

NUVEEN QUALITY PREFERRED INCOME FUND 2
Form N-CSR
March 09, 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: December 31, 2004

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.

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ITEM 1. REPORTS TO STOCKHOLDERS.

Annual Report December 31, 2004

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 and woman sitting on porch.
Photo of: 2 children sitting in the grass.

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

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and statements from your financial
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OR

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 year ended December 31, 2004, your Fund continued to provide you with attractive monthly income from a diversified portfolio of quality preferred securities. The date of this report represents a change that aligns your Fund's fiscal year with the calendar year. We believe this change in your Fund's shareholder reporting cycle will lead to greater efficiencies and other benefits in the operation of your Fund.

"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."

As you'll see as you review this report, there has been no change in the objectives or management of your Fund. 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. 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 instructions.

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 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

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Chairman of the Board

February 15, 2005

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

Portfolio Managers'
Perspective

The Nuveen Quality Preferred Income Funds are subadvised by a team of specialists at Spectrum Asset Management, Inc., an affiliate of Principal Capital (SM). Mark Lieb, Bernie Sussman and Phil Jacoby, who have more than 50 years of combined experience in the preferred securities markets, lead the team. Here Mark, Bernie and Phil talk about their management strategy and the performance of each Fund for the 12-month period ended December 31, 2004.

What were the general economic and market conditions for the 12-month period ended December 31, 2004?

Generally, the U.S. economy presented a slowly improving picture in 2004. The Gross Domestic Product (GDP) grew at a preliminary estimate of 4.4% over the course of the full year. Inflation remained largely in check, as the Consumer Price Index rose 3.3% due primarily to increased energy costs. Corporate profits grew by an average of about 20%, and there was an increase of approximately 2 million jobs with the unemployment rate dropping to 5.4% at the end of 2004 from 5.7% at the beginning of the year. The fourth quarter stock market rally seemed to reflect a belief by some that the economic recovery had become more self-sustaining.

In the fixed-income markets, the Federal Reserve raised the fed funds rate five times between June 30 and December 14. At the close of the year, this benchmark rate stood at 2.25%, compared with 1.00% one year earlier. (On February 2, 2005, after the close of this reporting period, the Federal Reserve raised the fed funds rate by another 0.25% to 2.50%.) At the same time, rates remained essentially unchanged at the long end of the yield curve, with the yield on 10-year U.S. Treasuries standing at 4.22% on December 31, 2004, compared with 4.26% at the beginning of the year.

Despite this significant flattening of the yield curve, longer duration investments such as preferred securities continued to enjoy generally wide yield spreads over money market funds and other short-term instruments. As a result, individual investors remained aggressive buyers throughout the year in the \$25 par sector of the market. Within the \$1000 par capital securities sector, buying interest also was strong throughout the year as U.S. and European insurance companies joined other institutional investors who sought to garner incremental yield. Encouraging this demand was the continued improvement in the general credit quality of many issuers, especially among the financial-oriented companies that make up a large proportion of the holdings of these Funds. The ratio of upgrades to downgrades was more favorable over this year period than at any time since the Funds' inceptions.

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What was your overall management strategy for the 12-month period ended December 31, 2004?

We continued to maintain a balance between the two major preferred sectors - the \$25 par and the \$1000 par capital securities. While both sectors presented

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attractive investment opportunities at particular points in time, by the end of 2004 the relative weighting between the two in each Fund was essentially unchanged from the beginning of the period. Over the course of 2004, our investment focus centered on buying high quality, higher coupon preferred issues that usually traded on the basis of their yield-to-call rather than their yield-to-maturity.

Within the \$25 par sector, this meant seeking securities with coupons of 7.00% or more and call dates two or three years in the future. Early in the year these types of preferreds had yields-to-call that generally were about 2.00% higher than short-term U.S. Treasury securities (it is important to note that U.S. Treasury securities are backed by the full faith and credit of the U.S. Government while preferred securities are not). As the yield curve flattened over the course of the year, these spreads closed to about 1.50%.

In the \$1000 par capital securities sector, much of our investment focus was on "Yankee step-up" securities. These are \$US-denominated preferreds issued primarily by highly-rated European financial institutions. They pay a fixed rate for a period of time and then move to a wide spread above LIBOR (London Interbank Offered Rate) if the issuer does not call the security. This step-up feature makes the exercise of the call option more likely and creates a shorter duration, less interest rate sensitive investment vehicle.

One of our longer-term goals is to position each of these Funds so that they provide return variability and interest rate risk exposure roughly comparable to the variability and risk of the markets in which they invest. As one strategy to reach this goal, we attempted to reduce some of their inherent interest rate risk (the risk that the value of a Fund's portfolio will decline if market interest rates rise) by utilizing U.S. Treasury note and bond futures to hedge some of this risk. Our only objective with these hedges was to reduce the duration of these Funds without having a negative impact on their dividends. These hedges do not affect the Funds' income streams or dividend-paying capabilities over the short-term. Instead, the costs of the hedges are reflected as an addition or subtraction from each Fund's net asset value as the value of the hedge fluctuates. Some of the

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hedges had a negative impact on Fund performance as of December 31, 2004, because interest rates fell and bond prices rose during the periods in which the hedges were in place. However, this loss in value was at least partly offset by the fact that some of the securities in each Fund's portfolio, because they had longer-than-target durations, increased in value by more as a result of these interest rate decreases than if the securities had the shorter, targeted duration.

