

NUVEEN QUALITY PREFERRED INCOME FUND 2
Form N-Q
November 27, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21137

Nuveen Quality Preferred Income Fund 2

(Exact name of registrant as specified in charter)

333 West Wacker Drive, Chicago, Illinois 60606

(Address of principal executive offices) (Zip code)

Kevin J. McCarthy Vice President and Secretary
333 West Wacker Drive, Chicago, Illinois 60606

(Name and address of agent for service)

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

Date of fiscal year

end: 12/31

Date of reporting period: 9/30/2009

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 Quality Preferred Income Fund 2 (JPS)
September 30, 2009

Shares	Description (1)	Coupon	Ratings (2)	Value
	\$25 Par (or similar) Preferred Securities 73.4% (57.4% of Total Investments)			
	Capital Markets 5.0%			
374,500	Ameriprise Financial, Inc.	7.750%	A	\$ 9,268,875
6,400	Credit Suisse	7.900%	Aa3	160,320
92,800	Deutsche Bank Capital Funding Trust I	7.350%	Aa3	2,111,200
1,201,135	Deutsche Bank Capital Funding Trust II	6.550%	Aa3	24,911,540
68,000	Deutsche Bank Capital Funding Trust IX	6.625%	Aa3	1,443,640
17,800	Deutsche Bank Capital Funding Trust V	8.050%	Aa3	438,592
132,951	Deutsche Bank Capital Funding Trust VIII	6.375%	Aa3	3,031,283
96,600	Deutsche Bank Contingent Capital Trust III	7.600%	Aa3	2,248,848
16,218	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%	A2	335,713
	Total Capital Markets			43,950,011
	Commercial Banks 6.2%			
134,660	ASBC Capital I	7.625%	A3	2,834,593
136,325	Banco Santander Finance	10.500%	A2	3,691,672
731,000	Banesto Holdings, Series A, 144A	10.500%	Baa1	16,127,688
243,928	BB&T Capital Trust VI	9.600%	A2	6,683,627
225,500	Cobank Agricultural Credit Bank, 144A	7.000%	N/R	7,836,125
82,000	Cobank Agricultural Credit Bank	0.000%	A	3,777,125
5,000	Goldman Sachs Group Inc., Series GSC-4 Class A (PPLUS)	6.000%	A2	104,000
101,900	HSBC Holdings PLC	6.200%	A2	2,193,907
202,101	National City Capital Trust II	6.625%	Baa1	4,353,256
289,600	PFCI Capital Corporation	7.750%	A3	6,850,864
	Total Commercial Banks			54,452,857
	Computers & Peripherals 0.0%			
3,300	IBM Inc., Trust Certificates, Series 2001-2	7.100%	A+	83,490
	Diversified Financial Services 2.8%			
21,200	ING Groep N.V	8.500%	Ba1	401,740
799,762	ING Groep N.V	7.200%	Ba1	12,724,213
729,555	ING Groep N.V	7.050%	Ba1	11,417,536
	Total Diversified Financial Services			24,543,489
	Diversified Telecommunication Services 0.2%			
6,896	BellSouth Capital Funding (CORTS)	7.120%	A	162,918
43,200	BellSouth Corporation (CORTS)	7.000%	A	1,011,152
18,300	Verizon Communications (CORTS)	7.625%	A	468,023
4,900	Verizon Communications, Series 2004-1 (SATURNS)	6.125%	A	120,050
	Total Diversified Telecommunication Services			1,762,143
	Electric Utilities 5.2%			
5,950	Entergy Louisiana LLC	7.600%	A-	150,833
1,157,400	Entergy Mississippi Inc.	7.250%	A-	29,340,090
63,300	Entergy Texas Inc.	7.875%	BBB+	1,709,100
25,442	FPL Group Capital Inc.	6.600%	A3	647,244
2,600	Georgia Power Company	6.000%	A	65,000
2,400	Georgia Power Company	5.900%	A	60,000
4,100	Gulf Power Company	5.875%	A	102,336
221,900	PPL Capital Funding, Inc.	6.850%	Baa2	5,565,252
319,475	PPL Energy Supply LLC	7.000%	BBB	8,322,324
	Total Electric Utilities			45,962,179
	Food Products 0.5%			
56,900	Dairy Farmers of America Inc., 144A	7.875%	BBB-	4,119,918
	Insurance 20.2%			
1,747,889	Aegon N.V.	6.375%	BBB	29,154,789
452,743	Allianz SE	8.375%	A+	10,847,722
963,483	Arch Capital Group Limited	8.000%	BBB-	23,605,334
720,846	Berkley WR Corporation, Capital Trust II	6.750%	BBB-	16,997,549
648,807	Delphi Financial Group, Inc.	8.000%	BBB+	14,598,158

