

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

NUVEEN QUALITY PREFERRED INCOME FUND 2
Form N-CSRS
April 08, 2004

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: July 31

Date of reporting period: January 31

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

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

Nuveen Investments
Closed-End
Exchange-Traded
Funds

SEMIANNUAL REPORT January 31, 2004

NUVEEN QUALITY PREFERRED INCOME FUND
JTP

NUVEEN QUALITY PREFERRED INCOME FUND 2
JPS

NUVEEN QUALITY PREFERRED INCOME FUND 3
JHP

Photo of: Man holding up small boy.
Photo of: 2 women with 2 girls looking at seashells.

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

Logo: NUVEEN Investments

FASTER INFORMATION
RECEIVE YOUR
NUVEEN FUND REPORT
ELECTRONICALLY

By registering for electronic delivery, you will receive an e-mail as soon as your Nuveen Fund information is available. Click on the link and you will be taken directly to the report. Your Fund report can be viewed and saved on your computer. Your report will arrive faster via e-mail than by traditional mail.

Registering is easy and only takes a few minutes (see instructions at right).

SOME COMMON CONCERNS:

WILL MY E-MAIL ADDRESS BE DISTRIBUTED TO OTHER COMPANIES?

No, your e-mail address is strictly confidential and will not be used for anything other than notification of shareholder information.

WHAT IF I CHANGE MY MIND AND WANT TO RECEIVE INVESTOR MATERIALS THROUGH REGULAR MAIL DELIVERY AGAIN?

If you decide you do not like receiving your reports electronically, it's a simple process to go back to regular mail delivery.

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

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME FROM YOUR FINANCIAL ADVISOR OR BROKERAGE ACCOUNT,

FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to WWW.INVESTORDELIVERY.COM and follow the simple instructions, using the address sheet that accompanied this report as a guide.
- 2 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen and follow the simple instructions.
- 3 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME DIRECTLY TO YOU FROM NUVEEN,

FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to WWW.NUVEEN.COM
- 2 Select ACCESS YOUR ACCOUNT. Select the E-REPORT ENROLLMENT section. Click on Enrollment Today.
- 3 You'll be taken to a screen that asks for your Social Security number and e-mail address. Fill in this information, then click Enroll.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

Sidebar text: We remain convinced that maintaining a well-balanced portfolio is an important way to help you reduce overall investment risk.

Dear SHAREHOLDER

I am pleased to report that over the period ended January 31, 2004, the three Nuveen Quality Preferred Income Funds continued to provide you with attractive monthly income, strong total return, and the opportunity for enhanced

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

diversification within your investment portfolio. For more specific information about the performance of the Funds, please see the Portfolio Managers' Perspective and Performance Overview sections of this report.

In the current environment, we remain convinced that a well-balanced portfolio, structured and monitored with the help of an investment professional, can be an important tool in helping to reduce overall investment risk and position yourself to achieve your long-term financial goals. In this context, the preferred securities in your Nuveen Fund can represent an important element of diversification within an overall portfolio crafted to perform well through a variety of market conditions.

As in past letters, I'd also like to direct your attention to the inside front cover of this report, which explains the quick and easy process to begin receiving Fund reports like this via e-mail and the internet. Thousands of Nuveen Fund shareholders already have signed-up, and they are getting their Fund information faster and more conveniently than ever. I urge you to consider joining them.

Since 1898, Nuveen Investments has offered financial products and solutions that incorporate careful research, diversification, and the application of conservative risk-management principles. We are grateful that you have chosen us as a partner as you pursue your financial goals. We look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

March 15, 2004

1

Nuveen Closed-End Exchange-traded funds (JTP, JPS, JHP)

Managers' Perspective

The Funds are managed by a team of specialists at Spectrum Asset Management, Inc., an affiliate of Principal CapitalSM. Mark Lieb, Bernie Sussman and Phil Jacoby, who have more than 50 years of combined experience in the preferred securities markets, lead the team. Here Mark, Bernie and Phil talk about general economic conditions, their management strategy and the performance of the Funds for the period ended January 31, 2004.

WHAT WAS THE GENERAL MARKET ENVIRONMENT FOR PREFERRED SECURITIES FOR THE PERIOD ENDED JANUARY 31, 2004?

For most of this period, market conditions were favorable and, as a result, preferred securities were among the best performers within the fixed-income sector for the 12 months ended January 31, 2004. Both individual and institutional investors were aggressive buyers of preferred securities during this period because, in our opinion, of the attractive yields that preferred securities offered relative to alternative investments. The credit quality environment, especially among the financial industry-oriented issuers, was

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

positive, reflecting improvement in the general economy and in the equity markets. New issuance of preferred securities was robust over the period, with a total of \$42.1 billion coming to market during 2003. As of December 31, 2003, the size of the hybrid preferred securities market, in which the Funds primarily invest, was approximately \$219 billion.

IN THIS ENVIRONMENT, HOW DID THE FUNDS PERFORM?

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

TOTAL RETURN ON NET ASSET VALUE 12 MONTHS ENDED JANUARY 31, 2004	

JTP	18.56%
JPS	19.77%
JHP	18.14%
Lehman Aggregate Bond Index ¹	4.85%
Merrill Lynch Preferred Stock Hybrid Securities Index ²	9.39%

For this performance period, each Fund provided a better total return than the unleveraged, unmanaged Lehman Aggregate Bond Index and the unleveraged, unmanaged Merrill Lynch Preferred Stock Hybrid Securities Index.

The Funds' strong performances were a function of several factors. First, as already noted, the hybrid preferred securities market - which represents the type of securities in which the Funds primarily invest - performed well over the period. Second, the Funds benefited from their use of leverage. Leveraging can add volatility to a Fund's net asset value and share price. However, this strategy also can provide opportunities for net asset value appreciation and enhanced income for common shareholders. Third, the Funds maintained a relatively heavy weighting in financial industry issues when compared with the indexes. Financial issues tended to outperform many other sectors

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, 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.

2

over this measurement period. In addition, the Funds also benefited in varying degrees from their holdings of mandatory convertible securities and from several specific trades that took advantage of market inefficiencies.

All three Funds continued to provide attractive monthly income through the period. Each Fund seeks to pay dividends at a rate that reflects the past and

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

projected performance of the Fund. To permit a Fund to maintain a more stable monthly dividend, the 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 the Fund has cumulatively earned more than it has paid in dividends, it will hold the excess in reserve as undistributed net investment income (UNII) as part of the Fund's net asset value. Conversely, if the Fund has cumulatively paid in dividends more than it has earned, the excess will constitute negative UNII which will likewise be reflected in the Fund's net asset value. Each Fund will, over time, pay all its net investment income as dividends to shareholders. As of January 31, 2004, all three Funds had negative UNII.

As of January 31, 2004, JTP was trading at a premium to its net asset value, while JPS and JHP were trading at discounts. For additional performance information, please see the individual Performance Overview pages for your Fund in this report.

WHAT KEY STRATEGIES AND TACTICS WERE USED TO MANAGE THE FUNDS DURING THE PERIOD ENDED JANUARY 31, 2004?

For each of these Funds, our strategic goal was to maximize the income generated from a well-diversified, high quality portfolio of preferred securities. In addition, we tried to enhance the total return of each Fund by looking to exploit price inefficiencies between preferred securities valuations and more senior corporate debt, as well as between \$25 par, listed preferred securities and \$1,000 par, unlisted preferred securities of the same issuer.

We also sought to lessen the potential effects of higher future interest rates on the values of the Funds' holdings by focusing on higher coupon, "cushioned" issues that trade at a premium to par and are priced on a yield-to-call basis. We believed that these securities, generally available in the secondary market, represented better value in many cases than some of the current coupon, new issues that came to market during the period.

3

NUVEEN QUALITY PREFERRED INCOME FUND

Performance

OVERVIEW As of January 31, 2004

JTP

Portfolio Statistics

Share Price	\$15.87
Common Share Net Asset Value	\$15.21
Premium/(Discount) to NAV	4.34%
Latest Dividend	\$.1050
Market Yield	7.94%
Net Assets Applicable to Common Shares (\$000)	\$979,873

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

Top Five Industries	% of Total Investments
Banking	22%
Real Estate Investment Trusts	14%
Banking - Foreign	13%
Utilities	6%
Insurance - P&C- Foreign	6%

Top Five Issuers	% of Total Investments
Wachovia Corporation	3.4%
ING Groep NV	3.2%
Abbey National Public Limited Company	3.0%
Zurich Financial Services	2.8%
HSBC National Public Limited Company	2.7%

Average Annual Total Return (Inception 6/25/02)		
	on Share Price	on NAV
1-Year	12.05%	18.56%
Since Inception	12.19%	12.63%

Bar Chart:

2003-2004 MONTHLY DIVIDENDS PER SHARE

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	0.105
Jan	0.105

Line Chart:

SHARE PRICE PERFORMANCE

1/31/03	15.42
	15.35
	15.28
	15.29

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

	15.22
	15.05
	14.98
	14.69
	14.94
	15.11
	15.17
	15.29
	15.14
	15.45
	15.64
	15.68
	15.79
	15.76
	15.73
	15.8
	16.02
	15.79
	15.26
	14.13
	14.7
	14.06
	14.28
	14.61
	14.86
	14.9
	14.86
	14.9
	15.09
	15
	15.18
	15.49
	15.47
	15.52
	15.42
	15.51
	15.6
	15.55
	15.8
	15.96
	15.97
	15.8
1/31/04	15.87

Weekly Closing Price

Past performance is not predictive of future results.

4

Nuveen Quality Preferred Income Fund 2

Performance

OVERVIEW As of January 31, 2004

JPS

Portfolio Statistics

=====

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

Share Price	\$15.89
-----	-----
Common Share Net Asset Value	\$16.15
-----	-----
Premium/(Discount) to NAV	-1.61%
-----	-----
Latest Dividend	\$.1050
-----	-----
Market Yield	7.93%
-----	-----
Net Assets Applicable to Common Shares (\$000)	\$1,929,733
-----	-----

Top Five Industries	% of Total Investments
=====	=====
Banking	21%
-----	-----
Banking - Foreign	15%
-----	-----
Real Estate Investment Trusts	11%
-----	-----
Financial	8%
-----	-----
Utilities	7%
-----	-----

Top Five Issuers	% of Total Investments
=====	=====
Wachovia Corporation	3.6%
-----	-----
Abbey National Public Limited Company	3.1%
-----	-----
ING Groep NV	3.0%
-----	-----
Everest Reinsurance Holdings Inc.	2.9%
-----	-----
ABN AMRO Bank NV	2.4%
-----	-----

Average Annual Total Return (Inception Date 9/24/02)		
-----	-----	-----
	on Share Price	on NAV
-----	-----	-----
1-Year	14.53%	19.77%
-----	-----	-----
Since Inception	13.13%	18.33%
-----	-----	-----

Bar Chart:

2003-2004 MONTHLY DIVIDENDS PER SHARE¹

Feb	0.105
Mar	0.105
Apr	0.105
May	0.105
Jun	0.105
Jul	0.105
Aug	0.105

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

Sep	0.105
Oct	0.105
Nov	0.105
Dec	0.105
Jan	0.105

Line Chart:
SHARE PRICE PERFORMANCE

1/31/03	15.15
	15.34
	15.25
	15.17
	15.18
	15.06
	14.98
	14.58
	14.97
	15.06
	15.12
	15.24
	15.21
	15.44
	15.67
	15.8
	15.78
	15.85
	15.7
	15.8
	15.94
	15.83
	15.28
	14.39
	14.83
	14.21
	14.66
	14.7
	14.87
	14.96
	14.95
	14.96
	15.17
	15.13
	15.2
	15.43
	15.49
	15.53
	15.54
	15.6
	15.72
	15.68
	15.94
	16
	16
	15.84
1/31/04	15.89

Weekly Closing Price

Past performance is not predictive of future results.