How did the Funds perform over the 12-months ended December 31, 2004?

Each of the Funds performed well during the 12 months ended December 31, 2004. Their performance, as well as the performance of several widely followed market indexes, is shown in the nearby chart.

Total Return on Net Asset Value
For 12 months ended December 31, 2004

JTP	7.65%

JPS	7.99%

JHP	7.73%

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Lehman Brothers Aggregate Bond Index(1)	4.34%
Merrill Lynch Preferred Stock Hybrid Securities Index(2)	5.51%

Past performance does not guarantee future results. 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 12 months ended December 31, 2004, all three Funds outperformed the Lehman Brothers and Merrill Lynch indexes. One of the primary factors benefiting the performance of these Funds relative to that of the unmanaged indexes was the Funds' use of financial leverage. While leveraging can add volatility to a Fund's NAV and share price, especially during periods of rising interest rates, this strategy can also provide opportunities for additional income and total returns for common shareholders when short-term interest rates remain relatively low and long-term rates fall or remain relatively constant, as they did during this reporting period.

Individual security selection also played a prominent role in each Fund's strong relative performance for the year. Highly-rated preferreds issued by financial institutions, especially banks, were the mainstays of their portfolios. Over the course of the year,

- (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.
- (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.

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these securities often performed better than lower-rated securities. This was especially true for some of the securities issued by non-US companies that we were able to purchase at attractive yields relative to similarly rated preferreds from U.S. issuers.

Seasoned "repackaged preferreds" also provided some good returns for the Funds. These securities are created when an investment bank buys a specific tranche of bonds or \$1000 par preferred securities of a particular issuer, places them in a trust, and then issues \$25 par preferreds backed by this trust. The repackaged preferreds are often not widely followed in the secondary market, which can produce some very attractive pricing and yields. In addition to their attractive return potential, they also provided the Funds with exposure to some issuers who have little or no other preferreds outstanding, such as IBM, BellSouth and Safeco. This helped improve the overall diversification of each portfolio.

Within the \$1000 par capital securities sector, our focus increased on \$US-denominated preferreds from foreign issuers and on preferreds that trade in

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the "Euro listed" sector. These provided good returns to the portfolios as these two areas were among the best performing sectors in the overall corporate market.

Other actions that positively impacted Fund performance over this period included our participation in a tender offer for Safeco preferreds, opportunistic buying of some insurance company securities that we believed were unfairly discounted because of the ongoing investigations of the industry, and the year end purchase of a very attractively priced Fannie Mae floating rate preferred stock that appreciated 12% in two days.

While it was generally a very good year from a credit standpoint, there were a few blemishes that hurt overall Fund performance. While we limited the Funds' exposure to the auto sector (and actually reduced it as the year went on), the prices on Ford and GM preferreds and bonds tended to weaken over the period, given concerns over eroding market share and unfunded pension and health care obligations. Another position that negatively impacted performance was Converium. The Swiss reinsurance company surprised the markets with a large addition to reserves due to losses in their U.S. operations, and the company was subsequently downgraded to below investment grade.

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While we liquidated the entire position, the prices we were able to obtain were well below our costs.

One event that indirectly had a positive impact on the market and the Funds was an increasing sense among many market participants that the 15% tax rate for individuals on qualifying dividend income may become permanent. While the Funds do not specifically target this type of tax-advantaged income, many of our non-U.S. holdings qualify for the lower rate, and we saw increased buying interest in these securities toward the end of the year.

What about Fund dividends and share prices?

Each of these Funds uses financial leverage in an effort to enhance its dividend-paying capabilities. While this strategy adds volatility to a Fund's net asset value and share price, it generally enhances the amount of income the Fund has to distribute to its common shareholders. The extent of this benefit is tied in part to the short-term rates these Funds pay their FundPreferred(TM) shareholders. As short-term rates rose through the second half of the 12-month 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. This had an impact on all three of the Funds' dividends. Over the 12-month period, JPS and JHP each had one monthly dividend reduction and JTP had two dividend reductions.

All of these Funds seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends 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 dividends, 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 dividends 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 as dividends to shareholders. As of December 31, 2004, each of the Funds in this report had positive UNII balances for both financial statement purposes and tax purposes.

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As of December 31, 2004, the Funds were trading at discounts to their net asset values as shown in the accompanying chart.