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

404,400	Delphi Financial Group, Inc.	7.376%	BBB-	6,878,844
269,500	EverestRe Capital Trust II	6.200%	Baa1	6,042,190
599,080	Financial Security Assurance Holdings	6.250%	A+	9,004,951
485,400	Markel Corporation	7.500%	BBB	12,693,210
620,541	PartnerRe Limited, Series C	6.750%	BBB+	14,545,481
107,600	PLC Capital Trust III	7.500%	BBB	2,246,688
443,898	PLC Capital Trust IV	7.250%	BBB	9,317,419
12,463	Protective Life Corporation	7.250%	BBB	260,352
200,842	Prudential Financial Inc.	9.000%	BBB+	5,260,052
322,905	Prudential PLC	6.750%	A-	7,646,390
139,500	RenaissanceRe Holdings Limited, Series B	7.300%	BBB+	3,321,495
273,900	RenaissanceRe Holdings Ltd	6.600%	BBB+	6,231,225
2,200	Torchmark Capital Trust III	7.100%	BBB+	52,426
	Total Insurance			178,704,275
	IT Services 0.0%			
5,800	Vertex Industries Inc. (PPLUS)	7.625%	A	148,190
	Media 7.5%			
26,363	CBS Corporation	7.250%	BBB-	588,422
743,750	CBS Corporation	6.750%	BBB-	15,708,000
1,084,356	Comcast Corporation	7.000%	BBB+	27,087,213
965,340	Viacom Inc.	6.850%	BBB	22,550,342
400	Walt Disney Company (CORTS)	6.875%	A	10,300
	Total Media			65,944,277
	Multi-Utilities 3.9%			
543,823	Dominion Resources Inc.	8.375%	BBB	14,585,333
773,382	Xcel Energy Inc.	7.600%	Baa2	20,092,464
	Total Multi-Utilities			34,677,797
	Oil, Gas & Consumable Fuels 2.1%			
803,273	Nexen Inc.	7.350%	BB+	18,427,083
	Pharmaceuticals 0.0%			
4,600	Bristol-Myers Squibb Company (CORTS)	6.250%	A+	114,218
3,100	Bristol-Myers Squibb Company Trust (CORTS)	6.800%	A+	79,546
	Total Pharmaceuticals			193,764
	Real Estate/Mortgage 17.4%			
514,503	Developers Diversified Realty Corporation, Series G	8.000%	Ba1	9,775,557
19,908	Developers Diversified Realty Corporation, Series H	7.375%	Ba1	349,385
23,767	Developers Diversified Realty Corporation	7.500%	Ba1	418,299
3,001	Duke Realty Corporation, Series O	8.375%	Baa3	72,834
162,167	Duke Realty Corporation, Series L	6.600%	Baa3	3,244,962
4,800	Harris Preferred Capital Corporation, Series A	7.375%	A1	112,272
1,022,865	HRPT Properties Trust, Series B	8.750%	Baa3	24,139,614
42,480	HRPT Properties Trust, Series C	7.125%	Baa3	850,874
73,300	Kimco Realty Corporation, Series F	6.650%	Baa2	1,556,159
735,530	Kimco Realty Corporation, Series G	7.750%	Baa2	17,910,156
89,050	Prologis Trust, Series G	6.750%	Baa3	1,754,285
41,400	Public Storage, Inc., Series E	6.750%	Baa1	927,360
17,530	Public Storage, Inc., Series H	6.950%	Baa1	403,015
67,600	Public Storage, Inc., Series Y	6.850%	Baa1	1,546,350
123,700	Realty Income Corporation	7.375%	Baa2	3,085,078
447,758	Realty Income Corporation	6.750%	Baa2	10,790,968
190,545	Regency Centers Corporation	7.450%	BBB-	4,325,372
221,836	Regency Centers Corporation	7.250%	BBB-	4,924,759
701,321	Vornado Realty LP	7.875%	BBB	17,533,025
1,932,592	Wachovia Preferred Funding Corporation	7.250%	A-	39,308,919
160,100	Weingarten Realty Trust	8.100%	BBB	3,314,070
149,245	Weingarten Realty Trust	6.950%	Baa3	3,104,296
198,268	Weingarten Realty Trust	6.500%	Baa3	3,965,360
	Total Real Estate/Mortgage			153,412,969
	Wireless Telecommunication Services 2.4%			
2,000	Telephone and Data Systems Inc.	7.600%	Baa2	46,000
830,959	United States Cellular Corporation	8.750%	Baa2	20,981,715
2,200	United States Cellular Corporation	7.500%	Baa2	52,052
	Total Wireless Telecommunication Services			21,079,767
	Total \$25 Par (or similar) Preferred Securities (cost \$722,139,284)			647,462,209

