

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2  
Form N-Q  
January 29, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-10197

**Nuveen California Dividend Advantage Municipal Fund 2**

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices) (Zip code)

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

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

(Name and address of agent for service)

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

Date of fiscal year end: 08/31

Date of reporting period: 11/30/06

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

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

**Item 1. Schedule of Investments**

**Portfolio of Investments (Unaudited)**

**Nuveen California Dividend Advantage Municipal Fund 2 (NVX)**

*November 30, 2006*

**Principal**

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

**Optional C**

**Provisions (1)**

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**Consumer Staples □ 4.0% (2.7% of Total Investments)**

\$	825	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	6/15 at 100.
	4,625	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33	6/12 at 100.
	3,200	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33	6/13 at 100.
	8,650	Total Consumer Staples	

**Education and Civic Organizations □ 14.9% (10.2% of Total Investments)**

	2,000	California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32	6/11 at 101.
	180	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35	10/35 at 100.
	125	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: 5.000%, 11/01/21	11/15 at 100.
	165	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006: 5.000%, 11/01/25	11/15 at 100.
	6,375	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 □ MBIA Insured (Alternative Minimum Tax)	3/08 at 102.
	8,880	California State Public Works Board, Lease Revenue Bonds, University of California, UCLA Replacement Hospital Project, Series 2002A: 5.375%, 10/01/16 □ FSA Insured	10/12 at 100.
	10,570	California State Public Works Board, Lease Revenue Bonds, University of California, UCLA Replacement Hospital Project, Series 2002A: 5.375%, 10/01/18 □ FSA Insured	10/12 at 100.
	620	California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23	10/13 at 100.
	3,000	Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.250%, 11/01/30 □ AMBAC Insured	11/11 at 101.
	31,915	Total Education and Civic Organizations	

**Health Care □ 12.4% (8.5% of Total Investments)**

	2,000	California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001, 6.000%, 4/01/22	4/12 at 100.
	1,240	California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34	11/15 at 100.
	500	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102.
	955	California State Public Works Board, Revenue Bonds, University of California □ Davis Medical Center, Series 2004II-A, 5.000%, 11/01/22 □ MBIA Insured	11/14 at 100.
	2,185	California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/11	No Opt. C
	2,500	California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 □ FSA Insured	6/13 at 100.
	5,775	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41	3/16 at 100.
	1,925	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2001C, 5.250%, 8/01/31	8/16 at 100.

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5,355	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2002E, 4.700%, 11/01/36 (Mandatory put 6/01/09)	No Opt. C
3,000	Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, 6.000%, 2/01/30	2/10 at 101.
1,500	Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22	6/12 at 101.

26,935 Total Health Care

**Housing/Multifamily □ 9.9% (6.8% of Total Investments)**

2,450	ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B, 6.250%, 8/15/30 (Mandatory put 8/15/08)	No Opt. C
3,445	California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37	8/12 at 105.
5,962	California Statewide Community Development Authority, Multifamily Housing Revenue Refunding Bonds, Claremont Village Apartments, Series 2001D, 5.500%, 6/01/31 (Mandatory put 6/01/16) (Alternative Minimum Tax)	6/11 at 102.
4,000	Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.850%, 12/15/32	12/13 at 102.
205	Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates, Series 2006B, 5.850%, 5/15/41	5/16 at 100.
1,055	Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38	9/13 at 100.
700	Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38	9/13 at 100.
3,045	Yucaipa Redevelopment Agency, California, Mobile Home Park Revenue Bonds, Rancho del Sol and Grandview, Series 2001A, 6.750%, 5/15/36	5/11 at 102.

20,862 Total Housing/Multifamily

**Housing/Single Family □ 0.4% (0.4% of Total Investments)**

525	California Housing Finance Agency, Home Mortgage Revenue Bonds, Series 2006H, 5.750%, 8/01/30 □ FGIC Insured (Alternative Minimum Tax)	2/16 at 100.
640	California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 2001A, 5.650%, 12/01/31 (Alternative Minimum Tax)	6/11 at 102.