Fund	12/31 Discount	Period Avg. Discount
JTP	-6.17%	-0.87%
JPS	-8.05%	-4.30%
JHP	-4.69%	-2.08%

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Nuveen Quality Preferred Income Fund

JTP

Performance

Overview As of December 31, 2004

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

\$25 Par (or similar) Securities	45.7%
Capital Preferred Securities	45.2%
Convertible Preferred Securities	5.4%
Corporate Bonds	3.2%
Repurchase Agreements	0.5%

Bar Chart:

2004 MONTHLY DIVIDENDS PER SHARE

Jan	0.105
Feb	0.105
Mar	0.105
Apr	0.105
May	0.105
Jun	0.101
Jul	0.101
Aug	0.101
Sep	0.101
Oct	0.101
Nov	0.101
Dec	0.097

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

1/1/04	15.8
	15.89
	15.93
	15.89
	15.86
	15.96

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12/31/04 13.82
 13.93
 14

Portfolio Statistics

Share Price	\$14.00
Common Share Net Asset Value	\$14.92
Premium/Discount to NAV	-6.17%
Latest Dividend	\$.0970
Market Yield	8.31%
Net Assets Applicable to Common Shares (\$000)	\$961,583

Industries

(as a % of total investments)

Commercial Banks	28.3%
Real Estate	15.1%
Insurance	14.4%
Diversified Financial Services	9.9%
Capital Markets	9.1%
Thrifts & Mortgage Finance	4.2%
Oil & Gas	3.8%
Automobiles	3.2%
Repurchase Agreements	0.5%
Other	11.5%

Top Five Issuers

(excluding repurchase agreements)

(as a % of total investments)

Wachovia Corporation	3.4%
Abbey National Public Limited Company	3.2%
ING Groep NV	3.1%
Zurich Financial Services	2.8%
HSBC Holdings Public Limited Company	2.5%

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

	On Share Price	On NAV
1-Year	-3.80%	7.65%
Since Inception	5.58%	10.31%

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Nuveen Quality Preferred Income Fund 2

JPS

Performance

Overview As of December 31, 2004

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

\$25 Par (or similar) Securities	47.2%
Capital Preferred Securities	44.4%
Convertible Preferred Securities	5.1%
Corporate Bonds	3.3%

Bar Chart:

2004 MONTHLY DIVIDENDS PER SHARE¹

Jan	0.105
Feb	0.105
Mar	0.105
Apr	0.105
May	0.105
Jun	0.105
Jul	0.105
Aug	0.105
Sep	0.105
Oct	0.105
Nov	0.105
Dec	0.102

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

1/1/04	15.94
	15.96
	15.99
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12/31/04

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Portfolio Statistics

Share Price	\$14.40
Common Share Net Asset Value	\$15.66
Premium/Discount to NAV	-8.05%
Latest Dividend	\$.1020
Market Yield	8.50%
Net Assets Applicable to Common Shares (\$000)	\$1,872,283

Industries (as a % of total investments)

Commercial Banks	25.9%
Insurance	16.6%
Real Estate	12.7%
Capital Markets	11.1%
Diversified Financial Services	9.0%
Thrifts & Mortgage Finance	4.8%
Electric Utilities	3.9%
Diversified Telecommunication Services	3.5%
Automobiles	3.4%
Other	9.1%

Top Five Issuers (excluding repurchase agreements) (as a % of total investments)

Wachovia Corporation	3.6%
Abbey National Public Limited Company	3.3%
ING Groep NV	3.0%
Everest Reinsurance Holdings Inc.	2.7%
Vodafone Airtouch Public Limited Company	2.2%

Average Annual Total Return

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(Inception 9/24/02)

	On Share Price	On NAV
1-Year	-0.66%	7.99%
Since Inception	7.23%	13.28%

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

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Nuveen Quality Preferred Income Fund 3

JHP

Performance

Overview As of December 31, 2004

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

\$25 Par (or similar) Securities	51.0%
Capital Preferred Securities	40.4%
Convertible Preferred Securities	5.3%
Corporate Bonds	3.2%
Repurchase Agreements	0.1%

Bar Chart:

2004 MONTHLY DIVIDENDS PER SHARE¹

Jan	0.103
Feb	0.103
Mar	0.103
Apr	0.103
May	0.103
Jun	0.103
Jul	0.103
Aug	0.103
Sep	0.103
Oct	0.103
Nov	0.103
Dec	0.1

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

1/1/04	15.85
	15.71
	15.93
	15.79
	15.89
	15.89
	15.94
	15.68
	15.67
	15.66

15.73
15.81
15.75
15.74
15.74
15.68
15.55
15.55
15.49
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15.61
15.58
15.63
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15.58
15.64
15.72
15.68
15.6
15.5
15.49
15.58
15.78
15.87
15.87
15.89
15.8
15.83
15.8
15.86
15.9
16.05
15.99
15.85
15.92
15.99
15.96
15.96
15.87
15.89
16
15.93
15.9
15.89
15.93
15.9
15.97
16.03
16.1
15.57
14.7
14.91
15.12
15.05
14.85
14.43

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14.25
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13.45
13.55
13.7
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13.88
13.71
13.45
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12.28
13.04
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13.21
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13.25
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13.27
13.44
13.58
13.58
13.69
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13.89
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14
13.85
13.92
13.88
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13.85
13.73
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15
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14.97
14.95
14.95
14.94
14.82
14.88
14.89
14.93
14.93