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
------------------------	-----------------	--------	----------	-------------	-------

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

Corporate Bonds 0.9% (0.7% of Total Investments)

Commercial Banks 0.4%

\$ 4,400	Swedbank ForeningsSparbanken AB, 144A	7.500%	9/11/12	Baa2	\$ 3,669,098
5,000	Food Products 0.5% FPL Group Capital Inc., (MMB)	6.650%	6/15/67	A3	4,606,720
\$ 9,400	Total Corporate Bonds (cost \$9,469,473)				8,275,818

Principal
Amount
(000)/
Shares

Description (1)

Coupon

Maturity

Ratings
(2)

Value

Capital Preferred Securities 46.2% (36.1% of Total Investments)

Capital Markets 1.3%

3,600	MUFG Capital Finance	4.850%	7/25/56	A2	\$ 4,346,515
7,900	UBS Perferred Funding Trust I Total Capital Markets	8.622%	10/01/51	A1	7,277,630 11,624,145

Commercial Banks 27.5%

5,500	AB Svensk Exportkredit, 144A	6.375%	10/27/49	Aa3	4,302,859
23,400	AgFirst Farm Credit Bank	8.393%	12/15/16	A	17,623,733
6,800	AgFirst Farm Credit Bank	7.300%	12/15/53	A	4,845,619
15,724	Banco Santander Finance	10.500%	9/29/49	A2	16,903,300
34,700	Barclays Bank PLC, 144A	8.550%	6/15/15	BBB+	31,924,000
5,000	Barclays Bank PLC, (4)	6.278%	12/15/34	A+	3,875,000
6,000	BBVA International Unipersonal	5.919%	4/18/58	A2	4,506,348
6,250	Credit Agricole, S.A, 144A	6.637%	5/30/49	Aa3	4,531,250
13,500	Credit Agricole, S.A	9.750%	12/26/54	Aa3	14,006,250
1,500	First Empire Capital Trust I	8.234%	2/01/27	Baa1	1,012,140
17,095	First Union Capital Trust II, Series A	7.950%	11/15/29	A-	16,234,643
6,800	Fulton Capital Trust I	6.290%	2/01/36	Baa2	4,159,098
4,650	HSBC Capital Funding LP, Debt	10.176%	6/30/50	A-	5,359,125
6,000	KeyCorp Capital III	7.750%	7/15/29	Baa2	5,324,562
10,900	Lloyd s Banking Group PLC, 144A	0.000%	10/01/49	B3	6,336,344
8,000	North Fork Capital Trust II	8.000%	12/15/27	Baa1	7,480,000
10,000	Northgroup Preferred Capital Corporation, 144A	6.378%	10/15/57	A1	8,304,200
26,200	Rabobank Nederland, 144A	11.000%	12/31/49	Aa2	32,184,604
8,000	Reliance Capital Trust I, Series B	8.170%	5/01/28	N/R	6,169,136
12,000	Royal Bank of Scotland Group PLC	9.118%	3/31/49	B-	11,101,188
5,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/01/49	A3	4,344,630
650	Standard Chartered PLC, 144A	7.014%	7/30/37	BBB	534,435
3,000	Swedbank ForeningsSparbanken AB, 144A	9.000%	9/17/50	Ba1	2,891,556
9,000	Unicredito Italiano Capital Trust, 144A	9.200%	4/05/51	A2	8,370,000
1,500	Union Bank of Norway	7.068%	11/19/49	A2	2,129,173
(3)	Union Planters Preferred Fund, 144A	7.750%	7/15/53	BB+	18,225,000
	Total Commercial Banks				242,678,193