1 The Fund paid shareholders a short-term capital gains distribution in

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

December 2003 of \$0.0992 per share.

5

Nuveen Quality Preferred Income Fund 3

Performance

OVERVIEW As of January 31, 2004

JHP

Portfolio Statistics

Share Price	\$15.48
Common Share Net Asset Value	\$15.52
Premium/(Discount) to NAV	-0.26%
Latest Dividend	\$.1030
Market Yield	7.98%
Net Assets Applicable to Common Shares (\$000)	\$366,806

Top Five Industries	% of Total Investments
Banking	20%
Real Estate Investment Trusts	10%
Banking - Foreign	10%
Insurance - P&C- Foreign	9%
Financial	8%

Top Five Issuers	% of Total Investments
Wachovia Corporation	3.6%
ING Groep NV	3.4%
Zurich Financial Services	2.9%
SAFECO Corporation	2.5%
PNCBank Corporation	2.4%

Average Annual Total Return

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

(Inception Date 12/18/02)

	on Share Price	on NAV
1-Year	12.62%	18.14%
Since Inception	11.49%	16.36%

Bar Chart:

2003-2004 MONTHLY DIVIDENDS PER SHARE1

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	0.103
Jan	0.103

Line Chart:

SHARE PRICE PERFORMANCE

1/31/03	15.05
	15.18
	15.14
	15.06
	15.11
	15.09
	14.98
	14.77
	14.82
	15
	15.03
	15.1
	15.12
	15.3
	15.38
	15.55
	15.7
	15.47
	15.53
	15.52
	15.64
	15.76
	15.11
	14.07
	14.6
	14.18
	14.25
	14.56
	14.68
	14.71
	14.75
	14.61
	14.9
	14.99

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

	15.15
	15.14
	15.32
	15.12
	15.31
	15.21
	15.42
	15.21
	15.85
	15.89
	15.73
	15.74
1/31/04	15.48

Weekly Closing Price

Past performance is not predictive of future results.

1 The Fund paid shareholders a short-term capital gains distribution in December 2003 of \$0.1232 per share.

6

Shareholder
MEETING REPORT

The Shareholder Meeting was held in Chicago, Illinois on October 22, 2003.

	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 votin togethe as a clas
=====				
William E. Bennett				
For	62,553,535	--	116,860,508	--
Withhold	395,810	--	75,179	--

Total	62,949,345	--	116,935,687	--
=====				
Robert P. Bremner				
For	62,547,199	--	116,862,833	--
Withhold	402,146	--	72,854	--

Total	62,949,345	--	116,935,687	--
=====				
Lawrence H. Brown				
For	62,561,266	--	116,868,395	--
Withhold	388,079	--	67,292	--

Total	62,949,345	--	116,935,687	--
=====				
Jack B. Evans				

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

For	62,567,638	--	116,871,218	--
Withhold	381,707	--	64,469	--

Total	62,949,345	--	116,935,687	--
=====				
Anne E. Impellizzeri				
For	62,519,267	--	116,863,331	--
Withhold	430,078	--	72,356	--

Total	62,949,345	--	116,935,687	--
=====				
William L. Kissick				
For	62,542,920	--	116,861,248	--
Withhold	406,425	--	74,439	--

Total	62,949,345	--	116,935,687	--
=====				
Thomas E. Leafstrand				
For	62,557,761	--	116,868,018	--
Withhold	391,584	--	67,669	--

Total	62,949,345	--	116,935,687	--
=====				
Peter R. Sawers				
For	62,536,110	--	116,863,153	--
Withhold	413,235	--	72,534	--

Total	62,949,345	--	116,935,687	--
=====				

7

Shareholder
MEETING REPORT (continued)

	JTP	JPS

APPROVAL OF THE BOARD MEMBERS		
WAS REACHED AS FOLLOWS: (CONTINUED)		
	Common and FundPreferred shares voting together as a class	Common and FundPreferred shares voting together as a class
=====		
William J. Schneider		
For	--	15,052
Withhold	--	6

Total	--	15,058
=====		
Timothy R. Schwertfeger		
For	--	15,052
Withhold	--	6

Total	--	15,058
=====		

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

Judith M. Stockdale			
For	62,529,584	--	116,865,698
Withhold	419,761	--	69,989

Total	62,949,345	--	116,935,687
=====			
Sheila W. Wellington			
For	62,517,074	--	116,859,998
Withhold	432,271	--	75,689

Total	62,949,345	--	116,935,687
=====			

8

Nuveen Quality Preferred Income Fund (JTP)
 Portfolio of
 INVESTMENTS January 31, 2004 (Unaudited)

SHARES	DESCRIPTION(1)

	PREFERRED SECURITIES - 70.3% (48.4% OF TOTAL INVESTMENTS)
	AUTOMOBILE - 0.1%
32,900	Ford Motor Company, Series F, 8.000% (CBTCS)

	AUTOMOBILE - FOREIGN - 1.0%
382,050	Magna International, Inc., Series B, 8.875%

	AUTOMOBILE PARTS - 1.0%
382,000	Delphi Trust I, 8.250%

	BANKING - 9.9%
15,000	ABN AMRO Capital Fund Trust VI, 6.250%
1,000	ABN AMRO North America, Series 144A, 6.590% (a)
102,800	ASBC Capital I, 7.625%
7,200	BAC Capital Trust I, 7.000%
64,000	BAC Capital Trust II, 7.000%
145,000	BAC Capital Trust III, 7.000%

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

24,000	BAC Capital Trust IV, 5.875%
68,300	Bank One Capital II, 8.500%
59,400	Bank One Capital Trust VI, 7.200%
60,100	BNY Capital Trust V, Series F, 5.950%
24,800	Chase Capital Trust VIII, Series H, 8.300%
198,200	Chittenden Capital Trust I, 8.000%
19,200	Citigroup Capital Trust VI, 6.875%
103,000	Citigroup Capital Trust VII, 7.100%
50,900	Citigroup Capital Trust VIII, 6.950%
	Citigroup Inc.:
20,000	Series F, 6.365% (a)
69,400	Series H, 6.231% (a)
45,000	Series M, 5.864% (a)
120,000	Cobank ABC, Series 144A, 7.000% (a)
123,800	Comerica Capital Trust I, 7.600%
224,795	Compass Capital Trust III, 7.350%
28,400	First Union Capital II, Series II, 7.500% (CORTS)
8,600	First Union Institutional Capital II, 8.200% (CORTS)
87,000	Fleet Capital Trust VI, 8.800%
32,100	Fleet Capital Trust VII, 7.200%
57,900	Harris Preferred Capital Corporation, Series A, 7.375%
32,600	JPM Capital Trust I, Series 2001-1, Class A-1, 7.850% (CBTCS)
77,200	JPMorgan Chase Capital Trust IX, Series I, 7.500%
29,000	JPMorgan Chase Capital Trust X, 7.000%
20,000	JPMorgan Chase Trust, Series 2002-6, Class A, 7.125% (SATURNS)

9

Nuveen Quality Preferred Income Fund (JTP) (continued)
Portfolio of Investments January 31, 2004 (Unaudited)

SHARES DESCRIPTION(1)

BANKING (continued)

KeyCorp:

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

15,300	Series 2001-7, 7.750% (CORTS)
29,800	Series B, 8.250% (CORTS)
59,400	KeyCorp, 7.500% (PCARS)
49,300	National Commerce Capital Trust II, 7.700%
37,747	PNC Capital Trust, 6.125%
29,200	Regions Finance Trust I, 8.000%
35,700	SunTrust Capital Trust V, 7.050%
174,400	USB Capital Trust III, 7.750%
418,405	USB Capital Trust IV, 7.350%
39,000	USB Capital Trust V, 7.250%
12,500	VNB Capital Trust I, 7.750%
19,000	Washington Mutual Capital Trust I, Series 2001-22, Class A-1, 7.650% (CORTS)
7,700	Wells Fargo Capital Trust IV, 7.000%
28,200	Wells Fargo Capital Trust V, 7.000%
92,100	Wells Fargo Capital Trust VII, 5.850%
340,000	Zions Capital Trust B, 8.000%

BANKING - FOREIGN - 2.7%

11,000	Abbey National plc, 7.250%
67,800	Abbey National plc, Series B, 7.375%
208,800	ABN AMRO Capital Fund Trust II, 7.125%
100,000	ABN AMRO Capital Fund Trust V, 5.900%
52,300	Banco Totta & Acores Finance, Series A, 8.875%
104,600	BCH Capital Ltd., Series B, 9.430%
265,650	BSCH Finance Ltd., Series Q, 8.625%
37,000	Espirito Santo Overseas, 8.500%
55,300	National Westminster Bank plc, Series A, 7.875%
75,000	Royal Bank of Scotland Group plc, 5.750%
22,900	Westpac Capital Trust I, 8.000%

BROKERAGE - 3.9%

50,100	Bear Stearns Capital Trust III, 7.800%
--------	--

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

110,000	Lehman Brothers Capital Trust I, 8.000%
118,100	Lehman Brothers Holdings Capital Trust II, Series J, 7.875%
113,149	Lehman Brothers Holdings Capital Trust III, Series K, 6.375%
35,200	Lehman Brothers Holdings Capital Trust IV, Series L, 6.375%
	Lehman Brothers Holdings Inc.:
30,000	Series D, 5.670% (a)
90,000	Series F, 6.500% (a)
38,500	Merrill Lynch Capital Trust II, 8.000%
186,900	Merrill Lynch Preferred Capital Trust, 7.750%
23,300	Merrill Lynch Preferred Capital Trust IV, 7.120%
49,300	Merrill Lynch Preferred Capital Trust V, 7.280%
92,000	Morgan Stanley Capital Trust II, 7.250%
188,400	Morgan Stanley Capital Trust III, 6.250%
301,095	Morgan Stanley Capital Trust IV, 6.250%