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14.93
14.95
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14.9
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14.85
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14.94
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15
14.96
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15.01
15.03
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14.86
14.82
14.72
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14.83
14.82
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14.93
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14.29
14.22
14.3
14.32
14.38
14.44

12/31/04

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Portfolio Statistics

Share Price	\$14.44
Common Share Net Asset Value	\$15.15
Premium/Discount to NAV	-4.69%
Latest Dividend	\$.1000
Market Yield	8.31%
Net Assets Applicable to Common Shares (\$000)	\$358,197

Industries (as a % of total investments)

Commercial Banks	23.3%
Insurance	20.3%
Real Estate	11.7%
Diversified Financial Services	10.6%
Capital Markets	10.0%
Thrifths & Mortgage Finance	3.3%
Diversified Telecommunication Services	3.3%
Oil & Gas	3.3%
Automobiles	3.3%
Repurchase Agreements	0.1%
Other	10.8%

Top Five Issuers (excluding repurchase agreements) (as a % of total investments)

Wachovia Corporation	3.6%
ING Groep NV	3.4%
Zurich Financial Services	2.9%
Union Planters Corporation	2.4%
Citigroup	2.3%

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

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	On Share Price	On NAV
1-Year	-0.41%	7.73%
Since Inception	6.75%	11.60%

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

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Shareholder Meeting Report

The Shareholder Meeting was held in the Embassy Room of the Mandarin Oriental Hotel, 222 Sansome Street, San Francisco, California on November 17, 2004.

	JTP		JPS	
Approval of the board members was reached as follows:	Common and FundPreferred shares voting together as a class	FundPreferred shares voting together as a class	Common and FundPreferred shares voting together as a class	FundPreferred shares voting together as a class
Robert P. Bremner				
For	63,063,195	--	116,546,845	--
Withhold	499,423	--	826,148	--
Total	63,562,618	--	117,372,993	--
Lawrence H. Brown				
For	63,051,475	--	116,540,309	--
Withhold	511,143	--	832,684	--
Total	63,562,618	--	117,372,993	--
Jack B. Evans				
For	63,056,823	--	116,543,695	--
Withhold	505,795	--	829,298	--
Total	63,562,618	--	117,372,993	--
William C. Hunter				
For	63,056,206	--	116,541,537	--
Withhold	506,412	--	831,456	--
Total	63,562,618	--	117,372,993	--
William J. Schneider				
For	--	16,732	--	30,091
Withhold	--	64	--	11

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Total	--	16,796	--	30,21
=====				
Timothy R. Schwertfeger				
For	--	16,728	--	30,09
Withhold	--	68	--	11

Total	--	16,796	--	30,21
=====				
Judith M. Stockdale				
For	63,055,783	--	116,513,937	--
Withhold	506,835	--	859,056	--

Total	63,562,618	--	117,372,993	--
=====				

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Report of
 Independent Registered
 Public Accounting Firm

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

We have audited the accompanying statements of assets and liabilities of Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2 and Nuveen Quality Preferred Income Fund 3 (the "Funds"), including the portfolios of investments, as of December 31, 2004, and the related statements of operations and changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2004, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2 and Nuveen Quality Preferred Income Fund 3 at December 31, 2004, the results of their operations, the changes in their net assets and the financial highlights for the

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periods indicated therein, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois
February 17, 2005

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Nuveen Quality Preferred Income Fund (JTP)

Portfolio of
Investments December 31, 2004

Shares	Description(1)	Coupon	Rating Moody's

\$25 PAR (or similar) SECURITIES - 66.3% (45.7% of Total Investments)			
Auto Components - 1.1%			
422,441	Delphi Trust I	8.250%	Baa3

Automobiles - 0.2%			
32,900	Ford Motor Company (CORTS)	8.000%	Baa1
51,600	General Motors Acceptance Corporation	7.350%	Baa1

Capital Markets - 5.9%			
1,250	ABN AMRO North America, Series L, 144A (a)	6.460%	A3
122,000	BCH Capital Ltd., Series B	9.430%	A2
60,000	Bear Stearns Capital Trust III	7.800%	A2
31,100	BNY Capital Trust V, Series F	5.950%	A1
270,650	BSCH Finance Ltd., Series Q	8.625%	A2
228,095	Compass Capital Trust III	7.350%	A3
29,400	First Union Capital II, Series II (CORTS)	7.500%	A1
11,300	First Union Institutional Capital II (CORTS)	8.200%	A1
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
43,500	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%	A2
13,200	Lehman Brothers Holdings Capital Trust V, Series M	6.000%	A2
35,000	Lehman Brothers Holdings Inc., Series C (a)	5.940%	NA
74,500	Merrill Lynch Capital Trust	7.000%	A1
192,500	Merrill Lynch Preferred Capital Trust	7.750%	A1
59,700	Merrill Lynch Preferred Capital Trust IV	7.120%	A1
77,400	Merrill Lynch Preferred Capital Trust V	7.280%	A1
157,200	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

