

NUVEEN QUALITY PREFERRED INCOME FUND 2
Form N-CSR
September 23, 2011

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)

Kevin J. McCarthy

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 July 31
end:

Date of reporting period: July 31, 2011

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.

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

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed-End Funds

Nuveen Investments

Closed-End Funds

*Seeks High Current Income from a Portfolio of
Investment-Grade Preferred Securities*

Annual Report, July 31, 2011

**Nuveen Quality
Preferred Income Fund**

JTP

**Nuveen Quality
Preferred Income Fund 2**

JPS

**Nuveen Quality
Preferred Income Fund 3**

JHP

INVESTMENT ADVISER NAME CHANGE

Effective January 1, 2011, Nuveen Asset Management, the Funds' investment adviser, changed its name to Nuveen Fund Advisors, Inc. ("*Nuveen Fund Advisors*"). Concurrently, Nuveen Fund Advisors formed a wholly-owned subsidiary, Nuveen Asset Management, LLC, to house its portfolio management capabilities.

NUVEEN INVESTMENTS COMPLETES STRATEGIC COMBINATION WITH FAF ADVISORS

On December 31, 2010, Nuveen Investments completed the strategic combination between Nuveen Asset Management, LLC, the largest investment affiliate of Nuveen Investments, and FAF Advisors. As part of this transaction, U.S. Bancorp the parent of FAF Advisors received cash consideration and a 9.5% stake in Nuveen Investments in exchange for the long term investment business of FAF Advisors, including investment-management responsibilities for the non-money market mutual funds of the First American Funds family.

The approximately \$27 billion of mutual fund and institutional assets managed by FAF Advisors, along with the investment professionals managing these assets and other key personnel, have become part of Nuveen Asset Management, LLC. With these additions to Nuveen Asset Management, LLC, this affiliate now manages more than \$100 billion of assets across a broad range of strategies from municipal and taxable fixed income to traditional and specialized equity investments.

This combination does not affect the investment objectives or strategies of the Funds in this report. Over time, Nuveen Investments expects that the combination will provide even more ways to meet the needs of investors who work with financial advisors and consultants by enhancing the multi-boutique model of Nuveen Investments, which also includes highly respected investment teams at HydePark, NWQ Investment Management, Santa Barbara Asset Management, Symphony Asset Management, Tradewinds Global Investors and Winslow Capital. Nuveen Investments managed approximately \$210 billion of assets as of June 30, 2011.

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Chairman's
Letter to Shareholders

Dear Shareholders,

The global economy continues to be weighed down by an unusual combination of pressures facing the larger developed economies. Japanese leaders continue to work through the economic aftereffects of the March 2011 earthquake and tsunami. Political leaders in Europe and the U.S. have resolved some of the near term fiscal problems, but the financial markets are not convinced that these leaders are able to address more complex longer term fiscal issues. Despite improved earnings and capital increases, the largest banks in these countries continue to be vulnerable to deteriorating mortgage portfolios and sovereign credit exposure, adding another source of uncertainty to the global financial system.

In the U.S., recent economic statistics indicate that the economic recovery may be losing momentum. Consumption, which represents about 70% of the gross domestic product, faces an array of challenges from seemingly intractable declines in housing values, increased energy costs and limited growth in the job market. The failure of Congress and the administration to agree on the debt ceiling increase on a timely basis and the deep divisions between the political parties over fashioning a balanced program to address growing fiscal imbalances that led to the recent S&P ratings downgrade add considerable uncertainty to the domestic economic picture.

On a more positive note, corporate earnings continue to hold up well and the municipal bond market is recovering from recent weakness as states and municipalities implement various programs to reduce their budgetary deficits. In addition, the Federal Reserve System has made it clear that it stands ready to take additional steps should the economic recovery falter. However, there are concerns that the Fed is approaching the limits of its resources to intervene in the economy.

These perplexing times highlight the importance of professional investment management. Your Nuveen investment team is working hard to develop an appropriate response to increased risk, and they continue to seek opportunities created by stressful markets using proven investment disciplines designed to help your Fund achieve its investment objectives. On your behalf, we monitor their activities to assure that they maintain their investment disciplines.

As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner
Chairman of the Board
August 23, 2011

Portfolio Managers' Comments

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: S&P, Moody's or Fitch. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities. Holdings designated NR are not rated by a national rating agency.

Nuveen Quality Preferred Income Fund (JTP)
Nuveen Quality Preferred Income Fund 2 (JPS)
Nuveen Quality Preferred Income Fund 3 (JHP)

During the current fiscal period, the Funds' Board of Trustees approved a change in the Funds' fiscal year ends from December 31 to July 31. As a result, this annual report focuses on the seven-month period ended July 31, 2011. This change in fiscal year ends did not affect the objectives, investment strategies or portfolio management of the Funds.

The Funds are sub-advised by a team of specialists at Spectrum Asset Management, a wholly-owned subsidiary of Principal Global Investors, LLC. Mark Lieb and Phil Jacoby, who have more than 50 years of combined experience in the preferred securities markets, lead the team. Here Mark and Phil talk about their management strategy and the performance of each Fund for the seven-month period ended July 31, 2011.

What were the general market conditions for the seven-month period?

Economic growth was quite uneven over the reporting period. Early in 2011 there was widespread concern about financial contagion from several European countries and very slow growth, raising the probability of a double-dip recession in the United States. These fears seemed to be quelled as another round of quantitative easing was introduced by the Federal Reserve and consumer spending began to rebound. However, this relief was relatively short lived as renewed weakness in housing and higher food and energy prices put a damper on consumption at about the same time that supply chain disruptions from the Japanese tsunami and earthquake were distorting growth and suppressing job creation in many areas in the U.S. and around the world.

Throughout the period, the Fed continued to hold the benchmark fed funds rate in a target range of zero to 0.25% since cutting it to this record low level in December 2008. At its June 2011 meeting, the central bank downgraded growth estimates for the year while reaffirming that it anticipated keeping the fed funds rate at "exceptionally low levels" for an "extended period."