Diversified Financial Services 1.9%

12,811	Countrywide Capital Trust III, Series B	8.050%	6/15/27	Baa3	12,198,288
1,775	JP Morgan Chase Capital Trust XX Ser T	6.550%	9/29/36	A1	1,653,524
3,000	JPMorgan Chase Capital Trust XVIII Total Diversified Financial Services	6.950%	8/17/66	A1	2,885,580 16,737,392

Diversified Telecommunication Services 3.7%

32	Centaur Funding Corporation, Series B, 144A	9.080%	4/21/20	BBB	32,350,781
----	---	--------	---------	-----	------------

Insurance 10.0%

2,200	AXA SA, 144A	6.463%	12/14/49	BBB+	1,738,000
8,000	AXA SA, 144A	6.379%	6/14/57	BBB+	6,480,000
6,750	AXA-UAP	8.600%	12/15/30	A-	7,035,998
6,600	Great West Life and Annuity Insurance Company, 144A	7.153%	5/16/46	A-	5,511,000
800	Hartford Financial Services Group Inc.	8.125%	6/15/18	BB+	720,000
3,500	MetLife Capital Trust IV, 144A	7.875%	12/15/37	Baa1	3,342,500
6,400	National Financial Services Inc.	6.750%	5/15/37	Baa2	4,829,965
1,200	Nationwide Financial Services Capital Trust	7.899%	3/01/37	Baa2	797,558
12,300	Oil Insurance Limited, 144A	7.558%	12/30/49	Baa1	7,415,658
17,600	Old Mutual Capital Funding, Notes	8.000%	6/22/53	Baa3	14,432,000
6,300	Progressive Corporation	6.700%	6/15/67	A2	5,423,859
6,600	Prudential Financial Inc.	8.875%	6/15/18	BBB+	6,567,000
2,850	Prudential PLC	6.500%	6/29/49	A-	2,337,000
28,900	XL Capital, Limited	6.500%	10/15/57	BBB-	21,097,000

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

957	ZFS Finance USA Trust V Total Insurance	6.500%	5/09/67	A	794,310 88,521,848
	Real Estate 1.3%				
11	Sovereign Real Estate Investment Trust, 144A Road & Rail 0.5%	12.000%	10/31/50	BBB+	11,041,250
4,400	Burlington Northern Santa Fe Funding Trust I	6.613%	12/15/55	BBB-	4,102,146
	Total Capital Preferred Securities (cost \$471,157,904)				407,055,755

Shares	Description (1)				Value
	Investment Companies 3.5% (2.8% of Total Investments)				
838,654	Blackrock Preferred Income Strategies Fund				\$ 7,556,273
1,025,979	Flaherty and Crumrine/Claymore Preferred Securities Income Fund Inc.				13,276,168
728,065	John Hancock Preferred Income Fund III				10,367,646
	Total Investment Companies (cost \$51,148,059)				31,200,087