Commercial Banks - 8.3%			

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24,800	Abbey National plc, Series B	7.250%	A1
67,800	Abbey National plc, Series B	7.375%	A2
100,000	ABN AMRO Capital Fund Trust V	5.900%	A2
102,800	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
52,300	Banco Totta & Acores Finance, Series A	8.875%	A3
68,300	Bank One Capital II	8.500%	A1
59,400	Bank One Capital Trust VI	7.200%	A1
198,200	Chittenden Capital Trust I	8.000%	Baa1
66,300	Citigroup Inc., Series H (a)	6.231%	Aa3
116,800	Cobank ABC, 144A (a)	7.000%	NA
124,700	Comerica Capital Trust I	7.600%	A3
87,000	Fleet Capital Trust VI	8.800%	Aa3
33,900	Fleet Capital Trust VII	7.200%	Aa3
62,900	KeyCorp (PCARS)	7.500%	A3
18,000	KeyCorp, Series 2001-7 (CORTS)	7.750%	A3
29,800	KeyCorp, Series B (CORTS)	8.250%	A3
63,500	National Commerce Capital Trust II	7.700%	A1
55,300	National Westminster Bank plc, Series A	7.875%	Aa2
29,200	Regions Finance Trust I	8.000%	A2

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Nuveen Quality Preferred Income Fund (JTP) (continued)

Portfolio of Investments December 31, 2004

Shares	Description(1)	Coupon	Rating Moody's
Commercial Banks (continued)			
10,700	Royal Bank of Scotland Group plc, Series L	5.750%	A1
22,800	Royal Bank of Scotland Group plc, Series M	6.400%	A1
23,500	SunTrust Capital Trust IV	7.125%	A1
71,800	SunTrust Capital Trust V	7.050%	A1
174,400	USB Capital Trust III	7.750%	Aa3
419,005	USB Capital Trust IV	7.350%	Aa3
46,100	USB Capital Trust V	7.250%	Aa3
35,800	VNB Capital Trust I	7.750%	Baa1
27,300	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%	Baa1
11,800	Wells Fargo Capital Trust IV	7.000%	Aa2
130,100	Wells Fargo Capital Trust V	7.000%	Aa2
5,600	Wells Fargo Capital Trust VI	6.950%	Aa2
340,000	Zions Capital Trust B	8.000%	Baa1
Consumer Finance - 0.6%			
127,000	Household Capital Trust V, Series X	10.000%	A2
60,300	Household Capital Trust VI	8.250%	A2
24,700	Household Capital Trust VII	7.500%	A2

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Diversified Financial Services - 6.1%				
17,000	BBVA Preferred Capital Ltd., Series B	7.750%	A1	
25,200	Chase Capital Trust VIII, Series H	8.300%	A1	
30,376	CIT Group Incorporated (CORTS)	7.750%	A3	
160,500	Citigroup Capital Trust VII	7.125%	Aa2	
95,200	Citigroup Capital Trust VIII	6.950%	Aa2	
40,800	Citigroup Inc., Series M (a)	5.864%	Aa3	
30,300	ING Capital Funding Trust II	9.200%	A2	
563,900	ING Group NV	7.050%	NA	
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	
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 - 0.1%				
14,800	BellSouth Corporation, Series 2001-3 (SATURNS)	7.125%	A2	
18,100	SBC Communications Inc.	7.000%	A2	
16,500	Verizon New England Inc., Series B	7.000%	A2	

Electric Utilities - 2.2%				
77,740	DTE Energy Trust I	7.800%	Baa3	
95,305	Entergy Louisiana Inc.	7.600%	Baa1	
117,951	Georgia Power Company	5.900%	A2	
251,220	Interstate Power and Light Company, Series B (a)	8.375%	Baa3	
7,000	Tennessee Valley Authority, Series D	6.750%	Aaa	
187,000	Virginia Power Capital Trust	7.375%	Baa1	

Food Products - 0.7%				
65,000	Dairy Farmers of America Inc., 144A (a)	7.875%	Baa3	

Gas Utilities - 0.1%				
32,300	AGL Capital Trust II	8.000%	Baa2	

Industrial Conglomerates - 0.1%				
19,400	General Electric Company (CORTS)	6.800%	Aaa	

Insurance - 9.8%				
14,900	ACE Capital Trust I, Series 1999	8.875%	Baa1	
673,700	Ace Ltd., Series C	7.800%	Baa2	
1,800	Allstate Corporation (PCARS)	7.150%	A2	
21,500	AMBAC Financial Group Inc.	5.950%	Aa2	
18,700	American General Capital III	8.050%	Aa1	
201,000	Delphi Financial Group Inc.	8.000%	Baa3	
262,700	EverestRe Capital Trust II	6.200%	Baa1	