From a macro perspective, we ended the fiscal period facing many of the same uncertainties that we did as the period began. The Greek bailout had yet to be finalized and fiscal concerns had spread to other European countries such as Ireland, Portugal, Italy and Spain. At the same time, fears about slowing U.S.

economic growth bubbled to the surface again, causing consumer spending to pull back. The employment situation seemed to plateau, with the national jobless rate registering 9.1% in July 2011. Also, the overall housing market continued to show weakness, weighed down by a backlog of distressed properties on the market and falling prices. For the twelve months ended

Nuveen Investments

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

For additional information, see the individual Performance Overview for your Fund in this report.

* Seven month returns are cumulative. All other returns are annualized.

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

2. Comparative benchmark performance is a blended return consisting of: 1) 55% of the Merrill Lynch Core Fixed Rate Preferred Securities Index, is designed to replicate the total return of a diversified group of investment-grade preferred securities.; and 2) 45% of the Barclays Capital Tier 1 Capital Securities Index, an unmanaged index that includes securities that can generally be viewed as hybrid fixed-income securities that either receive regulatory capital treatment or a degree of "equity credit" from a rating agency. Returns do not include the effects of any sales charges or management fees. It is not possible to invest directly in this benchmark.

June 2011 (the most recent data available at the time this report was prepared), property values in the Standard & Poor's (S&P)/Case-Shiller index of 20 major metropolitan areas had fallen 4.5% from one year earlier. U.S. gross domestic product (GDP), a broad measure of the nation's economic health, was revised downward to an anemic 0.4% annual growth rate for the first quarter of 2011 and estimated to be 1.3% for the second quarter, according to the Commerce Department.

For the reporting period, preferred securities were up about 4.5%, on average, according to the broad hybrid preferred securities indices.

What was your management strategy during the period?

The investment objective of each Fund is to earn high current income consistent with capital preservation. Each Fund's secondary objective is to enhance portfolio value. Under normal market conditions, the Funds seek to invest at least 80% of their net assets in preferred securities and up to 20% in debt securities, including convertible debt securities and convertible preferred securities.

Our basic strategy is to stay relatively balanced between the individual investor-oriented \$25 par preferred securities often traded on securities exchanges and the institutional investor-oriented \$1000 par preferred securities traded over-the-counter in the capital markets. Both types of securities offer unique short term capital performance differences, which together with the broad diversification benefits of the combined universe, help to produce potentially attractive risk-adjusted rates of return.

We keep a risk-averse posture toward security structure. This is an important core aspect of our strategy, which, over the long-term, seeks to preserve capital and provide attractive income.

We also maintain approximately a 60% weighting to U.S. names and a 40% weighting to foreign names as part of the basic strategy that keeps all the Funds in a neutral position relative to the benchmark.

How did the Funds perform over this seven-month period?

The performance of JTP, JPS and JHP, as well as a comparative index and benchmark, is presented in the accompanying table.

Average Annual Returns on Common Share Net Asset Value*

For periods ended 7/31/11

	7-Month*	1-Year	5-Year
JTP	6.74%	14.00%	-1.05%
JPS	5.99%	14.28%	-0.19%
JHP	5.69%	14.61%	-0.66%
Barclays Capital Aggregate Bond Index ¹	4.35%	4.44%	6.57%
Comparative Benchmark ²	4.53%	9.67%	1.77%

For this seven-month period, JTP, JPS and JHP outperformed the general market and comparative benchmark indexes.

During the seven-month reporting period, we bought call protection and traded out of higher priced securities in favor of discount paper to provide more opportunity for

Nuveen Investments

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capital upside. We reduced our European banking concentration the first two weeks of May by reducing exposure to French banks by 50% and Spanish banks by 25% ahead of the sovereign debt turmoil that played out into mid-June. We also increased concentration in Australian property & casualty insurance companies and U.S. non-financials, which helped to preserve capital amidst declines in the European banking sector.

We remained overweight in capital securities by 7% relative to the custom benchmark in order to more fully benefit from the technical value inherent in certain hybrid securities this is in keeping with current trends underway in the hybrid preferred securities market.

Several specific holdings contributed to positive performance, including Deutsche Bank 6.55% (DXB), Aegon 6.375% (AEH), ING 7.05 (IND), XL Capital 6.50% and Centaur Funding 9.08%.

As mentioned previously, the market had two shocks to contend with during the period. The reinsurance industry paid out increased catastrophe loss payments to satisfy claims from the tsunami damage in Japan. This was coupled with the protracted European sovereign debt concerns that revalued financial risk in the foreign bank names of the region, as well as in some of the foreign insurance issues.

Several specific positions underperformed with marginally breakeven returns for the seven-month period. These included Dai-ichi Life, AXA Insurance, Credit Suisse, LBG (Lloyds) Capital and Credit Suisse.

During the period, each Fund also entered into interest rate swaps to partially fix the interest cost of leverage, which each Fund uses through the use of bank borrowings. This portion of the Funds is overseen by Nuveen Fund Advisors, Inc., an affiliate of Nuveen Investments.

IMPACT OF THE FUNDS' LEVERAGE STRATEGY ON PERFORMANCE

One important factor impacting the return of the Funds relative to the benchmarks was the Funds' use of financial leverage through the use of bank borrowings. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising. Leverage made a positive contribution to the performance of these Funds over this reporting period.

RECENT DEVELOPMENTS REGARDING THE FUNDS' REDEMPTION OF AUCTION RATE PREFERRED SHARES

Shortly after their inceptions, the Funds issued auction rate preferred shares (ARPS) to create structural leverage. As noted in past shareholder reports, the weekly auctions for those ARPS shares began in February 2008 to consistently fail, causing the Funds to pay the so called "maximum rate" to ARPS shareholders under the terms of the ARPS in the

Funds' charter documents. The Funds redeemed their ARPS at par in 2009 and since then have relied upon bank borrowings to create structural leverage.

During 2010 and 2011, certain Nuveen leveraged closed-end funds (including these Funds) received a demand letter from a law firm on behalf of purported holders of common shares of each such fund, alleging that Nuveen and the funds' officers and Board of Directors/Trustees breached their fiduciary duties related to the redemption at par of the funds' ARPS. In response, the Board established an ad hoc Demand Committee consisting of certain of its disinterested and independent Board members to investigate the claims. The Demand Committee retained independent counsel to assist it in conducting an extensive investigation. Based upon its investigation, the Demand Committee found that it was not in the best interests of each fund or its shareholders to take the actions suggested in the demand letters, and recommended that the full Board reject the demands made in the demand letters. After reviewing the findings and recommendation of the Demand Committee, the full Board of each fund unanimously adopted the Demand Committee's recommendation.