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Short-Term Investments 3.9% (3.0% of Total Investments)				
	U.S. Government and Agency Obligations 0.8% (0.6% of Total Investments)				
\$ 7,000	U.S Treasury Notes	1.500%	10/31/10	AAA	\$ 7,080,395
7,000	Total U.S. Government and Agency Obligations				7,080,395
	Repurchase Agreement 3.1% (2.4% of Total Investments)				
27,301	Repurchase Agreement with Fixed Income Clearing Corporation, dated 9/30/09, repurchase price \$27,301,388, collateralized by \$25,665,000 U.S. Treasury Notes, 4.625%, due 2/29/12, value \$27,849,092	0.010%	10/01/09	N/A	27,301,380
	Total Short-Term Investments (cost \$34,316,009)				34,381,775
	Total Investments (cost \$1,288,230,729) 127.9%				1,128,375,644
	Borrowings (27.6)% (5), (6)				(244,000,000)
	Other Assets Less Liabilities (0.3)%				(2,370,727)
	Net Assets Applicable to Common Shares 100%				\$ 882,004,917

Fair Value Measurements

In determining the value of the Fund's investments various inputs are used. These inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - Significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of September 30, 2009:

	Level 1	Level 2	Level 3	Total
Investments:				
Preferred Securities*	\$590,533,341	\$460,109,623	\$3,875,000	\$1,054,517,964
Corporate Bonds		8,275,818		8,275,818
Investment Companies	31,200,087			31,200,087
Short-Term Investments	34,381,775			34,381,775
Total	\$656,115,203	\$468,385,441	\$3,875,000	\$1,128,375,644

*Preferred Securities includes Convertible Preferred Securities, \$25 Par (or similar) Preferred Securities and Capital Preferred Securities held by the Fund at the end of the reporting period, if any.

The following is a reconciliation of the Fund's Level 3 investments held at the beginning and end of the measurement period:

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

	Level 3 Investments \$
Balance at beginning of period	
Gains (losses):	
Net realized gains (losses)	
Net change in unrealized appreciation (depreciation)	149,936
Net purchases at cost (sales at proceeds)	3,725,000
Net discounts (premiums)	64
Net transfers in to (out of) at end of period fair value	
Balance at end of period	\$3,875,000

Income Tax Information

The following information is presented on an income tax basis based on the information currently available to the Fund. Differences between amounts for financial statement and federal income tax purposes are primarily due to recognition of premium amortization, timing differences in the recognition of income and timing differences in recognizing certain gains and losses on investment transactions. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

At September 30, 2009, the cost of investments was \$1,290,486,176.

Gross unrealized appreciation and gross unrealized depreciation of investments at September 30, 2009, were as follows:

Gross unrealized:	
Appreciation	\$ 21,415,973
Depreciation	(183,526,505)
Net unrealized appreciation (depreciation) of investments	\$ (162,110,532)

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Ratings: Using the higher of Standard & Poor's Group (Standard & Poor's) or Moody's Investor Service, Inc. (Moody's) rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
 - (3) Principal Amount (000) rounds to less than \$1,000.
 - (4) For fair value measurement disclosure purposes, investment categorized as Level 3.
 - (5) Borrowings as a percentage of Total Investments is 21.6%.
 - (6) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of September 30, 2009, investments with a value of \$959,416,039 have been pledged as collateral for Borrowings.
- N/A Not applicable.
N/R Not rated.
(MMB) Middle Market Bank.
144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.
CORTS Corporate Backed Trust Securities
PPLUS PreferredPlus Trust
SATURNS Structured Asset Trust Unit Repackaging

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 Quality Preferred Income Fund 2

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

Date November 27, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer (principal executive officer)

Date November 27, 2009

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

Date November 27, 2009

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