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Shares	Description(1)	Coupon	Moody's
Insurance (continued)			
72,300	EverestRe Group Limited	7.850%	Baa1
156,877	Hartford Capital Trust III, Series C	7.450%	Baa1
46,700	Hartford Life Capital Trust II, Series B	7.625%	Baa1
77,100	Lincoln National Capital Trust V, Series E	7.650%	Baa1
26,900	Lincoln National Capital Trust VI	6.750%	Baa1
26,100	MBIA Inc.	8.000%	Aa2
113,700	PartnerRe Limited	7.900%	A3
250,000	PartnerRe Limited, Series C	6.750%	Baa1
67,000	PartnerRe Limited, Series D	6.500%	Baa1
72,100	PLC Capital Trust III	7.500%	Baa1
410,000	PLC Capital Trust IV	7.250%	Baa1
264,165	Prudential plc	6.750%	Baa1
111,450	RenaissanceRe Holdings Ltd., Series A	8.100%	Baa2
59,100	RenaissanceRe Holdings Ltd., Series B	7.300%	Baa2
13,900	RenaissanceRe Holdings Ltd., Series C	6.080%	Baa2
35,800	Safeco Capital Trust I (CORTS)	8.700%	Baa2
31,300	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%	Baa2
61,600	Torchmark Capital Trust I	7.750%	Baa1
4,200	W.R. Berkley (CORTS)	8.250%	Baa3
391,854	XL Capital Ltd., Series A	8.000%	Baa1
72,400	XL Capital Ltd., Series B	7.625%	Baa1
IT Services - 0.1%			
22,800	Vertex Industries Inc. (PPLUS)	7.625%	A2
Media - 0.3%			
119,000	Viacom Inc.	7.300%	A3
Multi-Utilities & Unregulated Power - 0.7%			
93,600	Dominion CNG Capital Trust I	7.800%	Baa1
57,600	Dominion Resources Capital Trust II	8.400%	Baa2
97,700	Energy East Capital Trust I	8.250%	Baa3
Oil & Gas - 1.5%			
445,632	Nexen Inc.	7.350%	Baa3
108,500	TransCanada Pipeline	8.250%	A3
Pharmaceuticals - 0.1%			
20,000	Bristol Myers Squibb Company (CORTS)	6.250%	A1
Real Estate - 22.0%			
49,658	AMB Property Corporation, Series M	6.750%	Baa2
13,400	AvalonBay Communities, Inc., Series H	8.700%	Baa2
608,700	BRE Properties, Series B	8.080%	Baa3
85,000	BRE Properties, Series D	6.750%	Baa3
547,145	CarrAmerica Realty Corporation, Series E	7.500%	Baa3
55,600	Developers Diversified Realty Corporation, Series F	8.600%	Ba1
45,100	Developers Diversified Realty Corporation, Series G	8.000%	Ba1
119,000	Developers Diversified Realty Corporation, Series H	7.375%	Ba1
114,179	Duke-Weeks Realty Corporation, Series B	7.990%	Baa2
10,800	Duke-Weeks Realty Corporation, Series I	8.450%	Baa2

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1,097,400	Equity Office Properties Trust, Series G	7.750%	Baa3
30,400	Equity Residential Properties Trust	9.125%	Baa2
23,100	Equity Residential Properties Trust, Series D	8.600%	Baa2
10,600	First Industrial Realty Trust, Inc., Series C	8.625%	Baa3
19,000	Firststar Realty LLC, 144A	8.875%	Aa3
57,900	Harris Preferred Capital Corporation, Series A	7.375%	A1
1,008,900	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%	NA
101,000	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

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Nuveen Quality Preferred Income Fund (JTP) (continued)

Portfolio of Investments December 31, 2004

Shares	Description(1)	Coupon	Rating Moody's
Real Estate (continued)			
60,900	Public Storage Inc., Series C	6.600%	Baa2
14,200	Public Storage Inc., Series E	10.000%	Baa2
22,800	Public Storage Inc., Series F	9.750%	Baa2
25,100	Public Storage Inc., Series Q	8.600%	Baa2
101,300	Public Storage Inc., Series R	8.000%	Baa2
200,000	Public Storage Inc., Series S	7.875%	Baa2
35,380	Public Storage Inc., Series U	7.625%	Baa2
345,600	Public Storage Inc., Series V	7.500%	Baa2
70,000	Realty Income Corporation	7.375%	Baa3
47,500	Regency Centers Corporation	7.450%	Baa3
15,500	Regency Centers Corporation	7.250%	Baa3
20,500	Simon Property Group, Inc., Series F	8.750%	Baa2
176,200	Simon Property Group, Inc., Series G	7.890%	Baa2
191,900	Vornado Realty Trust	6.625%	Baa3
16,970	Vornado Realty Trust, Series C	8.500%	Ba1
315,500	Wachovia Preferred Funding Corporation	7.250%	A2
Thriffs & Mortgage Finance - 4.5%			
4,200	Countrywide Capital Trust II, Series II (CORTS)	8.000%	Baa1
618,420	Countrywide Capital Trust IV	6.750%	Baa1
364,400	Fannie Mae (a)	0.000%	Aa3
61,300	Fannie Mae (a)	3.780%	Aa3
53,200	Federal Home Loan Mortgage Corporation (a)	1.140%	Aa3
39,000	Federal Home Loan Mortgage Corporation (a)	5.100%	Aa3
Wireless Telecommunication Services - 1.9%			
312,846	Telephone and Data Systems Inc.	7.600%	Baa1
157,600	United States Cellular Corporation	8.750%	Baa1

