trustees, including a majority of independent Trustees, concluded that the terms of the Investment Management and Sub-Advisory Agreements were fair and reasonable, that the respective Fund Adviser's fees are reasonable in light of the services provided to each Fund, that the renewal of the NAM Investment Management Agreement and each Sub-Advisory Agreement should be approved, and that the new, post-change of control NAM Investment Management Agreement and the Sub-Advisory Agreements be approved and recommended to shareholders.

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

### EASILY AND CONVENIENTLY

Sidebar text: NUVEEN MAKES REINVESTING EASY. A PHONE CALL IS ALL IT TAKES TO SET UP YOUR REINVESTMENT ACCOUNT.

### NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Exchange-Traded 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

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

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.

54

### 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.

### UNAUDITED INFORMATION

Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2 and Nuveen Quality Preferred Income Fund 3 designate up to \$86,085,930, \$164,333,449 and \$32,560,562, respectively, of dividends declared from net investment income as dividends qualifying for the 70% dividends received deduction for corporations and as qualified dividend income for individuals under the Jobs and Growth Tax Relief Reconciliation Act of 2003. The actual amounts will be disclosed and sent with your other tax information in early 2006.

### GLOSSARY OF TERMS USED IN THIS REPORT

**AVERAGE ANNUAL TOTAL RETURN:** This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

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

MARKET YIELD: Market yield is based on the Fund's current annualized monthly distribution divided by the Fund's current market price. The Fund's monthly distributions to its shareholders may be comprised of ordinary income, net realized capital gains and, if at the end of the calendar year the Funds' cumulative net ordinary income and net realized gains are less than the amount of the Fund's distributions, a tax return of capital.

NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

### BOARD OF TRUSTEES

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

### TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust  
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.

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

Nuveen Investments:  
SERVING Investors  
For GENERATIONS

Photo of: 2 women looking at a photo album.

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.

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 \$120 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.

Learn more  
about Nuveen Funds at  
[WWW.NUVEEN.COM/ETF](http://WWW.NUVEEN.COM/ETF)

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

Logo: NUVEEN Investments

ESA-E-0605D

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

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

### ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

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

Not applicable to this filing.

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

Not applicable to this filing.

### 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.

Not applicable to this filing.

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

Not applicable at this time.

### 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 have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board 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.

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

(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 to this filing.

(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: September 7, 2005

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: September 7, 2005

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

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

Stephen D. Foy  
Vice President and Controller  
(principal financial officer)

Date: September 7, 2005  
-----

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