10

SHARES	DESCRIPTION(1)
	ENERGY - FOREIGN - 1.3%
46,100	EnCana Corporation, 9.500%
48,100	Suncor Energy Inc., 9.125%
153,600	Talisman Energy Inc., 9.000%
257,100	Talisman Energy Inc., 8.900%
	ENTERTAINMENT - 0.3%
119,000	Viacom Inc., 7.300%
	FINANCIAL - 2.7%
30,176	CIT Group Incorporated, Series CIT, 7.750% (CORTS)
586,300	Countrywide Capital Trust IV, 6.750%
74,000	Financial Security Assurance Holdings, 6.250%

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

42,000	General Electric Capital Corporation, 6.100%
51,600	General Motors Acceptance Corporation, 7.350%
127,000	Household Capital Trust V, Series X, 10.000%
59,500	Household Capital Trust VI, 8.250%
17,000	Household Capital Trust VII, 7.500%

FINANCIAL - FOREIGN - 4.7%

55,900	ING Capital Funding Trust, 7.700%
26,300	ING Capital Funding Trust II, 9.200%
563,900	ING Group NV, 7.050%
1,015,458	ING Group NV, 7.200%

FOOD - 0.7%

19,100	ConAgra Capital LC, Series B, 5.000%
65,000	Dairy Farmers of America Inc., Series 144A, 7.875% (a)

FOOD - FOREIGN - 1.4%

535,800	Grand Metropolitan Delaware LP, 9.420%
---------	--

GAS - 0.3%

32,300	AGL Capital Trust II, 8.000%
93,400	Dominion CNG Capital Trust I, 7.800%

GAS - FOREIGN - 0.3%

108,500	TransCanada Pipeline, 8.250%
---------	------------------------------

INSURANCE - FINANCIAL - 0.5%

64,500	AMBAC Financial Group Inc., 5.950%
88,774	AMBAC Financial Group Inc., 5.875%
26,100	MBIA Inc., 8.000%

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

	INSURANCE - LIFE - 2.6%
15,700	American General Capital III, 8.050%
20,700	American General Capital Trust I, 7.875%
144,000	Delphi Financial Group Inc., 8.000%
136,600	Great-West L&A Capital Trust I, Series A, 7.250%
77,100	Lincoln National Capital Trust V, Series E, 7.650%
26,900	Lincoln National Capital Trust VI, 6.750%
70,900	PLC Capital Trust III, 7.500%

11

Nuveen Quality Preferred Income Fund (JTP) (continued)
Portfolio of Investments January 31, 2004 (Unaudited)

SHARES	DESCRIPTION(1)

	INSURANCE - LIFE (continued)
410,000	PLC Capital Trust IV, 7.250%
58,600	Torchmark Capital Trust I, 7.750%

	INSURANCE - MULTILINE - 0.6%
112,600	Hartford Capital Trust III, Series C, 7.450%
42,700	Hartford Life Capital Trust II, Series B, 7.625%
24,600	Safeco Capital Trust I, 8.700% (CORTS)
26,700	Safeco Capital Trust I, Series 2001-4, 8.750% (CORTS)

	INSURANCE - PROPERTY AND CASUALTY - 0.2%
59,200	EverestRe Group Limited, 7.850%

	INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 6.8%
13,900	Ace Capital Trust I, Series 1999, 8.875%
758,700	Ace Ltd., Series C, 7.800%

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

760,000	Converium Finance, 8.250%
101,000	PartnerRe Limited, 7.900%
250,000	PartnerRe Limited, Series C, 6.750%
	RenaissanceRe Holdings Ltd.:
73,505	Series A, 8.100%
40,000	Series B, 7.300%
	XL Capital Ltd.
385,354	Series A, 8.000%
24,000	Series B, 7.625%

	OIL - FOREIGN - 0.9%
345,532	Nexen Inc., 7.350%

	PHARMACEUTICALS - FOREIGN - 0.1%
54,300	Rhone-Poulenc Overseas, Series A, 8.125%

	REAL ESTATE INVESTMENT TRUSTS - 20.6%
46,658	AMB Property Corporation, Series M, 6.750%
8,500	Archstone-Smith Trust, Series D, 8.750%
13,400	AvalonBay Communities Inc., Series H, 8.700%
608,700	BRE Properties, Series B, 8.080%
485,545	CarrAmerica Realty Corporation, Series E, 7.500%
	Developers Diversified Realty Corporation:
40,400	Series F, 8.600%
29,000	Series G, 8.000%
119,000	Series H, 7.375%
	Duke-Weeks Realty Corporation:
109,179	Series B, 7.990%
9,300	Series I, 8.450%
1,097,400	Equity Office Properties Trust, Series G, 7.750%
	Equity Residential Properties Trust:
30,400	Series B, 9.125%
22,100	Series D, 8.600%
19,000	Firststar Realty LLC, Series 144A, 8.875%
	First Industrial Realty Trust Inc.:
10,600	Series C, 8.625%
87,200	Series D, 7.950%
60,500	Series E, 7.900%

SHARES	DESCRIPTION(1)

REAL ESTATE INVESTMENT TRUSTS (continued)	
HRPT Properties Trust:	
218,300	Series A, 9.875%
1,096,700	Series B, 8.750%
New Plan Excel Realty Trust:	
22,000	Series D, 7.800%
416,000	Series E, 7.625%
101,000	Prologis Trust, Series G, 6.750%
204,400	PS Business Parks Inc., 7.000%
Public Storage Inc.:	
7,000	Series D, 9.500%
16,200	Series E, 10.000%
22,800	Series F, 9.750%
20,400	Series L, 8.250%
24,000	Series Q, 8.600%
99,000	Series R, 8.000%
200,000	Series S, 7.875%
18,180	Series U, 7.625%
345,600	Series V, 7.500%
Simon Property Group Inc.:	
20,500	Series F, 8.750%
176,200	Series G, 7.890%
Vornado Realty Trust:	
26,100	Series B, 8.500%
47,700	Series C, 8.500%
310,000	Wachovia Preferred Funding Corporation, 7.250%

TELECOMMUNICATIONS - 2.5%	
18,100	SBC Communications Inc., 7.000%
262,846	Telephone and Data Systems Inc., 7.600%
156,300	United States Cellular Corporation, 8.750%
473,000	Verizon Communications, 6.200% (CBTCS)
6,900	Verizon New England Inc., Series B, 7.000%

UNITED STATES GOVERNMENT AGENCY - 0.8%	

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

42,000	Federal Home Loan Mortgage Corporation, 5.000% (a)
189,515	SLM Corporation, 6.000%
33,400	Tennessee Valley Authority, Series D, 6.750%

UTILITIES - 4.4%

248,300	Alabama Power Company, 5.830% (a)
13,300	Atlantic Capital Trust II, Series C, 7.375%
92,600	CPL Capital I, Series A, 8.000%
7,100	Delmarva Power Finance, 8.125%
55,600	Dominion Resources Capital Trust II, 8.400%
77,740	DTE Energy Trust I, 7.800%
20,800	Duke Energy Capital Trust I, Series Q, 7.200%
8,000	Duke Energy Capital Trust II, 7.200%
94,800	Energy East Capital Trust I, 8.250%
93,005	Entergy Louisiana Inc., 7.600%
132,051	Georgia Power Company, 5.900%
320,000	Interstate Power & Light Company, Series B, 8.375% (a)

13

Nuveen Quality Preferred Income Fund (JTP) (continued)
 Portfolio of Investments January 31, 2004 (Unaudited)

SHARES DESCRIPTION(1)

	UTILITIES (continued)
64,700	OGE Energy Capital Trust I, 8.375%
7,700	Ohio Power Company, 7.375%
40,000	Potomac Electric Power Company, Series 6, 2.280% (a)
60,800	PSO Capital Trust I, Series A, 8.000%
187,000	Virginia Power Capital Trust, 7.375%

Total Preferred Securities (cost \$644,031,915)

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

CONVERTIBLE PREFERRED SECURITIES - 8.4% (5.8% OF TOTAL INVESTMENTS)

BANKING - 0.6%

154,000 Citigroup Global Markets, 2.000%

GAS - 1.6%

299,400 Keyspan Corporation, 8.750%

INSURANCE - PROPERTY AND CASUALTY - 0.2%

65,500 PMI Group Inc., 5.875%

INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 0.2%

32,000 PartnerRe Limited, 8.000%

MEDICAL PRODUCTS - 0.7%

139,500 Baxter International Inc., 7.000%

TELECOMMUNICATIONS - 1.5%

263,200 Alltel Corporation, 7.750%

64,300 Citizens Communications Company, 6.750%

UTILITIES - 3.6%

266,200 Ameren Corporation, 9.750%

21,200 American Electric Power, 9.250%

260,200 Dominion Resources Inc., 8.750%

30,000 FPL Group Inc., 8.000%

153,600 Public Service Enterprise Group, 10.250%

Total Convertible Preferred Securities (cost \$74,840,787)

CAPITAL PREFERRED - HYBRID SECURITIES - 2.8% (1.9% OF TOTAL INVESTMENTS)

BANKING - FOREIGN - 1.1%

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

10 BBVA Privanza International Gibraltar, Series 144A, 7.764%

TELECOMMUNICATIONS - 1.7%

13,250 Centaur Funding Corporation, Series 144A, Series B, 9.080%

Total Capital Preferred - Hybrid Securities (cost \$21,548,162)

14

PRINCIPAL
AMOUNT (000) DESCRIPTION(1)

CAPITAL PREFERRED SECURITIES - 51.4% (35.4% OF TOTAL INVESTMENTS)

BANKING - 20.7%

\$	2,000	AgFirst Farm Credit Bank, 7.300%, 10/15/49
	1,000	ABN AMRO North America Holding Capital, 6.523%, 12/31/49
	2,500	BankAmerica Capital II, Series 2, 8.000%, 12/15/26
	2,000	BankAmerica Institutional Capital Trust, Series B, 7.700%, 12/31/26
	1,000	BankAmerica Institutional Trust, 8.070%, 12/31/26
	5,700	BankBoston Capital Trust II, Series B, 7.750%, 12/15/26
	6,000	Barnett Capital I, 8.060%, 12/01/26
	2,000	BT Capital Trust, Series B1, 7.900%, 1/15/27
	7,900	BT Preferred Capital Trust II, 7.875%, 2/25/27
	5,000	Chase Capital Trust I, Series A, 7.670%, 12/01/26
	3,000	Corestates Capital Trust I, Series 144A, 8.000%, 12/15/26
	1,000	First Chicago NBD Institutional Capital, 7.950%, 12/01/26
	500	First Empire Capital Trust II, 8.277%, 6/01/27
	1,500	First Midwest Bancorp Inc., Series 144A, 6.950%, 12/01/33
	26,463	First Union Institutional Capital Securities I, 8.040%, 12/01/26
	19,500	JPM Capital Trust II, 7.950%, 2/01/27
	2,000	KeyCorp Institutional Capital Trust A, 7.826%, 12/01/26