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224,400	United States Cellular Corporation	7.500%	Baa1

Total \$25 Par (or similar) Securities (cost \$602,793,267)			

CONVERTIBLE PREFERRED SECURITIES - 7.7% (5.4% of Total Investments)			
Diversified Financial Services - 0.8%			
154,000	Citigroup Global Markets	2.000%	Aa1

Diversified Telecommunication Services - 1.4%			
263,200	Alltel Corporation	7.750%	A2

Electric Utilities - 1.2%			
266,200	Ameren Corporation	9.750%	A3
10,000	American Electric Power	9.250%	Baa3
60,000	DTE Energy Company	8.750%	Baa2
30,000	FPL Group Inc.	8.000%	NA

Gas Utilities - 1.6%			
299,400	Keyspan Corporation	8.750%	A3

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 - 2.3%			
260,200	Dominion Resources Inc.	8.750%	Baa1
115,200	Public Service Enterprise Group	10.250%	Baa3

Total Convertible Preferred Securities (cost \$66,619,068)			

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Principal Amount (000)/ Shares	Description(1)	Coupon	Maturity	Ratio Moody's

CAPITAL PREFERRED SECURITIES - 65.4% (45.2% of Total Investments)				
Capital Markets - 7.2%				
2,500	Bank of New York Capital I, Series B	7.970%	12/31/26	A1
2,000	BT Capital Trust, Series B1	7.900%	1/15/27	A2
1,000	BT Institutional Capital Trust B, 144A	7.750%	12/01/26	A2
7,900	BT Preferred Capital Trust II	7.875%	2/25/27	A2

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2,250	C.A. Preferred Fund Trust II	7.000%	10/30/49	A1
11,250	C.A. Preferred Funding Trust	7.000%	1/30/49	A1
2,500	Dresdner Funding Trust I, 144A	8.151%	6/30/31	A3
26,463	First Union Institutional Capital Securities I	8.040%	12/01/26	A1
7,000	UBS Preferred Funding Trust I	8.622%	10/29/49	A1

Commercial Banks - 32.8%				
9,000	AB Svensk Exportkredit, 144A	6.375%	10/27/49	Aa3
30,000	Abbey National Capital Trust I	8.963%	12/30/49	A2
3,100	AgFirst Farm Credit Bank	7.300%	12/15/53	NA
2,800	ANZ Capital Trust I, 144A	5.360%	12/29/49	A2
2,500	Bank One Capital III	8.750%	9/01/30	A1
2,000	BankAmerica Institutional Capital Trust, Series B, 144A	7.700%	12/31/26	Aa3
5,700	BankBoston Capital Trust II, Series B	7.750%	12/15/26	Aa3
1,500	BanPonce Trust I, Series A	8.327%	2/01/27	Baa1
7,200	Barclays Bank plc, 144A	8.550%	6/15/49	Aa3
10	BBVA Privanza International Gibraltar, 144A (b)	7.764%	9/30/47	A1
3,000	Centura Capital Trust I, 144A	8.845%	6/01/27	A2
3,000	Corestates Capital Trust I, 144A	8.000%	12/15/26	A1
1,700	DBS Capital Funding Corporation, 144A	7.657%	3/15/49	A1
1,800	Farm Credit Bank of Texas	7.561%	11/05/49	NA
1,000	First Chicago NBD Institutional Capital, 144A	7.950%	12/01/26	A1
1,000	First Empire Capital Trust II	8.277%	6/01/27	Baa1
1,500	First Midwest Bancorp Inc.	6.950%	12/01/33	Baa2
5,750	HSBC Capital Funding LP, 144A	9.547%	12/31/49	A1
17,150	HSBC Capital Funding LP, Debt	10.176%	6/30/50	A1
12,000	KBC Bank Fund Trust III, 144A	9.860%	11/02/49	A2
2,000	KeyCorp Capital III	7.750%	7/15/29	A3
2,000	KeyCorp Institutional Capital Trust A	7.826%	12/01/26	A3
8,850	Lloyds TSB Bank plc, Subordinate Note	6.900%	11/22/49	Aa2
11,150	NB Capital Trust II	7.830%	12/15/26	Aa3
7,655	Nordbanken AB, 144A	8.950%	11/29/49	A2
1,000	North Fork Capital Trust I, Capital Securities	8.700%	12/15/26	A3
8,000	Peoples Heritage Capital Trust I, Series B	9.060%	2/01/27	Baa1
19,000	PNC Institutional Capital Securities, 144A	7.950%	12/15/26	A3
2,000	Popular North American Capital Trust I	6.564%	9/15/34	Baa1
15,750	RBS Capital Trust B	6.800%	12/31/49	A1
17,500	Reliance Capital Trust I, Series B	8.170%	5/01/28	NA
1,400	Republic New York Capital II, Capital Securities	7.530%	12/04/26	A1
1,100	Royal Bank of Scotland Group plc	7.648%	8/31/49	A1
3,000	SocGen Real Estate Company LLC, 144A	7.640%	12/29/49	A1
5,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/01/49	Baa1
23,000	Summit Capital Trust I, Capital Securities	8.400%	3/15/27	Aa3
6,676	Union Planters Capital Trust A	8.200%	12/15/26	A2
4,000	Wachovia Capital Trust I, Capital Securities, 144A	7.640%	1/15/27	A1
5,000	Washington Mutual Capital Trust I	8.375%	6/01/27	Baa1
1,050	Wells Fargo Capital Securities	7.950%	12/01/26	Aa2
3,000	Zions Institutional Capital Trust, Series A	8.536%	12/15/26	Baa1