1,165 Total Housing/Single Family

**Industrials □ 0.6% (0.4% of Total Investments)**

1,250	California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax)	1/16 at 102.
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**Long-Term Care □ 0.7% (0.5% of Total Investments)**

1,550	California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation □ Paradise Valley Estates, Series 2002, 5.125%, 1/01/22	1/13 at 100.
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**Tax Obligation/General ☐ 21.2% (14.4% of Total Investments)**

1,000	California, General Obligation Bonds, Series 2004, 5.125%, 2/01/27	2/14 at 100.
5,000	California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/12	No Opt. C
4,225	California, General Obligation Veterans Welfare Bonds, Series 2001BV, 5.600%, 12/01/32 ☐ FSA Insured	12/06 at 101.
3,615	Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2002A, 5.500%, 8/01/22 ☐ FGIC Insured	8/12 at 102.
	Contra Costa County Community College District, California, General Obligation Bonds, Series 2002:	
3,005	5.000%, 8/01/21 ☐ FGIC Insured	8/12 at 100.
3,300	5.000%, 8/01/22 ☐ FGIC Insured	8/12 at 100.
1,325	Golden West Schools Financing Authority, California, General Obligation Revenue Refunding Bonds, School District Program, Series 1998A, 6.650%, 8/01/13 ☐ MBIA Insured	No Opt. C
10,840	Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 ☐ MBIA Insured	7/12 at 100.
3,910	Los Angeles Unified School District, California, General Obligation Bonds, Series 2006B, 4.750%, 7/01/24 ☐ FGIC Insured (UB)	7/16 at 100.
2,000	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001A, 5.500%, 7/01/20 ☐ MBIA Insured	No Opt. C
355	Roseville Joint Union High School District, Placer County, California, General Obligation Bonds, Series 2006B, 5.000%, 8/01/27 ☐ FGIC Insured	8/15 at 100.
2,811	San Diego Unified School District, San Diego County, California, General Obligation Bonds, Series 2006F-1, 4.500%, 7/01/29 ☐ FSA Insured (UB)	7/16 at 101.
4,050	Santa Rosa High School District, Sonoma County, California, General Obligation Bonds, Series 2001, 5.300%, 5/01/26 ☐ FGIC Insured	5/11 at 101.
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45,436	Total Tax Obligation/General	

**Tax Obligation/Limited ☐ 29.9% (20.4% of Total Investments)**

	Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D:	
650	5.500%, 9/01/24	9/14 at 102.
385	5.800%, 9/01/35	9/14 at 102.
4,900	California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 2003C, 5.500%, 6/01/16	12/13 at 100.
2,105	California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15	7/14 at 100.
1,200	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 ☐ Talega, Series 2003, 6.000%, 9/01/33	9/13 at 100.
435	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District, Series 2005, 5.000%, 9/01/24 ☐ FGIC Insured	9/15 at 100.
1,330	Chino Redevelopment Agency, California, Merged Chino Redevelopment Project Area Tax Allocation Bonds, Series 2006, 5.000%, 9/01/38 ☐ AMBAC Insured (UB)	9/16 at 101.
4,845	Encinitas Public Financing Authority, California, Lease Revenue Bonds, Acquisition Project, Series 2001A, 5.250%, 4/01/31 ☐ MBIA Insured	4/08 at 102.
750	Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34	9/14 at 100.
1,785	Hawthorne Community Redevelopment Agency, California, Project Area 2 Tax Allocation Bonds, Series 2006, 5.250%, 9/01/36 ☐ XLCA Insured	9/16 at 100.
335	Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 ☐ XLCA Insured	9/15 at 100.