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

11,150 NB Capital Trust II, 7.830%, 12/15/26
1,000 North Fork Capital Trust I, Capital Securities, 8.700%, 12/15/26
8,000 Peoples Heritage Capital Trust I, Series B, 9.060%, 2/01/27
19,000 PNC Institutional Capital Securities, 7.950%, 12/15/26
17,500 Reliance Capital Trust I, Series B, 8.170%, 5/01/28
1,400 Republic New York Capital II, Capital Securities, 7.530%, 12/04/26
23,000 Summit Capital Trust I, Capital Securities, 8.400%, 3/15/27
1,000 Union Planters Capital Trust A, 8.200%, 12/15/26
4,000 Wachovia Capital Trust I, Capital Securities, Series 144A, 7.640%, 1/15/27
1,050 Wells Fargo Capital Securities, 7.950%, 12/01/26
1,000 Zions Institutional Capital Trust, Series A, 8.536%, 12/15/26

BANKING - FOREIGN - 9.5%

30,000 Abbey National Capital Trust I, 8.963%, 6/30/20
1,200 Barclays Bank plc, Series 144A, 8.550%, 6/15/49
7,242 Dresdner Funding Trust I, 8.151%, 6/30/31
25,000 HSBC Capital Funding LP, Debt, 10.176%, 6/30/50
5,000 Sparebanken Rogaland, Series 144A Notes, 6.443%, 5/01/49

ENERGY - 2.4%

20,900 Phillips 66 Capital Trust II, 8.000%, 1/15/37

FINANCIAL - 0.2%

2,000 Keycorp Capital III, 7.750%, 7/15/29

FINANCIAL - FOREIGN - 0.9%

9,000 AB Svensk Exportkredit, 6.375%, 10/27/49

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

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)
	GAS - 1.4%
\$ 4,000	KN Capital Trust I, Preferred Securities, 8.560%, 4/15/27
7,860	KN Capital Trust III, 7.630%, 4/15/28
	INSURANCE - FINANCIAL - 0.8%
7,500	Berkeley Capital Trust, 8.197%, 12/20/45
	INSURANCE - LIFE - 0.9%
3,000	American General Institutional Capital, 8.125%, 3/15/46
4,000	MIC Financing Trust I, 8.375%, 2/01/27
	INSURANCE - LIFE - FOREIGN - 3.0%
24,410	Sun Life Canada Capital Trust, Capital Securities, 8.526%, 5/06/47
	INSURANCE - MULTILINE - 6.5%
20,525	Safeco Capital Trust I, Capital Securities, 8.072%, 7/15/37
35,095	Zurich Capital Trust I, 8.376%, 6/01/37
	INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 1.3%
7,570	Ace Capital Trust II, 9.700%, 4/01/30
2,000	RenaissanceRe Capital Trust, 8.540%, 3/01/27
	REAL ESTATE - OTHER - 0.8%
8,000	Mangrove Bay, Series 144A, Class 3, 6.102%, 7/15/33
	SAVINGS AND LOAN - 0.6%
5,000	Washington Mutual Capital Trust I, 8.375%, 6/01/27

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

SAVINGS AND LOAN - THRIFT - 1.7%

8,500 Dime Capital Trust I, Series A, 9.330%, 5/06/27
 5,000 Great Western Financial Trust II, Series A, 8.206%, 2/01/27

UNITED STATES GOVERNMENT AGENCY - 0.2%

1,800 Farm Credit Bank of Texas, 7.561%, 11/05/49

UTILITIES - 0.5%

5,000 PECO Energy Capital Trust IV, 5.750%, 6/15/33

Total Capital Preferred Securities (cost \$459,851,480)

CAPITAL PREFERRED - EURO-MARKET LISTED SECURITIES - 6.8% (4.7% OF TOTAL INVESTMENT)

BANKING - FOREIGN - 6.2%

11,500 CA Preferred Funding Trust, 7.000%, 1/30/49
 25,500 HBOS Capital Funding, 6.850%, 3/01/49
 8,850 Lloyds TSB Bank plc, Subordinate Note, 6.900%, 11/22/49
 14,000 RBS Capital Trust, Series B, 6.800%, 12/31/49

FINANCIAL - FOREIGN - 0.6%

5,500 Old Mutual Capital Funding, Notes, 8.000%, 6/22/53

Total Capital Preferred - Euro-Market Listed Securities (cost \$68,076,551)

16

PRINCIPAL
 AMOUNT (000) DESCRIPTION(1)

CORPORATE BONDS - 4.9% (3.4% OF TOTAL INVESTMENTS)

AUTOMOBILE - 1.8%

\$ 5,000 Ford Motor Company, 8.900%, 1/15/32
 3,400 Ford Motor Company, 7.400%, 11/01/46

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

5,700 Ford Motor Company, 7.700%, 5/15/97
 1,260 General Motors Corporation, Senior Debentures, 8.375%, 7/15/33
 1,470 General Motors Corporation, 7.375%, 5/23/48

 BANKING - 0.3%

3,000 Suntrust Bank, Subordinate Note, 5.450%, 12/01/17

 FINANCIAL - 2.7%

24,500 General Motors Acceptance Corporation, Notes, 8.000%, 11/01/31

 INSURANCE - PROPERTY AND CASUALTY - 0.1%

500 Zurich Reinsurance Centre Holdings Inc., Senior Notes, 7.125%, 10/15/23

 Total Corporate Bonds (cost \$41,377,931)

 SHORT-TERM INVESTMENTS - 0.5% (0.4% OF TOTAL INVESTMENTS)

5,372 State Street Bank Repurchase Agreement, 0.920%, dated 1/30/04, due 2/02/04,
 ===== repurchase price \$5,372,882, collateralized by U.S. Treasury Bonds

 Total Short-Term Investments (cost 5,372,470)

 Total Investments (cost \$1,315,099,296) - 145.1%

 Other Assets Less Liabilities - (0.2)%

 FundPreferred Shares, at Liquidation Value - (44.9)%

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

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

(a) Security is eligible for the Dividends Receivable Deduction.

(CBTCS) Corporate Backed Trust Certificates.

(CORTS) Corporate Backed Trust Securities.

(PCARS) Public Credit and Repackaged Securities.

See accompanying notes to financial statements.

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

Nuveen Quality Preferred Income Fund 2 (JPS)
 Portfolio of
 Investments January 31, 2004 (Unaudited)

SHARES	DESCRIPTION(1)
	PREFERRED SECURITIES - 66.3% (47.1% OF TOTAL INVESTMENTS)
	AUTOMOBILE - 0.0%
30,000	Ford Motor Company, Series F, 8.000% (CBTCS)
	AUTOMOBILE - FOREIGN - 0.0%
35,500	Magna International Inc., Series B, 8.875%
	AUTOMOBILE PARTS - 1.1%
766,000	Delphi Trust I, 8.250%
	BANKING - 8.7%
152,060	ASBC Capital I, 7.625%
135,900	BAC Capital Trust I, 7.000%
168,500	BAC Capital Trust II, 7.000%
218,300	BAC Capital Trust III, 7.000%
66,500	BAC Capital Trust IV, 5.875%
81,600	BancWest Capital I, 9.500%
68,500	Bank One Capital II, 8.500%
41,400	Bank One Capital V, 8.000%
154,400	Bank One Capital Trust VI, 7.200%
39,700	BankNorth Capital Trust II, 8.000%
17,800	BNY Capital Trust IV, Series E, 6.875%
54,100	BNY Capital Trust V, Series F, 5.950%
22,800	Chase Capital Trust V, Series E, 7.030%
2,500	Chase Capital Trust VII, Corporate Debt Derivative, 7.000%

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

76,800	Chase Capital Trust VIII, Series H, 8.300%
14,700	Chittenden Capital Trust I, 8.000%
52,100	Citigroup Capital Trust VI, 6.875%
148,100	Citigroup Capital Trust VII, 7.100%
360,000	Citigroup Capital Trust VIII, 6.950%
	Citigroup Inc.:
23,000	Series F, 6.365% (a)
40,000	Series H, 6.231% (a)
45,000	Series M, 5.864% (a)
230,000	Cobank ABC, 144A, 7.000% (a)
239,700	Comerica Capital Trust I, 7.600%
380,125	Compass Capital Trust III, 7.350%
63,300	First Union Capital II, Series II, 7.500% (CORTS)
31,300	First Union Institutional Capital II, 8.200% (CORTS)
128,300	Fleet Capital Trust VI, 8.800%
79,700	Harris Preferred Capital Corporation, Series A, 7.375%
74,700	JPM Capital Trust, 7.200% (CBTCS)
6,400	JPM Capital Trust I, Series 2001-1, Class A-1, 7.850% (CBTCS)

18

SHARES	DESCRIPTION(1)

	BANKING (continued)
204,100	JPMorgan Chase Capital Trust IX, Series I, 7.500%
13,400	JPMorgan Chase Capital Trust X, 7.000%
43,000	JPMorgan Chase Trust, Series 2002-6, Class A, 7.125% (SATURNS)
33,900	KeyCorp, 7.500% (PCARS)
	KeyCorp:
28,000	Series 2001-7, 7.750% (CORTS)
91,300	Series B, 8.250% (CORTS)
239,800	National Commerce Capital Trust II, 7.700%
40,000	PNC Capital Trust, 6.125%

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

34,400	Regions Finance Trust I, 8.000%
131,900	SunTrust Capital Trust IV, 7.125%
81,800	SunTrust Capital Trust V, 7.050%
610,000	USB Capital Trust III, 7.750%
209,600	USB Capital Trust IV, 7.350%
78,100	USB Capital Trust V, 7.250%
87,600	VNB Capital Trust I, 7.750%
41,000	Washington Mutual Capital Trust I, Series 2001-22, Class A-1, 7.650% (CORTS)
15,700	Wells Fargo Capital Trust IV, 7.000%
26,400	Wells Fargo Capital Trust V, 7.000%
20,000	Wells Fargo Capital Trust VI, 6.950%
139,100	Wells Fargo Capital Trust VII, 5.850%
539,200	Zions Capital Trust B, 8.000%