Diversified Financial Services - 7.1%				

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4,250	BNP Paribas Capital Trust	7.200%	12/31/49	A1
1,500	BNP Paribas Capital Trust, 144A	9.003%	12/29/49	A1
5,000	Chase Capital Trust I, Series A	7.670%	12/01/26	A1
25,500	HBOS Capital Funding LP, Notes	6.850%	3/01/49	A1

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Nuveen Quality Preferred Income Fund (JTP) (continued)

Portfolio of Investments December 31, 2004

Principal Amount (000)/ Shares	Description(1)	Coupon	Maturity	Rating Moody's
Diversified Financial Services (continued)				
19,500	JPM Capital Trust II	7.950%	2/01/27	A1
8,100	Old Mutual Capital Funding, Notes	8.000%	6/22/53	Baa2
Diversified Telecommunication Services - 1.8%				
13,250	Centaur Funding Corporation, Series B, 144A	9.080%	4/21/20	Baa1
Insurance - 10.9%				
7,570	Ace Capital Trust II	9.700%	4/01/30	Baa1
1,000	Allstate Financing II	7.830%	12/01/45	A2
1,000	American General Capital II	8.500%	7/01/30	Aa1
7,500	Berkeley Capital Trust	8.197%	12/15/45	Baa3
2,500	Mangrove Bay, Class 3, 144A	6.102%	7/15/33	Baa1
4,000	MIC Financing Trust I	8.375%	2/01/27	A1
7,000	Prudential plc	6.500%	6/29/49	Baa1
2,000	RenaissanceRe Capital Trust	8.540%	3/01/27	Baa1
26,216	Sun Life Canada Capital Trust, Capital Securities, 144A	8.526%	5/06/47	A1
35,095	Zurich Capital Trust I, 144A	8.376%	6/01/37	Baa2
Oil & Gas - 4.0%				
4,000	KN Capital Trust I, Preferred Securities	8.560%	4/15/27	Baa3
8,860	KN Capital Trust III	7.630%	4/15/28	Baa3
20,900	Phillips 66 Capital Trust II	8.000%	1/15/37	Baa2
Thriffs & Mortgage Finance - 1.6%				
8,500	Dime Capital Trust I, Series A	9.330%	5/06/27	Baa1
5,000	Great Western Financial Trust II, Series A	8.206%	2/01/27	Baa1
Total Capital Preferred Securities (cost \$593,863,120)				
CORPORATE BONDS - 4.7% (3.2% of Total Investments)				

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Automobiles - 4.4%

5,000	Ford Motor Company	8.900%	1/15/32	Baa1
3,400	Ford Motor Company, Debenture	7.400%	11/01/46	Baa1
5,700	Ford Motor Company, Debenture	7.700%	5/15/97	Baa1
24,500	General Motors Acceptance Corporation, Notes	8.000%	11/01/31	Baa1
2,760	General Motors Corporation, Senior Debentures	8.375%	7/15/33	Baa2

Commercial Banks - 0.3%				
2,500	Washington Mutual Bank FA	5.125%	1/15/15	A3

Total Corporate Bonds (cost \$40,532,449)				

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Principal Amount (000)	Description(1)

REPURCHASE AGREEMENTS - 0.7% (0.5% of Total Investments)	
\$ 6,355 =====	State Street Bank, 1.000%, dated 12/31/04, due 1/03/05, repurchase price \$6,355,5 collateralized by \$5,045,000 U.S. Treasury Bonds, 7.500%, due 11/15/16, value \$

Total Repurchase Agreements (cost \$6,355,052)	

Total Investments (cost \$1,310,162,956) - 144.8%	

Other Assets Less Liabilities - 1.0%	

FundPreferred Shares, at Liquidation Value - (45.8)%	

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

Interest Rate Swap Contracts outstanding at December 31, 2004:

Counterparty	Notional Amount	Fixed Rate	Floating Rate**
Citibank, N.A.	\$110,000,000	3.1300%	2.4175%
Citibank, N.A.	110,000,000	3.8600	2.4175
Citibank, N.A.	110,000,000	4.3500	2.4175

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

- * Ratings (not covered by the report of independent registered public accounting firm): 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 Inter-bank Offered Rate).

- (a) Security is eligible for the Dividends Received Deduction.

- (b) Security valued at fair value using methods determined in goo