Subsequently, 33 of the funds that received demand letters (including these Funds) were named in a consolidated complaint as nominal defendants in a putative shareholder derivative action captioned *Martin Safier, et al. v. Nuveen Asset Management, et al.* that was filed in the Circuit Court of Cook County, Illinois, Chancery Division (the "Cook County Chancery Court") on February 18, 2011 (the "Complaint"). The Complaint, filed on behalf of purported holders of each fund's common shares, also name Nuveen Fund Advisors, Inc. as a defendant, together with current and former Officers and interested Director/Trustees of each of the funds (together with the nominal defendants, collectively, the "Defendants"). The Complaint contains the same basic allegations contained in the demand letters. The suits seek a declaration that the Defendants have breached their fiduciary duties, an order directing the Defendants not to redeem any ARPS at their liquidation value using fund assets, indeterminate monetary damages in favor of the funds and an award of plaintiffs' costs and disbursements in pursuing the action. The funds and other Defendants have filed a motion to dismiss the suit, which is still pending before the court. Nuveen Fund Advisors, Inc. believes that the Complaint is without merit, and is defending vigorously against these charges.

Regulatory Matters

During May 2011, Nuveen Securities, LLC, known as Nuveen Investments, LLC, prior to April 30, 2011, entered into a settlement with the Financial Industry Regulatory Authority (FINRA) with respect to certain allegations regarding Nuveen-sponsored closed-end fund ARPS marketing brochures. As part of this settlement, Nuveen Securities, LLC neither admitted to nor denied FINRA's allegations. Nuveen Securities, LLC is the broker-dealer subsidiary of Nuveen Investments.

The settlement with FINRA concludes an investigation that followed the widespread failure of auctions for ARPS and other auction rate securities, which generally began in mid-February 2008. In the settlement, FINRA alleged that certain marketing materials provided by Nuveen Securities, LLC were false and misleading. Nuveen Securities, LLC agreed to a censure and the payment of a \$3 million fine.

RISK CONSIDERATIONS

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment Risk. The possible loss of the entire principal amount that you invest.

Price Risk. Shares of closed-end investment companies like these Funds frequently trade at a discount to their net asset value (NAV). Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. Each Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, distributions and returns. There is no assurance that a Fund's leveraging strategy will be successful.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations. This is particularly true for funds employing a managed distribution program.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Reinvestment Risk. If market interest rates decline, income earned from a Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Preferred Stock Risk. Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk.

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities.

Non-U.S. Securities Risk. Investments in non-U.S securities involve special risks not typically associated with domestic investments including currency risk and adverse political, social and economic development. These risks often are magnified in emerging markets.

Common Share Distribution and Share Price Information

The following information regarding your Fund's distributions is current as of July 31, 2011, and likely will vary over time based on each Fund's investment activities and portfolio investment value changes.

During the seven-month reporting period, the Funds did not make any changes to their monthly distributions to common shareholders. Some of the important factors affecting the amount and composition of these distributions are summarized below.

The Funds employ financial leverage through the use of bank borrowings. Financial leverage provides the potential for higher earnings (net investment income), total returns and distributions over time, but as noted earlier also increases the variability of common shareholders' net asset value (NAV) per share in response to changing market conditions.

During certain periods, the Funds may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Funds during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds 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 earnings, the excess constitutes negative UNII that is likewise reflected in a Funds' NAV. As of July 31, 2011, all three Funds had positive UNII balances for tax purposes. JTP and JPS had positive UNII balances and JHP had a negative UNII balance for financial reporting purposes.

Common Share Repurchases and Shares Price Information

As of July 31, 2011, and since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding common shares.

At July 31, 2011, the Funds' common share prices were trading at (-) discounts to their common share NAVs as shown in the accompanying table.

Fund	7/31/11 (-) Discount	Seven-Month Average (-) Discount
JTP	(-)8.61%	(-)7.42%
JPS	(-)7.98%	(-)7.42%
JHP	(-)9.20%	(-)6.60%

Nuveen Investments

JTP

Performance

OVERVIEW

Nuveen Quality Preferred Income Fund

as of July 31, 2011

Portfolio Allocation (as a % of total investments)^{3,5}

2010-2011 Monthly Distributions Per Common Share

Common Share Price Performance Weekly Closing Price

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

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

2 Excluding short-term investments.

3 Holdings are subject to change.

4 Rounds to less than 0.1%.

5 Excluding investments in derivatives.

6 As defined in Footnote 7 Management Fees and Other Transactions with Affiliates.

Fund Snapshot

Common Share Price	\$ 7.54
Common Share Net Asset Value (NAV)	\$ 8.25
Premium/(Discount) to NAV	-8.61%
Current Distribution Rate ¹	7.96%
Net Assets Applicable to Common Shares (\$000)	\$ 533,062

Leverage

(as a % of managed assets)⁶

Structural Leverage	22.51%
Effective Leverage	22.51%

Average Annual Total Return

(Inception 6/25/02)

	On Share Price	On NAV
7-Month (Cumulative)	6.62%	6.74%
1-Year	6.76%	14.00%
5-Year	-2.56%	-1.05%
Since Inception	1.43%	2.63%

Portfolio Composition

(as a % of total investments)^{3,5}

Insurance	32.7%
Commercial Banks	23.9%
Real Estate/Mortgage	8.2%
Media	5.7%
Capital Markets	5.2%
Diversified Financial Services	4.9%
Real Estate	3.4%
Short-Term Investments	0.7%
Other	15.3%

Country Allocation

(as a % of total investments)^{3,5}

United States	62.7%
United Kingdom	5.7%
Netherlands	5.6%
Bermuda	4.8%
Jersey Islands	4.2%

France	2.9%
Cayman Islands	2.6%
Other	11.5%

Top Five Issuers

(as a % of total investments)^{2,3,5}

Firststar Realty LLC	3.4%
Viacom Inc.	2.8%
Reliance Capital Trust	2.7%
Aegon NV	2.6%
Centaur Funding Corp	2.6%

Nuveen Investments

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Fund Snapshot

Common Share Price	\$	8.07
Common Share Net Asset Value (NAV)	\$	8.77
Premium/(Discount) to NAV		-7.98%
Current Distribution Rate ¹		8.18%
Net Assets Applicable to Common Shares (\$000)	\$	1,055,468