BANKING - FOREIGN - 3.9%

780,300	ABN AMRO Capital Fund Trust II, 7.125%
84,500	ABN AMRO Capital Fund Trust VI, 6.250%
35,400	Banco Totta & Acores Finance, Series A, 8.875%
621,000	Banesto Holdings, Series A-144A, 10.500%
340,500	BCH Capital Ltd., Series B, 9.430%
446,100	BSCH Finance Ltd., Series Q, 8.625%
27,400	Espirito Santo Overseas, 8.500%
50,000	HSBC USA Inc., Series F, 2.860% (a)
105,200	National Westminster Bank plc, Series A, 7.875%
60,000	Royal Bank of Scotland Group plc, 5.750%
139,100	Westpac Capital Trust I, 8.000%

BROKERAGE - 3.1%

94,900	Bear Stearns Capital Trust III, 7.800%
63,800	Lehman Brothers Capital Trust I, 8.000%
102,800	Lehman Brothers Holdings Capital Trust II, Series J, 7.875%

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

273,100	Lehman Brothers Holdings Capital Trust III, Series K, 6.375%
102,900	Lehman Brothers Holdings Capital Trust IV, Series L, 6.375%
	Lehman Brothers Holdings Inc.:
42,000	Series C, 5.940% (a)
66,100	Series D, 5.670% (a)
71,000	Series F, 6.500% (a)
23,900	Merrill Lynch Capital Trust, 7.000%

19

Nuveen Quality Preferred Income Fund 2 (JPS) (continued)
Portfolio of Investments January 31, 2004 (Unaudited)

SHARES	DESCRIPTION(1)

	BROKERAGE (continued)
91,800	Merrill Lynch Capital Trust II, 8.000%
60,300	Merrill Lynch Preferred Capital Trust, 7.750%
46,300	Merrill Lynch Preferred Capital Trust IV, 7.120%
95,000	Merrill Lynch Preferred Capital Trust V, 7.280%
3,300	Morgan Stanley, 7.050% (PPLUS)
80,408	Morgan Stanley Capital Trust II, 7.250%
487,600	Morgan Stanley Capital Trust III, 6.250%
451,600	Morgan Stanley Capital Trust IV, 6.250%
16,000	Morgan Stanley Dean Witter, Series C, 7.250%

	ENERGY - FOREIGN - 0.3%
51,500	EnCana Corporation, 9.500%
43,100	Suncor Energy Inc., 9.125%
75,100	Talisman Energy Inc., 8.900%
67,300	Talisman Energy Inc., 9.000%

	ENTERTAINMENT - 0.1%
71,400	Viacom Inc., 7.300%

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

 FINANCIAL - 6.2%

32,600	CIT Group Incorporated, 7.750% (CORTS)
978,000	Countrywide Capital Trust IV, 6.750%
41,000	Financial Security Assurance Holdings, 6.875%
1,059,618	Financial Security Assurance Holdings, 6.250%
199,700	General Electric Capital Corporation, 6.625%
702,300	General Electric Capital Corporation, 6.100%
526,700	Household Capital Trust V, Series X, 10.000%
617,096	Household Capital Trust VI, 8.250%
30,900	Household Capital Trust VII, 7.500%
250,000	Household Finance Corporation, 6.875%
16,000	Philadelphia Authority for Industrial Development, Pennsylvania Pension, 6.550%
42,000	SLM Corporation, Series A, 6.970% (a)

 FINANCIAL - FOREIGN - 4.3%

18,800	CSFB USA, Series 2002-10, 7.000% (SATURNS)
28,800	ING Capital Funding Trust, 7.700%
63,600	ING Capital Funding Trust II, 9.200%
1,476,400	ING Group NV, 7.200%
1,406,655	ING Group NV, 7.050%

 FOOD - 0.7%

125,000	Dairy Farmers of America Inc., 144A, 7.875% (a)
---------	---

 FOOD - FOREIGN - 0.1%

106,100	Grand Metropolitan Delaware LP, 9.420%
---------	--

 GAS - 0.2%

39,900	AGL Capital Trust II, 8.000%
92,500	Dominion CNG Capital Trust I, 7.800%

SHARES	DESCRIPTION(1)
	GAS - FOREIGN - 0.2%
151,100	TransCanada Pipeline, 8.250%
	INSURANCE - FINANCIAL - 0.3%
68,400	AMBAC Financial Group Inc., 5.950%
136,700	AMBAC Financial Group Inc., 5.875%
22,200	MBIA Inc., 8.000%
	INSURANCE - LIFE - 1.7%
28,200	American General Capital Trust I, 7.875%
33,200	American General Capital Trust III, 8.050%
472,557	Delphi Financial Group Inc., 8.000%
25,900	Great-West L&A Capital Trust I, Series A, 7.250%
60,200	Lincoln National Capital Trust V, Series E, 7.650%
25,000	Lincoln National Capital Trust VI, 6.750%
88,600	PLC Capital Trust III, 7.500%
440,940	PLC Capital Trust IV, 7.250%
57,200	Torchmark Capital Trust I, 7.750%
	INSURANCE - MULTILINE - 0.6%
247,600	Hartford Capital Trust III, Series C, 7.450%
52,700	Hartford Life Capital Trust II, Series B, 7.625%
78,900	Safeco Capital Trust I, 8.700% (CORTS)
59,700	Safeco Capital Trust I, Series 2001-4, 8.750% (CORTS)
	INSURANCE - PROPERTY AND CASUALTY - 4.1%

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

2,827,000 EverestRe Group Limited, 7.850%
 5,500 W.R. Berkley, 8.250% (CORTS)

 INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 6.7%

967,600 Ace Ltd., Series C, 7.800%
 1,505,600 Converium Finance, 8.250%
 230,081 PartnerRe Limited, 7.900%
 439,320 PartnerRe Limited, Series C, 6.750%
 RenaissanceRe Holdings Ltd.:
 304,360 Series A, 8.100%
 136,500 Series B, 7.300%
 XL Capital Ltd.:
 554,400 Series A, 8.000%
 537,617 Series B, 7.625%

 OIL - FOREIGN - 0.8%

549,271 Nexen Inc., 7.350%

 PHARMACEUTICALS - FOREIGN - 0.1%

80,000 Rhone-Poulenc Overseas, Series A, 8.125%

 REAL ESTATE INVESTMENT TRUSTS - 13.7%

14,000 Archstone-Smith Trust, Series D, 8.750%
 91,900 AvalonBay Communities Inc., Series H, 8.700%
 8,700 BRE Properties, Series B, 8.080%
 857,995 CarrAmerica Realty Corporation, Series E, 7.500%

21

Nuveen Quality Preferred Income Fund 2 (JPS) (continued)
 Portfolio of Investments January 31, 2004 (Unaudited)

SHARES DESCRIPTION(1)

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

REAL ESTATE INVESTMENT TRUSTS (continued)

	Developers Diversified Realty Corporation:
279,800	Series G, 8.000%
103,000	Series H, 7.375%
186,650	Duke Realty Investment Corporation, Series B, 7.990%
37,900	Duke-Weeks Realty Corporation, Series I, 8.450%
293,000	Equity Office Properties Trust, Series G, 7.750%
	Equity Residential Properties Trust:
81,800	Series B, 9.125%
40,000	Series C, 9.125%
59,750	Series D, 8.600%
1,000	Series N, 6.480%
	First Industrial Realty Trust Inc.:
16,700	Series C, 8.625%
111,100	Series D, 7.950%
99,800	Series E, 7.900%
2,300	Gables Residential Trust, Series D, 7.500%
	HRPT Properties Trust:
206,200	Series A, 9.875%
1,516,825	Series B, 8.750%
153,000	Kimco Realty Corporation, Series F, 6.650%
	New Plan Excel Realty Trust:
147,350	Series D, 7.800%
763,000	Series E, 7.625%
90,328	Prologis Trust, Series G, 6.750%
54,170	PS Business Parks Inc., 7.000%
	Public Storage Inc.:
5,000	Series D, 9.500%
11,000	Series F, 9.750%
13,700	Series L, 8.250%
12,700	Series M, 8.750%
43,800	Series Q, 8.600%
88,295	Series R, 8.000%
12,900	Series S, 7.875%
72,065	Series T, 7.625%
62,200	Series U, 7.625%
130,300	Series V, 7.500%
250,000	Regency Centers Corporation, 7.450%
	Simon Property Group Inc.:
29,800	Series F, 8.750%
321,041	Series G, 7.890%
	Vornado Realty Trust:
33,200	Series B, 8.500%
40,700	Series C, 8.500%
2,461,900	Wachovia Preferred Funding Corporation, 7.250%

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

TELECOMMUNICATIONS - 2.4%	
4,000	BellSouth Capital Funding Corporation, 7.375%
4,200	BellSouth Inc., 7.000% (CORTS)
26,200	SBC Communications Inc., 7.000%
119,700	Telephone and Data Systems Inc., 7.600%
1,315,700	United States Cellular Corporation, 8.750%
200,000	Verizon Communications, 6.200% (CBTCS)

22

SHARES	DESCRIPTION(1)
UNITED STATES GOVERNMENT AGENCY - 1.1%	
315,300	Fannie Mae, 5.125% (a)
88,600	Federal Home Loan Mortgage Corporation, 5.000% (a)
1,200	SLM Corporation, 6.000%
90,100	Tennessee Valley Authority, Series D, 6.750%
UTILITIES - 5.9%	
340,000	Alabama Power Company, 5.830% (a)
7,000	Alabama Power Company, Series J, 6.750%
24,900	Atlantic Capital Trust II, Series C, 7.375%
7,600	Consolidated Edison Company, 7.250%
12,200	Consolidated Edison Company of New York Inc., 7.500%
16,000	Consolidated Edison Company of New York Inc., 7.350%
142,000	CPL Capital I, Series A, 8.000%
9,500	Detroit Edison Company, 7.625%
1,000	Detroit Edison Company, 7.540%
36,800	Dominion Resources Capital Trust II, 8.400%
27,200	DTE Energy Trust I, 7.800%

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

63,400	Duke Energy Capital Trust I, Series Q, 7.200%
22,800	Duke Energy Capital Trust II, 7.200%
1,000	Duke Energy Corporation, Series C, 6.600%
100,200	Energy East Capital Trust I, 8.250%
500	Entergy Arkansas Inc., 6.700%
48,600	Entergy Louisiana Inc., 7.600%
1,298,000	Entergy Mississippi Inc., 7.250%
3,000	Georgia Power Capital Trust V, 7.125%
1,200,000	Interstate Power & Light Company, Series B, 8.375% (a)
41,000	OGE Energy Capital Trust I, 8.375%
20,500	Ohio Power Company, 7.375%
58,847	Potomac Electric Power Company, Series 6, 2.280% (a)
147,400	PSO Capital Trust I, Series A, 8.000%
50,000	Public Service Company of Oklahoma, Series B, 6.000%
11,500	Rochester Gas and Electric Company, Series UU, 6.650%
253,000	Virginia Power Capital Trust, 7.375%