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4,000	Industry Urban Development Agency, California, Tax Allocation Refunding Bonds, Civic, Recreational and Industrial Redevelopment Project 1, Series 2002, 5.500%, 5/01/19 <input type="checkbox"/> MBIA Insured	5/07 at 101.
	Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:	
215	5.000%, 9/01/26	9/16 at 100.
495	5.125%, 9/01/36	9/16 at 100.
2,000	Lake Elsinore Public Finance Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20	10/13 at 102.
415	Lammersville School District, San Joaquin County, California, Community Facilities District 2002, Mountain House Special Tax Bonds, Series 2006, 5.125%, 9/01/35	9/16 at 100.
1,265	Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24	9/13 at 102.
1,195	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25	9/13 at 102.
905	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34	9/13 at 102.
800	Los Angeles Community Redevelopment Agency, California, Lease Revenue Bonds, Manchester Social Services Project, Series 2005, 5.000%, 9/01/37 <input type="checkbox"/> AMBAC Insured	9/15 at 100.
8,000	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 <input type="checkbox"/> AMBAC Insured	7/08 at 101.
5,000	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 2003A, 5.250%, 7/01/13 <input type="checkbox"/> MBIA Insured	No Opt. C
500	North Natomas Community Facilities District 4, Sacramento, California, Special Tax Bonds, Series 2006D, 5.000%, 9/01/33 (WI/DD, Settling 12/07/06)	3/07 at 103.
3,295	Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 <input type="checkbox"/> FGIC Insured	3/13 at 100.
2,000	Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33	8/11 at 101.
2,000	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26	No Opt. C
385	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 <input type="checkbox"/> XLCA Insured	9/15 at 100.
6,000	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2001, 5.250%, 10/01/35 <input type="checkbox"/> AMBAC Insured	10/11 at 102.
475	Roseville, California, Certificates of Participation, Public Facilities, Series 2003A, 5.000%, 8/01/25 <input type="checkbox"/> AMBAC Insured	8/13 at 100.
700	Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33	9/14 at 100.
975	San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24	9/09 at 102.
1,530	San Marcos Public Facilities Authority, California, Tax Allocation Bonds, Project Areas 2 and 3, Series 2005C, 5.000%, 8/01/35 <input type="checkbox"/> AMBAC Insured	8/15 at 100.
1,930	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2003B, 6.750%, 9/01/30	9/13 at 103.
500	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities District 01-1, Series 2004B, 6.000%, 9/01/39	9/13 at 102.
850	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities	9/13 at 103.

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District 2001-1, Series 2004A, 6.125%, 9/01/39

64,150 Total Tax Obligation/Limited

**Transportation ☐ 10.0% (6.8% of Total Investments)**

1,930	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006, 5.000%, 4/01/31	4/16 at 100.
7,000	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/27	1/14 at 101.
5,585	Port of Oakland, California, Revenue Bonds, Series 2002N, 5.000%, 11/01/16 ☐ MBIA Insured (Alternative Minimum Tax) (6) San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A:	11/12 at 100.
2,430	5.250%, 5/01/18 ☐ FGIC Insured (Alternative Minimum Tax)	5/13 at 100.
2,555	5.250%, 5/01/19 ☐ FGIC Insured (Alternative Minimum Tax)	5/13 at 100.
1,000	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B, 5.125%, 5/01/17 ☐ FGIC Insured	5/13 at 100.
2,000	San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2002, Issue 28A, 5.250%, 5/01/17 ☐ MBIA Insured (Alternative Minimum Tax)	5/12 at 100.

22,500 Total Transportation

**U.S. Guaranteed ☐ 24.9% (17.0% of Total Investments) (4)**

9,000	Anitoch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District 1989-1, Series 2001, 5.250%, 8/01/25 (Pre-refunded 8/01/11) ☐ MBIA Insured	8/11 at 100.
6,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12)	5/12 at 101.
7,530	Los Angeles Unified School District, California, General Obligation Bonds, Series 2000D, 5.375%, 7/01/25 (Pre-refunded 7/01/10) ☐ FGIC Insured	7/10 at 100.
1,250	Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.250%, 7/01/20 (Pre-refunded 7/01/13) ☐ FSA Insured	7/13 at 100.
1,375	Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/21 (Pre-refunded 8/01/14) ☐ FGIC Insured	8/14 at 100.
3,000	Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41 (Pre-refunded 6/01/11)	6/11 at 100.
12,090	Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A, 5.000%, 6/01/25 (Pre-refunded 6/01/11) ☐ MBIA Insured	6/11 at 100.
1,160	Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 (Pre-refunded 8/01/12) ☐ FGIC Insured	8/12 at 100.
6,200	Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2001, 5.375%, 8/01/25 (Pre-refunded 8/01/11) ☐ AMBAC Insured	8/11 at 101.
2,710	Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 (Pre-refunded 8/01/14) ☐ FGIC Insured	8/14 at 100.
2,800	Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.500%, 6/01/36 (Pre-refunded 6/01/12)	6/12 at 100.