Leverage(as a % of managed assets)⁵

Structural Leverage	22.63%
Effective Leverage	22.63%

Average Annual Total Return

(Inception 9/24/02)

	On Share Price	On NAV
7-Month (Cumulative)	7.02%	5.99%
1-Year	8.70%	14.28%
5-Year	-1.60%	-0.19%
Since Inception	2.46%	3.63%

Portfolio Composition(as a % of total investments)^{3,4}

Insurance	32.1%
Commercial Banks	24.0%
Real Estate/Mortgage	11.0%
Diversified Financial Services	6.3%
Media	5.3%
Capital Markets	5.3%
Multi-Utilities	2.9%
Short-Term Investments	0.7%
Other	12.4%

Country Allocation(as a % of total investments)^{3,4}

United States	61.9%
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Netherlands	6.3%
United Kingdom	6.2%
Bermuda	6.1%
France	3.9%
Ireland	2.7%
Cayman Islands	2.7%
Other	10.2%

Top Five Issuers

(as a % of total investments)^{2,3,4}

Wachovia	3.3%
Aegon NV	2.8%
Centaur Funding Corp	2.7%
Deutsche Bank AG	2.2%
Vornado Realty LP	2.1%
JPS	

Performance

OVERVIEW

Nuveen Quality Preferred Income Fund 2

as of July 31, 2011

Portfolio Allocation (as a % of total investments)^{3,4}

2010-2011 Monthly Distributions Per Common Share

Common Share Price Performance Weekly Closing Price

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

1 Current Distribution Rate is based on the Fund's current annualized monthly distribution divided by the Fund's current market price. The Fund's monthly distributions to its shareholders may be comprised of

ordinary income, net realized capital gains and, if at the end of the calendar year the Fund's cumulative net ordinary income and net realized gains are less than the amount of the Fund's distributions, a tax return of capital.

2 Excluding short-term investments.

3 Holdings are subject to change.

4 Excluding investments in derivatives.

5 As defined in Footnote 7 Management Fees and Other Transactions with Affiliates.

Nuveen Investments

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JHP

Performance

OVERVIEW

Nuveen Quality Preferred Income Fund 3

as of July 31, 2011

Portfolio Allocation (as a % of total investments)^{3,4}

2010-2011 Monthly Distributions Per Common Share

Common Share Price Performance Weekly Closing Price

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

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

2 Excluding short-term investments.

3 Holdings are subject to change.

4 Excluding investments in derivatives.

5 As defined in Footnote 7 Management Fees and Other Transactions with Affiliates.

Fund Snapshot

Common Share Price	\$	7.70
Common Share Net Asset Value (NAV)	\$	8.48

Premium/(Discount) to NAV	-9.20%
Current Distribution Rate ¹	8.10%
Net Assets Applicable to Common Shares (\$000)	\$ 201,139

Leverage

(as a % of managed assets)⁵

Structural Leverage	22.65%
Effective Leverage	22.65%

Average Annual Total Return

(Inception 12/18/02)

	On Share Price	On NAV
7-Month (Cumulative)	4.08%	5.69%
1-Year	6.92%	14.61%
5-Year	-2.51%	-0.66%
Since Inception	1.37%	2.77%

Portfolio Composition

(as a % of total investments)^{3,4}

Insurance	32.8%
Commercial Banks	24.7%
Real Estate/Mortgage	9.9%
Capital Markets	6.7%
Diversified Financial Services	6.3%
Investment Companies	3.1%
Diversified Telecommunication Services	3.0%
Short-Term Investments	0.7%
Other	12.8%

Country Allocation

(as a % of total investments)^{3,4}

United States	63.6%
United Kingdom	6.5%
Bermuda	6.5%
Netherlands	4.6%
France	3.4%
Jersey Islands	3.3%
Cayman Islands	2.4%

Other 9.7%

Top Five Issuers

(as a % of total investments)^{2,3,4}

First Union	3.7%
Deutsche Bank AG	3.6%
Aegon NV	2.8%
Centaur Funding Corp	2.4%
Viacom Inc.	2.3%

Nuveen Investments

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JTP

JPS

JHP

Shareholder MEETING REPORT

The annual meeting of shareholders was held in the offices of Nuveen Investments on May 6, 2011; at this meeting the shareholders were asked to vote on the election of Board Members.

	JTP Common Shares	JPS Common Shares	JHP Common Shares
Approval of the Board Members was reached as follows:			
John P. Amboian			
For	56,968,711	107,452,217	21,438,509
Withhold	1,633,564	2,381,665	594,608
Total	58,602,275	109,833,882	22,033,117
David J. Kundert			
For	56,949,637	107,318,047	21,433,434
Withhold	1,652,638	2,515,835	599,683
Total	58,602,275	109,833,882	22,033,117
Terence J. Toth			
For	56,992,893	107,448,875	21,439,589
Withhold	1,609,382	2,385,007	593,528
Total	58,602,275	109,833,882	22,033,117

Nuveen Investments

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Report of INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2, and Nuveen Quality Preferred Income Fund 3 (the "Funds") as of July 31, 2011, and the related statements of operations, changes in net assets, cash flows, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We are not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of July 31, 2011, by correspondence with the custodian, brokers and counterparty. 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 positions of Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2, and Nuveen Quality Preferred Income Fund 3 at July 31, 2011, and the results of their operations, the changes in their net assets, their cash flows, and the financial highlights for each of the periods indicated therein in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois
September 13, 2011

Nuveen Investments
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JTP

Nuveen Quality Preferred Income Fund

Portfolio of INVESTMENTS

July 31, 2011

Shares	Description (1)	Coupon	Ratings (2)	Value
	\$25 Par (or similar) Preferred Securities	65.9% (51.1% of Total Investments)		
	Capital Markets	5.9%		
137,200	Ameriprise Financial, Inc.	7.750%	A	\$ 3,770,256
75,644	BNY Capital Trust V, Series F	5.950%	A1	1,900,177
515,776	Credit Suisse	7.900%	A3	13,642,275
339,132	Deutsche Bank Capital Funding Trust II	6.550%	BBB	7,996,733
83,000	Deutsche Bank Contingent Capital Trust III	7.600%	BBB	2,094,920
37,900	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%	A3	852,750
2,200	Goldman Sachs Group Inc., Series GSG-1 (PPLUS)	6.000%	A1	52,426
4,500	Goldman Sachs Group Inc., Series GSG-2	5.750%	A1	103,275