Total Preferred Securities (cost \$1,184,786,405)

CONVERTIBLE PREFERRED SECURITIES - 7.9% (5.6% OF TOTAL INVESTMENTS)

BANKING - 0.4%

210,000	Citigroup Global Markets, 2.000%
---------	----------------------------------

GAS - 1.2%

437,500	Keyspan Corporation, 8.750%
---------	-----------------------------

INSURANCE - MULTILINE - 0.1%

20,000	Hartford Financial Services Group Inc., 7.000%
--------	--

INSURANCE - PROPERTY AND CASUALTY - 0.2%

163,500	PMI Group Inc., 5.875%
---------	------------------------

Nuveen Quality Preferred Income Fund 2 (JPS) (continued)
Portfolio of Investments January 31, 2004 (Unaudited)

SHARES	DESCRIPTION(1)
	INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 0.2%
68,800	PartnerRe Limited, 8.000%
	MEDICAL PRODUCTS - 0.7%
265,500	Baxter International Inc., 7.000%
	TELECOMMUNICATIONS - 1.6%
546,000	Alltel Corporation, 7.750%
149,300	Citizens Communications Company, 6.750%
	UTILITIES - 3.5%
357,900	Ameren Corporation, 9.750%
46,100	American Electric Power, 9.250%
468,500	Dominion Resources Inc., 8.750%
106,500	FPL Group Inc., 8.000%
334,500	Public Service Enterprise Group, 10.250%
	Total Convertible Preferred Securities (cost \$133,155,067)
	CAPITAL PREFERRED - HYBRID SECURITIES - 4.3% (3.0% OF TOTAL INVESTMENTS)
	REAL ESTATE INVESTMENT TRUSTS - 1.3%
240	Union Planters Preferred Fund, Series 144A, 7.750%
	TELECOMMUNICATIONS - 3.0%

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

45,250 Centaur Funding Corporation, Series 144A, Series B, 9.080%

 Total Capital Preferred - Hybrid Securities (cost \$62,787,788)

PRINCIPAL
 AMOUNT (000) DESCRIPTION(1)

 CAPITAL PREFERRED SECURITIES - 51.9% (36.8% OF TOTAL INVESTMENTS)

BANKING - 19.8%

\$	38,500	ABN AMRO North America Holding Capital, 6.523%, 12/31/49
	6,000	AgFirst Farm Credit Bank, 7.300%, 10/15/49
	15,000	Ahmanson Capital Trust I, 8.360%, 12/01/26
	4,780	BankAmerica Institutional Trust, 8.070%, 12/31/26
	26,355	BankBoston Capital Trust I, Series B, 8.250%, 12/15/26
	3,031	BankBoston Capital Trust II, Series B, 7.750%, 12/15/26
	5,300	Barnett Capital I, 8.060%, 12/01/26
	4,000	BT Capital Trust, Series B1, 7.900%, 1/15/27
	500	BT Preferred Capital Trust II, 7.875%, 2/25/27
	7,750	Chase Capital Trust I, Series A, 7.670%, 12/01/26
	2,229	Corestates Capital Trust I, Series 144A, 8.000%, 12/15/26
	5,000	FBS Capital Trust I, 8.090%, 11/15/26
	3,500	First Chicago NBD Institutional Capital, 7.950%, 12/01/26
	1,500	First Empire Capital Trust I, 8.234%, 2/01/27
	3,665	First Hawaiian Capital Trust I, Series B, 8.343%, 7/01/27
	1,500	First Midwest Bancorp Inc., Series 144A, 6.950%, 12/01/33
	17,095	First Union Capital Trust II, Series A, 7.950%, 11/15/29
	22,080	Fleet Capital Trust II, 7.920%, 12/11/26
	3,600	JPM Capital Trust I, 7.540%, 1/15/27

24

PRINCIPAL
 AMOUNT (000) DESCRIPTION(1)

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

BANKING (continued)

\$	22,085	JPM Capital Trust II, 7.950%, 2/01/27
	2,500	KeyCorp Institutional Capital Trust A, 7.826%, 12/01/26
	25,000	M&I Capital Trust A, 7.650%, 12/01/26
	25,000	Mellon Capital Trust I, Series A, 7.720%, 12/01/26
	19,500	NB Capital Trust II, 7.830%, 12/15/26
	2,000	North Fork Capital Trust I, Capital Securities, 8.700%, 12/15/26
	8,000	North Fork Capital Trust II, 8.000%, 12/15/27
	2,000	Peoples Heritage Capital Trust I, Series B, 9.060%, 2/01/27
	31,710	PNC Institutional Capital Securities, 7.950%, 12/15/26
	8,000	Reliance Capital Trust I, Series B, 8.170%, 5/01/28
	3,240	State Street Institutional Capital Trust, Series 144A, 7.940%, 12/30/26
	7,500	Union Planters Capital Trust A, 8.200%, 12/15/26
	6,000	Zions Institutional Capital Trust, Series A, 8.536%, 12/15/26

BANKING - FOREIGN - 12.6%

	62,474	Abbey National Capital Trust I, 8.963%, 6/30/20
	1,200	Barclays Bank plc, Series 144A, 8.550%, 6/15/49
	41,000	Barclays Bank plc, Series 144A, 6.860%, 9/29/49
	16,065	Dresdner Funding Trust I, 8.151%, 6/30/31
	10,000	HSBC Capital Funding LP, Debt, 10.176%, 6/30/50
	30,000	KBC Bank Fund Trust III, Series 144A, 9.860%, 11/29/49
	18,400	Royal Bank of Scotland Group plc, 7.648%, 8/31/49
	5,000	Sparebanken Rogaland, Series 144A Notes, 6.443%, 5/01/49
	10,000	UBS Preferred Funding Trust I, 8.622%, 10/29/49

ENERGY - 0.4%

	7,355	Phillips 66 Capital Trust II, 8.000%, 1/15/37
--	-------	---

FINANCIAL - 1.8%

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

8,595 Countrywide Capital Trust I, 8.000%, 12/15/26
 18,460 Countrywide Capital Trust III, Series B, 8.050%, 6/15/27
 3,000 KeyCorp Capital III, 7.750%, 7/15/29

 FINANCIAL - FOREIGN - 1.6%

19,000 AB Svensk Exportkredit, 6.375%, 10/27/49
 9,000 St. George Funding Company LLC, 8.485%, 6/30/47

 GAS - 0.5%

8,750 KN Capital Trust III, 7.630%, 4/15/28

 INSURANCE - FINANCIAL - 0.6%

10,000 Berkeley Capital Trust, 8.197%, 12/20/45

 INSURANCE - LIFE - 2.6%

33,855 American General Institutional Capital, 8.125%, 3/15/46
 6,000 MIC Financing Trust I, 8.375%, 2/01/27

 INSURANCE - LIFE - FOREIGN - 2.6%

43,000 Sun Life Canada Capital Trust, Capital Securities, 8.526%, 5/06/47

25

Nuveen Quality Preferred Income Fund 2 (JPS) (continued)
 Portfolio of Investments January 31, 2004 (Unaudited)

PRINCIPAL
 AMOUNT (000) DESCRIPTION(1)

 INSURANCE - MULTILINE - 5.0%

\$ 38,777 Safeco Capital Trust I, Capital Securities, 8.072%, 7/15/37
 44,515 Zurich Capital Trust I, 8.376%, 6/01/37

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

INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 1.6%

14,280 Ace Capital Trust II, 9.700%, 4/01/30
10,000 RenaissanceRe Capital Trust, 8.540%, 3/01/27

REAL ESTATE - OTHER - 0.4%

8,000 Mangrove Bay, Series 144A, Class 3, 6.102%, 7/15/33

SAVINGS AND LOAN - THRIFT - 1.5%

11,825 Dime Capital Trust I, Series A, 9.330%, 5/06/27
13,000 Great Western Financial Trust II, Series A, 8.206%, 2/01/27

UNITED STATES GOVERNMENT AGENCY - 0.2%

3,500 Farm Credit Bank of Texas, 7.561%, 11/05/49

UTILITIES - 0.7%

3,000 Georgia Power Capital Trust VI, 4.780%, 11/01/42
11,000 PECO Energy Capital Trust IV, 5.750%, 6/15/33

Total Capital Preferred Securities (cost \$908,659,148)

CAPITAL PREFERRED - EURO-MARKET LISTED SECURITIES - 5.0% (3.5% OF TOTAL INVESTMENT)

BANKING - FOREIGN - 4.7%

18,600 CA Preferred Funding Trust, 7.000%, 1/30/49
45,050 HBOS Capital Funding, 6.850%, 3/01/49
13,500 Lloyds TSB Bank plc, Subordinate Note, 6.900%, 11/22/49
11,000 RBS Capital Trust, Series B, 6.800%, 12/31/49

FINANCIAL - FOREIGN - 0.3%

6,300 Old Mutual Capital Funding, Notes, 8.000%, 6/22/53

Total Capital Preferred - Euro-Market Listed Securities (cost \$98,443,568)

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

CORPORATE BONDS - 5.3% (3.7% OF TOTAL INVESTMENTS)

AUTOMOBILE - 1.8%

4,000 Ford Motor Company, 7.450%, 7/16/31
 7,525 Ford Motor Company, 8.900%, 1/15/32
 21,500 Ford Motor Company, 7.400%, 11/01/46
 592 General Motors Corporation, 7.375%, 5/23/48

 BANKING - 0.4%

7,000 Suntrust Bank, Subordinate Note, 5.450%, 12/01/17

 FINANCIAL - 3.0%

52,860 General Motors Acceptance Corporation, Notes, 8.000%, 11/01/31

 INSURANCE - PROPERTY AND CASUALTY - 0.1%

2,000 Zurich Reinsurance Centre Holdings Inc., Senior Notes, 7.125%, 10/15/23

 Total Corporate Bonds (cost \$87,147,053)

26

PRINCIPAL
 AMOUNT (000) DESCRIPTION(1)

 SHORT TERM INVESTMENTS - 0.5% (0.3% OF TOTAL INVESTMENTS)

\$ 9,051 State Street Bank Repurchase Agreement, 0.920%, dated 1/30/04, due 2/02/04,
 ===== repurchase price \$9,051,694, collateralized by U.S. Treasury Bonds

 Total Short-Term Investments (cost \$9,051,000)

Total Investments (cost \$2,484,030,029) - 141.2%

 Other Assets and Liabilities - 0.3%

 Fund Preferred Shares, at Liquidation Value - (41.5)%

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

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

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

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

(CBTCS) Corporate Backed Trust Certificates.

(CORTS) Corporate Backed Trust Securities.

(PCARS) Public Credit and Repackaged Securities.