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53,115 Total U.S. Guaranteed

**Utilities □ 4.7% (3.2% of Total Investments)**

5,000	Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 □ MBIA Insured	10/14 at 100.
	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2:	
750	5.000%, 7/01/21 □ MBIA Insured	7/13 at 100.
1,000	5.000%, 7/01/23 □ MBIA Insured	7/13 at 100.
500	Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2005A-1, 5.000%, 7/01/31 □ FSA Insured	7/15 at 100.
790	Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 □ XLCA Insured	9/15 at 100.
2,000	Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A, 5.250%, 7/01/20 □ MBIA Insured	7/13 at 100.

10,040 Total Utilities

**Water and Sewer □ 12.8% (8.7% of Total Investments)**

4,900	East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 □ MBIA Insured	6/11 at 100.
2,655	El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/20 □ FGIC Insured	3/14 at 100.
545	Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 □ MBIA Insured	4/16 at 100.
750	Sacramento County Sanitation District Financing Authority, California, Revenue Bonds, Series 2006, 5.000%, 12/01/31 □ FGIC Insured	6/16 at 100.
1,700	San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 □ MBIA Insured	3/14 at 100.
6,885	San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002, 5.000%, 8/01/21 □ MBIA Insured	8/12 at 100.
10,000	San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/20 □ MBIA Insured	4/13 at 100.

27,435 Total Water and Sewer

\$ 315,003 Total Investments (cost \$318,374,819) □ 146.4%

Floating Rate Obligations □ (2.3%)

Other Assets Less Liabilities □ 3.5%

Preferred Shares, at Liquidation Value □ (47.6)%

Net Assets Applicable to Common Shares □ 100%

**Forward Swaps outstanding at November 30, 2006:**

Counterparty	Notional Amount	Fund	Floating Rate Index	Fixed Rate (Annualized)	Fixed Rate	Effective Date (5)	Termination Date	(D
		Pay/Receive Floating Rate			Payment Frequency			
Goldman Sachs	\$38,500,000	Receive	3 Month USD LIBOR	5.681%	Semi-Annually	7/27/07	7/27/12	
JPMorgan	12,000,000	Receive	3 Month USD LIBOR	5.716%	Semi-Annually	7/27/07	7/27/14	
JPMorgan	6,500,000	Pay	3 Month USD LIBOR	5.869%	Semi-Annually	7/27/07	7/27/34	
Morgan Stanley	13,700,000	Pay	3 Month USD LIBOR	5.811%	Semi-Annually	7/27/07	7/27/24	
Morgan Stanley	18,500,000	Pay	3 Month USD LIBOR	5.816%	Semi-Annually	7/27/07	7/27/29	

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
  - (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
  - (3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
  - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest.
  - (5) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
  - (6) Portion of the investment, with an aggregate market value of \$1,278,075, has been pledged to collateralize the net payment obligations under interest rate swap contracts.
- N/R Not rated.
- WI/DD Purchased on a when-issued or delayed delivery basis.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

**Income Tax Information**

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate transactions subject to SFAS No. 140.

At November 30, 2006, the cost of investments was \$313,001,994.

Gross unrealized appreciation and gross unrealized depreciation of investments at November 30, 2006, were as follows:

Gross unrealized:	
Appreciation	\$19,756,334
Depreciation	(60,842)



Net unrealized appreciation (depreciation) of investments

\$19,695,492

**Item 2. Controls and Procedures.**

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

**Item 3. Exhibits.**

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

**SIGNATURES**

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

(Registrant) Nuveen California Dividend Advantage Municipal Fund 2

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

Date January 29, 2007

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 January 29, 2007

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

Date January 29, 2007

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

SIGNATURES