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	(PPLUS)			
43,900	Morgan Stanley Capital Trust IV	6.250%	Baa2	1,043,503
	Total Capital Markets			31,456,315
	Commercial Banks	10.4%		
1,100	ABN AMRO North America Capital Funding, 144A	6.968%	BB	750,063
323,100	Banco Santander Finance	10.500%	A-	9,001,566
2,100	Barclays Bank PLC	6.625%	A-	48,174
118,500	BB&T Capital Trust VI	9.600%	Baa1	3,116,550
119,800	CoBank ACB, 144A	7.000%	N/R	5,626,862
46,000	CoBank ACB	11.000%	A	2,486,875
48,600	CoBank ACB	11.000%	A	2,557,575
30,200	BB&T Capital Trust VII	8.100%	Baa1	774,630
18,400	HSBC Holdings PLC, (3)	8.000%	A-	502,320
13,800	HSBC Holdings PLC	6.200%	A-	334,512
36,000	KeyCorp Capital Trust X	8.000%	Baa3	917,280
80,308	Merrill Lynch Preferred Capital Trust V	7.280%	Baa3	1,941,847
3,500,000	National Australia Bank	8.000%	A+	3,788,925
275,041		6.625%	BBB	7,013,546

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	National City Capital Trust II			
7,100	PNC Financial Services Inc.	6.750%	BBB	7,084,664
25,000	Royal Bank of Scotland Group PLC, Series L	5.750%	BB	434,500
4,300,000	Royal Bank of Scotland Group PLC	7.648%	BB	3,708,750
20,400	Wachovia Capital Trust IX	6.375%	A-	511,224
120,000	Wells Fargo Capital Trust XII	7.875%	A-	3,060,000
60,000	Wells Fargo Capital Trust IX	5.625%	A-	1,485,000
	Total Commercial Banks			55,144,863
	Diversified Financial Services	4.1%		
18,000	Bank of America Corporation	6.375%	BB+	392,760
500	Citigroup Capital Trust VII	7.125%	BB+	12,555
80,800	Citigroup Capital Trust XI	6.000%	BB+	1,858,400
10,000	Citigroup Capital Trust XII	8.500%	BB+	257,300
150,514	Citigroup Capital XIII	7.875%	BB+	4,074,414
1,900	Citigroup Capital XIV	6.875%	BB+	46,588
36,200	ING Groep N.V.	7.375%	BBB-	825,360
625,776	ING Groep N.V.	7.200%	BBB-	14,230,146
13,651		5.950%	A3	342,777

	National Rural Utilities Cooperative Finance Corporation			
	Total Diversified Financial Services			22,040,300
	Diversified Telecommunication Services	0.1%		
28,000	Telephone and Data Systems Inc.	6.875%	Baa2	703,360
	Electric Utilities	1.1%		
33,000	Alabama Power Company	6.450%	BBB+	887,908
181,800	Entergy Texas Inc.	7.875%	BBB+	5,181,300
	Total Electric Utilities			6,069,208

Nuveen Investments
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Shares	Description (1)	Coupon	Ratings (2)	Value
	Food Products 0.5%			
28,100	Dairy Farmers of America Inc., 144A	7.875%	BBB-	\$ 2,529,880
	Insurance 20.2%			
906	AAG Holding Company Inc.	7.250%	BBB+	22,722
795,723	Aegon N.V.	6.375%	BBB	17,816,238
326,106	Allianz SE	8.375%	A+	8,519,519
480,648	Arch Capital Group Limited	8.000%	BBB	12,093,104
3,250,000	Dai-ichi Mutual Life, 144A	7.250%	A3	3,430,261
228,238	Delphi Financial Group, Inc.	7.376%	BB+	5,434,347
617,204	EverestRe Capital Trust II	6.200%	Baa1	14,862,272
199,931	Markel Corporation	7.500%	BBB	5,050,257
276,263	PartnerRe Limited, Series C	6.750%	BBB+	6,790,545
10,539	PartnerRe Limited, Series D	6.500%	BBB+	255,360
40,500	PLC Capital Trust III	7.500%	BBB	1,027,890
386,042	PLC Capital Trust IV	7.250%	BBB	9,678,073
166,360	Prudential Financial Inc.	6.750%	A-	4,170,645
4,100,000	Reinsurance Group of America Inc.	6.750%	BBB-	3,982,638
34,500	RenaissanceRe Holdings	6.080%	BBB+	814,545

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	Limited, Series C RenaissanceRe Holdings Limited, Series D	6.600%	BBB+	5,794,006
232,691	W. R. Berkley Corporation, Capital Trust II	6.750%	BBB-	7,834,350
	Total Insurance			107,576,772
	Media 7.3%			
131,141	CBS Corporation	6.750%	BBB-	3,317,867
612,684	Comcast Corporation	7.000%	BBB+	15,556,047
47,000	Comcast Corporation	6.625%	BBB+	1,203,200
747,738	Viacom Inc.	6.850%	BBB+	18,850,475
	Total Media			38,927,589
	Multi-Utilities 3.3%			
244,700	Dominion Resources Inc.	8.375%	BBB	6,868,729
10,000	Scana Corporation	7.700%	BBB-	277,500
391,815	Xcel Energy Inc.	7.600%	BBB	10,575,087
	Total Multi-Utilities			17,721,316
	Oil, Gas & Consumable Fuels 2.2%			
467,481	Nexen Inc.	7.350%	BB+	11,757,147
	Pharmaceuticals 0.1%			
15,419	Bristol Myers Squibb Company (CORTS)	6.250%	A+	388,867
	Real Estate/Mortgage 10.6%			
3,800	Commonwealth REIT	7.500%	BBB	79,990
164,500	Commonwealth REIT	7.250%	Baa3	4,015,445
2,845	Commonwealth REIT	7.125%	Baa3	69,589
80,607	Duke Realty	6.600%	Baa3	1,942,629