(PPLUS) Preferred Trusts

(SATURNS) Structured Asset Trust Unit Repackaging.

See accompanying notes to financial statements.

27

Nuveen Quality Preferred Income Fund 3 (JHP)
Portfolio of
Investments January 31, 2004 (Unaudited)

SHARES	DESCRIPTION(1)

	PREFERRED SECURITIES - 72.0% (49.8% OF TOTAL INVESTMENTS)
	AUTOMOBILE - FOREIGN - 0.1%
13,000	Magna International Inc., Series B, 8.875%

	AUTOMOBILE PARTS - 0.7%
96,700	Delphi Trust I, 8.250%

	BANKING - 11.3%
1,000	ABN AMRO North America, 144A, 6.590% (a)
500	ABN AMRO North America, 144A, Series L, 6.460% (a)
16,800	ASBC Capital I, 7.625%
5,500	BAC Capital Trust I, 7.000%
32,700	BAC Capital Trust II, 7.000%
91,700	BAC Capital Trust III, 7.000%
20,000	BAC Capital Trust IV, 5.875%

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

14,400	BancWest Capital I, 9.500%
29,000	Bank One Capital II, 8.500%
8,200	Bank One Capital V, 8.000%
26,300	Bank One Capital Trust VI, 7.200%
12,000	Chittenden Capital Trust I, 8.000%
25,600	Citigroup Capital Trust VII, 7.100%
46,600	Citigroup Capital Trust VIII, 6.950%
	Citigroup Inc.:
19,149	Series F, 6.365% (a)
68,500	Series H, 6.231% (a)
58,601	Series M, 5.864% (a)
46,000	Cobank ABC, 144A, 7.000% (a)
52,500	Comerica Capital Trust I, 7.600%
29,500	Compass Capital Trust III, 7.350%
23,100	First Union Capital II, Series II, 7.500% (CORTS)
11,300	First Union Institutional Capital II, 8.200% (CORTS)
31,000	Fleet Capital Trust VI, 8.800%
108,000	Fleet Capital Trust VII, 7.200%
21,216	Fleet Capital Trust VIII, 7.200%
16,800	Harris Preferred Capital Corporation, Series A, 7.375%
28,000	HSBC USA Inc., Series F, 2.860% (a)
25,000	JPMorgan Chase Trust, Series 2002-6, Class A, 7.125% (SATURNS)
	KeyCorp:
6,300	Series 2001-7, 7.750% (CORTS)
8,000	Series B, 8.250% (CORTS)
4,800	KeyCorp, 7.500% (PCARS)
1,600	National Commerce Capital Trust II, 7.700%
20,000	PNC Capital Trust, 6.125%

28

SHARES DESCRIPTION(1)

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

BANKING (continued)

4,300	SunTrust Capital Trust IV, 7.125%
17,900	SunTrust Capital Trust V, 7.050%
88,900	USB Capital Trust III, 7.750%
58,100	USB Capital Trust IV, 7.350%
48,800	USB Capital Trust V, 7.250%
18,400	VNB Capital Trust I, 7.750%
26,700	Washington Mutual Capital Trust I, Series 2001-22, Class A-1, 7.650% (CORTS)
80,000	Zions Capital Trust B, 8.000%

BANKING - FOREIGN - 3.5%

48,000	ABN AMRO Capital Fund Trust II, 7.125%
36,300	Banco Totta & Acores Finance, Series A, 8.875%
211,000	Banesto Holdings, Series A-144A, 10.500%
13,000	BCH Capital Ltd., Series B, 9.430%
47,300	BSCH Finance Ltd., Series Q, 8.625%
26,500	Espirito Santo Overseas, 8.500%
30,400	National Westminster Bank plc, Series A, 7.875%
24,700	Westpac Capital Trust I, 8.000%

BROKERAGE - 6.6%

32,000	Bear Stearns Capital Trust III, 7.800%
8,800	Lehman Brothers Holdings Capital Trust II, Series J, 7.875%
365,000	Lehman Brothers Holdings Capital Trust III, Series K, 6.375%
20,100	Merrill Lynch Capital Trust II, 8.000%
31,600	Merrill Lynch Preferred Capital Trust, 7.750%
17,900	Merrill Lynch Preferred Capital Trust IV, 7.120%
72,400	Merrill Lynch Preferred Capital Trust V, 7.280%
40,900	Morgan Stanley, 7.050% (PPLUS)
80,000	Morgan Stanley Capital Trust II, 7.250%
250,000	Morgan Stanley Capital Trust III, 6.250%

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

	ENERGY - FOREIGN - 0.8%
32,900	EnCana Corporation, 9.500%
11,100	Suncor Energy Inc., 9.125%
37,000	Talisman Energy Inc., 9.000%
34,700	Talisman Energy Inc., 8.900%

	FINANCIAL - 6.2%
42,800	CIT Group Incorporated, 7.750% (CORTS)
100,000	Countrywide Capital Trust IV, 6.750%
151,100	Financial Security Assurance Holdings, 6.250%
111,700	Household Capital Trust V, Series X, 10.000%
14,600	Household Capital Trust VI, 8.250%
100,500	Household Capital Trust VII, 7.500%
115,000	Household Finance Corporation, 6.875%
100,000	SLM Corporation, Series A, 6.970% (a)

29

Nuveen Quality Preferred Income Fund 3 (JHP) (continued)
 Portfolio of Investments January 31, 2004 (Unaudited)

SHARES	DESCRIPTION(1)
--------	----------------

	FINANCIAL - FOREIGN - 5.1%
36,900	CSFB USA, Series 2002-10, 7.000% (SATURNS)
503,600	ING Group NV, 7.200%
142,900	ING Group NV, 7.050%

	FOOD - 0.7%
25,000	Dairy Farmers of America Inc., 144A, 7.875% (a)

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

FOOD - FOREIGN - 0.3%

44,500 Grand Metropolitan Delaware LP, 9.420%

GAS - 0.3%

27,900 AGL Capital Trust II, 8.000%

11,400 Dominion CNG Capital Trust I, 7.800%

GAS - FOREIGN - 0.2%

25,700 TransCanada Pipeline, 8.250%

INDUSTRIAL - 0.1%

20,000 Sherwin Williams Company, Series III, 7.250% (CORTS)

INSURANCE - FINANCIAL - 1.5%

92,142 AMBAC Financial Group Inc., 5.950%

127,600 AMBAC Financial Group Inc., 5.875%

INSURANCE - LIFE - 2.2%

2,500 American General Capital Trust I, 7.875%

2,300 American General Capital Trust III, 8.050%

130,000 Delphi Financial Group Inc., 8.000%

3,300 Great-West L&A Capital Trust I, Series A, 7.250%

103,700 Lincoln National Capital Trust V, Series E, 7.650%

54,600 PLC Capital Trust III, 7.500%

4,800 PLC Capital Trust IV, 7.250%

INSURANCE - MULTILINE - 0.7%

46,200 Hartford Capital Trust III, Series C, 7.450%

14,000 Safeco Capital Trust I, 8.700% (CORTS)

4,600 Safeco Capital Trust I, Series 2001-4, 8.750% (CORTS)

32,200 Safeco Corporation, Series 2001-7, 8.250% (SATURNS)

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

	INSURANCE - PROPERTY AND CASUALTY - 2.0%
258,671	EverestRe Group Limited, 7.850%

	INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 10.4%
129,200	Ace Ltd., Series C, 7.800%
418,310	Converium Finance, 8.250%
55,700	PartnerRe Limited, 7.900%
140,000	PartnerRe Limited, Series C, 6.750%
	RenaissanceRe Holdings Ltd.:
41,500	Series A, 8.100%
255,000	Series B, 7.300%
	XL Capital Ltd.:
61,800	Series A, 8.000%
289,400	Series B, 7.625%

30

SHARES	DESCRIPTION(1)
--------	----------------

	OIL - FOREIGN - 0.9%
121,000	Nexen Inc., 7.350%

	PHARMACEUTICALS - FOREIGN - 0.0%
4,500	Rhone-Poulenc Overseas, Series A, 8.125%

	REAL ESTATE INVESTMENT TRUSTS - 12.9%
3,900	AvalonBay Communities Inc., Series H, 8.700%
144,200	CarrAmerica Realty Corporation, Series E, 7.500%
	Developers Diversified Realty Corporation:
80,000	Series G, 8.000%
30,000	Series H, 7.375%
11,200	Equity Office Properties Trust, Series G, 7.750%
	Equity Residential Properties Trust:
22,900	Series B 9.125%

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

18,500	Series C, 9.125%
18,000	Series D, 8.600%
First Industrial Realty Trust Inc.:	
5,100	Series C, 8.625%
248,100	Series D, 7.950%
163,300	Series E, 7.900%
HRPT Properties Trust:	
151,400	Series A, 9.875%
213,307	Series B, 8.750%
New Plan Excel Realty Trust:	
21,000	Series D, 7.800%
10,000	Series E, 7.625%
20,000	Prologis Trust, Series G, 6.750%
Public Storage Inc.:	
12,900	Series L, 8.250%
1,600	Series M, 8.750%
32,400	Series Q, 8.600%
66,400	Series R, 8.000%
12,100	Series S, 7.875%
2,500	Series T, 7.625%
17,000	Series V, 7.500%
Simon Property Group Inc.:	
4,500	Series F, 8.750%
68,600	Series G, 7.890%
Vornado Realty Trust:	
1,700	Series B, 8.500%
13,400	Series C, 8.500%
252,700	Wachovia Preferred Funding Corporation, 7.250%

TELECOMMUNICATIONS - 2.3%

12,900	BellSouth Inc., 7.000% (CORTS)
69,101	Telephone and Data Systems Inc., 7.600%
157,500	United States Cellular Corporation, 8.750%
24,300	Verizon Communications, 7.625% (CORTS)
30,000	Verizon Communications, 6.200% (CBTCS)
12,400	Verizon New England Inc., Series B, 7.000%

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

SHARES	DESCRIPTION(1)
	UNITED STATES GOVERNMENT AGENCY - 1.3%
67,700	Fannie Mae, 5.125% (a)
23,900	Federal Home Loan Mortgage Corporation, 5.000% (a)
18,300	Tennessee Valley Authority, Series D, 6.750%
	UTILITIES - 1.9%
2,900	Detroit Edison Company, 7.625%
53,100	Entergy Louisiana Inc., 7.600%
203,447	Entergy Mississippi Inc., 7.250%
1,500	PSO Capital Trust I, Series A, 8.000%
	Total Preferred Securities (cost \$250,937,523)
	CONVERTIBLE PREFERRED SECURITIES - 8.5% (5.9% OF TOTAL INVESTMENTS)
	BANKING - 0.6%
61,000	Citigroup Global Markets, 2.000%
	GAS - 1.5%
100,000	Keyspan Corporation, 8.750%
	INSURANCE - PROPERTY AND CASUALTY - 0.0%
5,000	PMI Group Inc., 5.875%
	INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 0.2%
12,200	PartnerRe Limited, 8.000%
	MEDICAL PRODUCTS - 0.8%
58,000	Baxter International Inc., 7.000%