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	Corporation, Series L			
18,192	Kimco Realty Corporation, Series F	6.650%	Baa2	452,435
652,387	Kimco Realty Corporation, Series G	7.750%	Baa2	16,909,871
10,294	Kimco Realty Corporation, Series H	6.900%	Baa2	261,982
92,378	Prologis Inc.	6.750%	Baa3	2,202,292
1,675	PS Business Parks, Inc.	6.875%	BBB-	41,925
12,691	PS Business Parks, Inc.	0.000%	BBB-	318,036
11,699	Public Storage, Inc., Series E	6.750%	BBB+	293,996
2,542	Public Storage, Inc., Series F	6.450%	BBB+	63,753
9,000	Public Storage, Inc., Series M	6.625%	BBB+	228,690
29,300	Public Storage, Inc., Series Q	6.500%	BBB+	747,150
107,100	Public Storage, Inc., Series Y, (3)	6.850%	BBB+	2,506,815
70,216	Realty Income Corporation	6.750%	Baa2	1,766,635

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Nuveen Quality Preferred Income Fund (continued)

Portfolio of INVESTMENTS July 31, 2011

Shares	Description (1)	Coupon	Ratings (2)	Value	
	Real Estate/Mortgage (continued)				
7,893	Regency Centers Corporation	7.250%	Baa3	\$ 197,641	
452,734	Vornado Realty LP	7.875%	BBB	12,042,724	
165,282	Wachovia Preferred Funding Corporation, (4)	7.250%	A-	4,217,997	
298,102	Weingarten Realty Investors, Series F	6.500%	Baa3	7,366,100	
32,329	Weingarten Realty Trust	8.100%	BBB	745,183	
	Total Real Estate/Mortgage			56,470,878	
	Wireless Telecommunication Services 0.1%				
18,500	Telephone and Data Systems Inc.	7.000%	Baa2	469,344	
	Total \$25 Par (or similar) Preferred Securities (cost \$342,476,930)			351,255,839	
Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Corporate Bonds 7.2% (5.6% of Total Investments)				
	Capital Markets 0.2%				
\$ 1,000	Man Group PLC	5.000%	8/09/17	Baa3	\$ 885,453
	Commercial Banks 2.1%				
8,400	LBG Capital I	7.875%	11/01/20	BB	7,875,000

	PLC, 144A					
	Lloyds Banking Group LBG Capital 1, 144A	3,400	8.000%	6/15/20	BB-	3,128,000
11,800	Total Commercial Banks					11,003,000
	Diversified Financial Services 0.5%					
3,100	Fortis Hybrid Financing		8.250%	8/27/49	BBB	2,976,000
	Electric Utilities 0.6%					
3,400	FPL Group Capital Inc.		6.650%	6/15/17	BBB	3,391,500
	Food & Staples Retailing 1.3%					
7,000	CVS Caremark Corporation		6.302%	6/01/37	BBB-	6,825,000
	Insurance 2.3%					
2,500	Prudential PLC, Convertible Bond		11.750%	12/23/14	A-	2,928,875
9,400	QBE Capital Funding Trust II, 144A		7.250%	5/24/41	BBB+	9,579,972
11,900	Total Insurance					12,508,847
	Multi-Utilities 0.2%					
1,000	Wisconsin Energy Corporation, (4)		6.250%	5/15/17	Baa1	1,008,001
	Total Corporate Bonds (cost \$37,924,702)					38,597,801
\$ 39,200	Principal Amount (000)/ Shares					
	Description (1)		Coupon	Maturity	Ratings (2)	Value
	Capital Preferred Securities		51.9% (40.2% of Total Investments)			
	Capital Markets 0.7%					
1,200	ABN AMRO North America		6.523%	12/31/49	BB+	\$ 1,098,000

	Holding Capital, 144A					
1,000	Credit Suisse Guernsey	0.951%	5/15/17	A3		791,690
1,900	Dresdner Funding Trust I, 144A	8.151%	6/30/31	Baa3		1,719,500
	Total Capital Markets					3,609,190
	Commercial Banks	18.4%				
9,600	AgFirst Farm Credit Bank	8.393%	12/15/11	A		9,788,160
2,100	American Express Company	6.800%	9/01/16	Baa2		2,163,000
2,720	Banco Santander Finance	10.500%	9/29/49	A-		2,955,751

Nuveen Investments

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Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
Commercial Banks (continued)					
700	BankAmerica Capital II, Series 2	8.000%	12/15/26	Baa3	\$ 714,875
4,000	BankAmerica Institutional Capital Trust, Series B, 144A	7.700%	12/31/26	Baa3	4,065,000
2,800	Barclays Bank PLC	6.278%	12/15/34	A-	2,240,000
900	Barclays Bank PLC, 144A	7.434%	12/15/17	A-	902,250
2,500	Barclays Bank PLC, 144A	6.860%	6/15/32	A-	2,218,750
2,500	BB&T Capital Trust IV	6.820%	6/12/37	Baa1	2,531,250
400	First Empire Capital Trust I	8.234%	2/01/27	Baa2	409,406
575	First Empire Capital Trust II	8.277%	6/01/27	Baa2	590,772
3,500	Fulton Capital Trust I	6.290%	2/01/36	Baa3	3,010,000
300	HBOS Capital Funding LP, 144A	6.071%	6/30/14	BB	247,500
11,650	HSBC Capital Funding LP, Debt	10.176%	6/30/50	A-	15,145,000
2,000	KeyCorp Capital III	7.750%	7/15/29	Baa3	2,152,496
2,509	NB Capital Trust II	7.830%	12/15/26	Baa3	2,549,771
2,400	NB Capital Trust IV	8.250%	4/15/27	Baa3	2,457,000

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5,000	Nordea Bank AB	8.375%	3/25/15	A-	5,350,000
4,150	Rabobank Nederland, 144A	11.000%	6/30/19	AA-	5,301,625
17,500	Reliance Capital Trust I, Series B	8.170%	5/01/28	N/R	18,285,313
300	Societe Generale, 144A	5.922%	4/05/57	BBB+	261,290
8,900	Societe Generale	8.750%	10/07/49	BBB+	9,122,500
3,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/01/49	Ba1	2,875,545
1,550	Standard Chartered PLC, 144A	7.014%	7/30/37	BBB	1,526,903
1,100	Suntrust Capital Trust VIII	6.100%	12/01/66	Baa3	1,072,500
	Total Commercial Banks				97,936,657
	Diversified Financial Services	1.6%			
200	Bank One Capital III	8.750%	9/01/30	A2	256,127
4,000	JPMorgan Chase Capital Trust XXVII	7.000%	11/01/39	A2	4,065,376
1,140	JPMorgan Chase Capital XXV	6.800%	10/01/37	A2	1,155,678
47,500	JPMorgan Chase Capital Trust XXIX	6.700%	4/02/40	A2	1,206,500
1,800	MBNA Corporation, Capital Trust A	8.278%	12/01/26	Baa3	1,845,000
	Total Diversified Financial Services				8,528,681
	Diversified Telecommunication Services	3.3%			

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15	Centaur Funding Corporation, Series B	9.080%	4/21/20	BBB	17,794,844
	Electric Utilities 0.7%				
2,300	Dominion Resources Inc.	7.500%	6/30/16	BBB	2,433,400
1,500	PPL Capital Funding, Inc.	6.700%	3/30/17	BB+	1,478,250
	Total Electric Utilities				3,911,650
	Insurance 19.7%				
4,500	Allstate Corporation	6.125%	5/15/17	Baa1	4,398,750
3,800	AXA S.A., 144A	6.379%	12/14/36	Baa1	3,192,000
4,800	AXA	8.600%	12/15/30	A3	5,824,109
700	Catlin Insurance Company Limited	7.249%	1/19/17	BBB+	661,500
9,925	Glen Meadows Pass Through Trust	6.505%	2/15/17	BB+	8,386,625
5,500	Great West Life & Annuity Capital I, 144A	6.625%	11/15/34	A-	5,253,650
3,800	Great West Life and Annuity Insurance Company, 144A	7.153%	5/16/16	A-	3,866,500
2,150	Liberty Mutual Group Inc., 144A	10.750%	6/15/58	Baa3	2,843,375
3,000	Liberty Mutual Group Inc., 144A	7.800%	3/15/37	Baa3	3,030,000
5,100	Lincoln National Corporation	7.000%	5/17/16	BBB	5,151,000

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2,500	Lincoln National Corporation	6.050%	4/20/17	BBB	2,375,000
6,300	MetLife Capital Trust IV, 144A	7.875%	12/15/37	BBB	6,909,103
600	MetLife Capital Trust X, 144A	9.250%	4/08/68	BBB	744,000
10,150	National Financial Services Inc.	6.750%	5/15/37	Baa2	9,490,250
1,400	Nationwide Financial Services Capital Trust	7.899%	3/01/37	Baa2	1,252,056
7,225	Oil Insurance Limited, 144A	7.558%	6/30/11	Baa1	6,659,355
7,400	Old Mutual Capital Funding, Notes	8.000%	6/22/53	Baa3	7,363,000
1,000	Progressive Corporation, (4)	6.700%	6/15/67	A2	1,032,500

Nuveen Investments

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JTP

Nuveen Quality Preferred Income Fund (continued)

Portfolio of INVESTMENTS July 31, 2011

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Insurance (continued)				
3,200	Prudential Financial Inc.	8.875%	6/15/18	BBB+	\$ 3,720,000
1,000	Prudential PLC	6.500%	6/29/49	A-	955,000
1,100	QBE Capital Funding Trust II, 144A	6.797%	6/01/49	BBB+	1,044,247
3,000	Swiss Re Capital I	6.854%	5/25/16	A-	2,941,281
15,000	XL Capital Ltd	6.500%	10/15/57	BBB-	14,006,250
2,536	ZFS Finance USA Trust II 144A	6.450%	12/15/65	A	2,574,040
1,260	ZFS Finance USA Trust V	6.500%	5/09/67	A	1,253,700
	Total Insurance				104,927,291
	Real Estate 4.3%				
19	Firststar Realty LLC, 144A	8.875%	12/31/50	A2	23,043,438
	Road & Rail 2.1%				
10,900	Burlington Northern Santa Fe Funding Trust I	6.613%	1/15/26	BBB	11,254,250
	Thriffs & Mortgage Finance 0.4%				
2,000	Caisse Nationale Des Caisses	6.750%	1/27/49	BBB+	1,800,000

	d'Epargne et de Prevoyance				
	U.S. Agency	0.7%			
3	Farm Credit Bank of Texas	10.000%	12/15/60 A3		3,894,062
	Total Capital Preferred Securities (cost \$264,552,577)				276,700,063
Shares	Description (1)	Coupon	Ratings (2)		Value
	Convertible Preferred Securities	0.0% (0.0% of Total Investments)			
	Commerical Banks	0.0%			
200	Wells Fargo & Company	7.500%	A-	\$	212,340
	Total Convertible Preferred Securities (cost \$203,167)				212,340
Shares	Description (1)				Value
	Investment Companies	3.1% (2.4% of Total Investments)			
315,548	BlackRock Credit Allocation Income Trust II			\$	3,171,257
415,561	Flaherty and Crumrine/Claymore Preferred Securities Income Fund Inc.				7,251,539
352,012	John Hancock Preferred Income Fund III				5,822,279
	Total Investment Companies (cost				16,245,075

\$20,807,508)				
Principal Amount (000)	Description (1)	Coupon	Maturity	Value
	Short-Term Investments	0.9% (0.7% of Total Investments)		
\$ 4,531	Repurchase Agreement with Fixed Income Corporation, dated 7/29/11, repurchase price \$4,530,618, collateralized by \$4,260,000, U.S. Treasury Notes, 3.250%, due 12/31/16, value \$4,622,100	0.010%	8/01/11	\$ 4,530,614
	Total Short-Term Investments (cost \$4,530,614)			4,530,614
	Total Investments (cost \$670,495,498)			687,541,732
	Borrowings (29.1)% (5), (6)			(154,875,000)
	Other Assets Less Liabilities 0.1% (7)			395,332
	Net Assets Applicable to Common Shares 100%			\$ 533,062,064

Investments in Derivatives

Interest Rate Swaps outstanding:

Counterparty	Notional Amount	Fund Pay/Receive	Floating Rate Index	Fixed Rate*	Fixed Rate Payment Frequency	Termination Date	Unrealized Appreciation (Depreciation)
JPMorgan	\$ 38,718,750	Receive	1-Month USD-LIBOR	0.360%	Monthly	3/21/12	\$ (6,220)
JPMorgan	38,718,750	Receive	1-Month USD-LIBOR	1.193	Monthly	3/21/14	(538,015)
Morgan Stanley	38,718,750	Receive	1-Month USD-LIBOR	2.064	Monthly	3/21/16	(1,135,556)
							\$ (1,679,791)

* Annualized.

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

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

(2) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investor Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(3) Non-income producing; issuer has not declared a dividend within the past twelve months.

(4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.

(5) Borrowings as a percentage of Total Investments is 22.5%.

(6) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of July 31, 2011, investments with a value of \$352,044,169 have been pledged as collateral for Borrowings.

(7) Other Assets Less Liabilities includes the Value and/or the Unrealized Appreciation (Depreciation) of derivative instruments as noted within Investments in Derivatives.

N/R Not rated.

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.

USD-LIBOR United States Dollar London Inter-Bank Offered Rate.

See accompanying notes to financial statements.

Nuveen Investments

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Nuveen Quality Preferred Income Fund 2

Portfolio of INVESTMENTS

July 31, 2011

Shares	Description (1)	Coupon	Ratings (2)	Value
	\$25 Par (or similar) Preferred Securities	64.5% (49.9% of Total Investments)		
	Capital Markets	5.2%		
381,200	Ameriprise Financial, Inc.	7.750%	A	\$ 10,475,376
6,400	Credit Suisse	7.900%	A3	169,280
92,800	Deutsche Bank Capital Funding Trust I	7.350%	BBB	2,307,936
1,276,135	Deutsche Bank Capital Funding Trust II	6.550%	BBB	30,091,263
13,800	Deutsche Bank Capital Funding Trust IX	6.625%	BBB	326,370
40,500	Deutsche Bank Capital Funding Trust V	8.050%	BBB	1,047,735
95,651	Deutsche Bank Capital Funding Trust VIII	6.375%	BBB	2,192,321
256,400	Deutsche Bank Contingent Capital Trust III	7.600%	BBB	6,471,536
14,123		6.125%	A1	350,109

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	Goldman Sachs Group Inc.			
70,214	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%	A3	1,579,815
4,000	Goldman Sachs Group Inc., Series GSG-1 (PPLUS)	6.000%	A1	95,320
2,290	Morgan Stanley Capital Trust III	6.250%	Baa2	54,639
2,800	Morgan Stanley Capital Trust V	5.750%	Baa2	64,372
	Total Capital Markets			55,226,072
	Commercial Banks 8.1%			
2,200	ABN AMRO North America Capital Funding, 144A	6.968%	BB	1,500,125
181,000	Banco Santander Finance	10.500%	A-	5,042,660
150,000	Barclays Bank PLC	8.125%	A-	3,799,500
172,828	BB&T Capital Trust VI	9.600%	Baa1	4,545,376
66,429	BB&T Capital Trust VII	8.100%	Baa1	1,703,904
235,100	CoBank ACB, 144A	7.000%	N/R	11,042,365
82,000		11.000%	A	4,433,125

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	CoBank ACB			
42,800	CoBank ACB	11.000%	A	2,252,350
10,930	Fifth Third Capital Trust V	7.250%	Baa3	276,092
2,917	Fifth Third Capital Trust VI	7.250%	Baa3	73,713
5,200	Goldman Sachs Group Inc., Series GSC-4 Class A (PPLUS)	6.000%	A3	119,912
10,500,000	HSBC Bank PLC	1.000%	A	6,300,000
404,800	HSBC Holdings PLC, (3)	8.000%	A-	11,051,040
102,700	HSBC Holdings PLC	6.200%	A-	2,489,448
6,166	KeyCorp Capital Trust X	8.000%	Baa3	157,110
5,600,000	National Australia Bank	8.000%	A+	6,062,280
197,891	National City Capital Trust II	6.625%	BBB	5,046,221
20,000	PNC Financial Services Inc.	6.750%	BBB	19,956,800
	Total Commercial Banks			85,852,021
	Consumer Finance	0.0%		
20,100	HSBC USA Inc., Series H	6.500%	A-	500,691
	Diversified Financial Services	4.5%		
139,900	Citigroup Capital Trust XI	6.000%	BB+	3,217,700

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94,800	Citigroup Capital Trust XII	8.500%	BB+	2,439,204
271,589	Citigroup Capital XIII	7.875%	BB+	7,351,914
40,000	Citigroup Capital XVI	6.450%	BB+	923,600
770,313	ING Groep N.V.	7.200%	BBB-	17,516,918
729,055	ING Groep N.V.	7.050%	BBB-	16,345,413
	Total Diversified Financial Services			47,794,749
	Diversified Telecommunication Services	0.2%		
70,501	Telephone and Data Systems Inc.	6.875%	Baa2	1,770,985

Nuveen Investments

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Shares	Description (1)	Coupon	Ratings (2)	Value
	Electric Utilities 1.2%			
135,400	Alabama Power Company	6.450%	BBB+	\$ 3,643,113
59,650	Entergy Louisiana LLC	5.875%	A-	1,550,304
69,300	Entergy Texas Inc.	7.875%	BBB+	1,975,050
12,533	FPL Group Capital Trust I	5.875%	BBB	318,965
216,300	PPL Capital Funding, Inc.	6.850%	BBB-	5,491,857
	Total Electric Utilities			12,979,289
	Food Products 0.5%			
53,400	Dairy Farmers of America Inc., 144A	7.875%	BBB-	4,807,671
1,717,889	Insurance 17.8% Aegon N.V.	6.375%	BBB	38,463,535
617,913	Allianz SE	8.375%	A+	16,142,977
913,746	Arch Capital Group Limited	8.000%	BBB	22,989,849
6,500,000	Dai-ichi Mutual Life, 144A	7.250%	A3	6,860,523
404,700	Delphi Financial Group, Inc.	7.376%	BB+	9,635,907
310,216	EverestRe Capital Trust II	6.200%	Baa1	7,470,001
475,999	Markel Corporation	7.500%	BBB	12,023,735
579,002	PartnerRe Limited, Series C	6.750%	BBB+	14,231,869
106,800	PLC Capital Trust III	7.500%	BBB	2,710,584

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443,236	PLC Capital Trust IV	7.250%	BBB	11,111,927
11,153	Protective Life Corporation	7.250%	BBB	277,487
200,842	Prudential Financial Inc.	9.000%	BBB+	5,468,928
317,875	Prudential Financial Inc.	6.750%	A-	7,969,126
4,000,000	Reinsurance Group of America Inc.			