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

	TELECOMMUNICATIONS - 1.9%
118,500	Alltel Corporation, 7.750%
40,700	Citizens Communications Company, 6.750%

	UTILITIES - 3.5%
81,900	Ameren Corporation, 9.750%
6,700	American Electric Power, 9.250%
102,400	Dominion Resources Inc., 8.750%
66,500	Public Service Enterprise Group, 10.250%

Total Convertible Preferred Securities (cost \$28,401,779)

CAPITAL PREFERRED - HYBRID SECURITIES - 4.5% (3.1% OF TOTAL INVESTMENTS)

	REAL ESTATE INVESTMENT TRUSTS - 2.0%
70	Union Planters Preferred Fund, Series 144A, 7.750%

	TELECOMMUNICATIONS - 2.5%
7,260	Centaur Funding Corporation, Series 144A, Series B, 9.080%

Total Capital Preferred - Hybrid Securities (cost \$14,286,149)

32

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)
------------------------	----------------

	CAPITAL PREFERRED SECURITIES - 48.8% (33.7% OF TOTAL INVESTMENTS)
	BANKING - 17.8%
\$ 2,000	AgFirst Farm Credit Bank, 7.300%, 10/15/49
5,000	Ahmanson Capital Trust I, 8.360%, 12/01/26
1,000	BankAmerica Capital II, Series 2, 8.000%, 12/15/26
500	BankBoston Capital Trust II, Series B, 7.750%, 12/15/26

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

1,000	BT Capital Trust, Series B1, 7.900%, 1/15/27
500	BT Preferred Capital Trust II, 7.875%, 2/25/27
1,000	First Chicago NBD Institutional Capital, 7.950%, 12/01/26
1,000	First Empire Capital Trust I, 8.234%, 2/01/27
500	First Midwest Bancorp Inc., Series 144A, 6.950%, 12/01/33
8,485	First Union Capital Trust II, Series A, 7.950%, 11/15/29
9,000	JPM Capital Trust I, 7.540%, 1/15/27
4,000	North Fork Capital Trust I, Capital Securities, 8.700%, 12/15/26
1,000	North Fork Capital Trust II, 8.000%, 12/15/27
3,150	Peoples Heritage Capital Trust I, Series B, 9.060%, 2/01/27
10,200	PNC Institutional Capital Trust B, Series 144A, 8.315%, 5/15/27
4,600	Union Planters Capital Trust A, 8.200%, 12/15/26
3,000	Zions Institutional Capital Trust, Series A, 8.536%, 12/15/26

BANKING - FOREIGN - 6.0%

8,000	Abbey National Capital Trust I, 8.963%, 6/30/20
1,200	Barclays Bank plc, Series 144A, 8.550%, 6/15/49
8,692	Barclays Bank plc, Series 144A, 6.860%, 9/29/49

ENERGY - 1.4%

4,500	Phillips 66 Capital Trust II, 8.000%, 1/15/37
-------	---

FINANCIAL - 0.3%

1,000	Countrywide Capital Trust I, 8.000%, 12/15/26
-------	---

FINANCIAL - FOREIGN - 1.4%

2,000	AB Svensk Exportkredit, 6.375%, 10/27/49
2,500	St. George Funding Company LLC, 8.485%, 6/30/47

GAS - 2.0%

6,500	KN Capital Trust III, 7.630%, 4/15/28
-------	---------------------------------------

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

	INSURANCE - FINANCIAL - 1.5%
5,000	Berkeley Capital Trust, 8.197%, 12/20/45

	INSURANCE - LIFE - 3.4%
1,000	American General Institutional Capital, 8.125%, 3/15/46
10,000	MIC Financing Trust I, 8.375%, 2/01/27

	INSURANCE - LIFE - FOREIGN - 3.2%
10,000	Sun Life Canada Capital Trust, Capital Securities, 8.526%, 5/06/47

	INSURANCE - MULTILINE - 7.4%
10,038	Safeco Capital Trust I, Capital Securities, 8.072%, 7/15/37
13,500	Zurich Capital Trust I, 8.376%, 6/01/37

33

Nuveen Quality Preferred Income Fund 3 (JHP) (continued)
 Portfolio of Investments January 31, 2004 (Unaudited)

PRINCIPAL AMOUNT (000)	DESCRIPTION(1)
---------------------------	----------------

	INSURANCE - PROPERTY AND CASUALTY - FOREIGN - 2.2%
\$ 3,450	Ace Capital Trust II, 9.700%, 4/01/30
3,000	RenaissanceRe Capital Trust, 8.540%, 3/01/27

	REAL ESTATE - OTHER - 0.4%
1,500	Mangrove Bay, Series 144A, Class 3, 6.102%, 7/15/33

	SAVINGS AND LOAN - THRIFT - 1.4%
4,225	Dime Capital Trust I, Series A, 9.330%, 5/06/27

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

UNITED STATES GOVERNMENT AGENCY - 0.2%

700 Farm Credit Bank of Texas, 7.561%, 11/05/49

UTILITIES - 0.2%

1,000 PECO Energy Capital Trust IV, 5.750%, 6/15/33

Total Capital Preferred Securities (cost \$166,473,192)

CAPITAL PREFERRED - EURO-MARKET LISTED SECURITIES - 5.4% (3.7% OF TOTAL INVESTMENT)

BANKING - FOREIGN - 4.5%

4,000 C.A. Preferred Funding Trust, 7.000%, 1/30/49

6,600 HBOS Capital Funding LP, Notes, 6.850%, 3/01/49

2,500 Lloyds TSB Bank plc, Subordinate Note, 6.900%, 11/22/49

3,000 RBS Capital Trust B, 6.800%, 12/31/49

FINANCIAL - FOREIGN - 0.9%

3,200 Old Mutual Capital Funding, Notes, 8.000%, 6/22/53

Total Capital Preferred - Euro-Market Listed Securities (cost \$20,033,406)

CORPORATE BONDS - 4.8% (3.3% OF TOTAL INVESTMENTS)

AUTOMOBILE - 1.6%

1,000 Ford Motor Company, 7.450%, 7/16/31

5,100 Ford Motor Company, Debenture, 7.400%, 11/01/46

FINANCIAL - 3.2%

10,500 General Motors Acceptance Corporation, Notes, 8.000%, 11/01/31

Total Corporate Bonds (cost \$15,635,374)

SHORT-TERM INVESTMENTS - 0.7% (0.5% OF TOTAL INVESTMENTS)

2,462 State Street Bank Repurchase Agreement, 0.920%, dated 1/30/04, due 2/02/04,
===== repurchase price \$2,462,189, collateralized by U.S. Treasury Bonds

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

Total Short-Term Investments (cost \$2,462,000)
Total Investments (cost \$498,229,423) - 144.7%
Other Assets Less Liabilities - 0.6%
FundPreferred Shares, at Liquidation Value - (45.3)%
Net Assets Applicable to Common Shares - 100%

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (a) Security is eligible for the Dividends Received Deduction.
- (CBTCS) Corporate Backed Trust Certificates.
 - (CORTS) Corporate Backed Trust Securities.
 - (PCARS) Public Credit and Repackaged Securities.
 - (PPLUS) Preferred Trusts
 - (SATURNS) Structured Asset Trust Unit Repackaging.

See accompanying notes to financial statements.

Statement of
ASSETS AND LIABILITIES January 31, 2004 (Unaudited)

	QUALITY PREFERRED INCOME (JTP)
ASSETS	
Investments, at market value (cost \$1,315,099,296, \$2,484,030,029 and \$498,229,423, respectively)	\$1,421,996,809
Cash	--
Receivables:	
Dividends	2,813,771
Interest	8,012,052
Investments sold	539,065
Other assets	42,437
Total assets	1,433,404,134
LIABILITIES	
Payable for investments purchased	2,552,294
Interest rate swaps, at value	10,044,638
Accrued expenses:	
Management fees	667,647
Other	215,409
FundPreferred share dividends payable	51,140
Total liabilities	13,531,128

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

FundPreferred shares, at liquidation value	440,000,000
Net assets applicable to Common shares	\$ 979,873,006
Common shares outstanding	64,423,417
Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding)	\$ 15.21

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

Common shares, \$.01 par value per share	\$ 644,234
Paid-in surplus	910,956,929
Undistributed (Over-distribution of) net investment income	(1,413,445)
Accumulated net realized gain (loss) from investments	(27,241,287)
Net unrealized appreciation of investments and interest rate swap transactions	96,926,575
Net assets applicable to Common shares	\$ 979,873,006
Authorized shares:	
Common	Unlimited
FundPreferred shares	Unlimited

See accompanying notes to financial statements.

35

Statement of
OPERATIONS Six Months Ended January 31, 2004 (Unaudited)

	QUALITY PREFERRED INCOME (JTP)
INVESTMENT INCOME	
Dividends (net of foreign tax withheld of \$6,944, \$0, and \$0, respectively)	\$27,621,950
Interest	21,391,286
Total investment income	49,013,236
EXPENSES	
Management fees	6,110,467
Net interest expense on interest rate swap transactions	4,489,376
FundPreferred shares - auction fees	554,521
FundPreferred shares - dividend disbursing agent fees	14,276
Shareholders' servicing agent fees and expenses	7,599
Custodian's fees and expenses	147,102
Trustees' fees and expenses	24,267
Professional fees	72,923
Shareholders' reports - printing and mailing expenses	103,939
Stock exchange listing fees	12,278
Investor relations expense	57,423

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

Other expenses	50,730
Total expenses before custodian fee credit and expense reimbursement	11,644,901
Custodian fee credit	(1,486)
Expense reimbursement	(2,229,437)
Net expenses	9,413,978
Net investment income	39,599,258
REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS	
Net realized gain (loss) from investments	3,279,938
Change in net unrealized appreciation (depreciation) of investments	74,645,894
Change in net unrealized appreciation (depreciation) of interest rate swap transactions	(3,217,329)
Net gain from investments	74,708,503
DISTRIBUTIONS TO FUNDPREFERRED SHAREHOLDERS	
From net investment income	(2,588,573)
Net increase in net assets applicable to Common shares from operations	\$111,719,188

See accompanying notes to financial statements.

Statement of
Changes in Net Assets (Unaudited)

	QUALITY PREFERRED INCOME (JTP)		QUALITY PREFERRED INCOME 2 (JPS)	
	SIX MONTHS ENDED 1/31/04	YEAR ENDED 7/31/03	SIX MONTHS ENDED 1/31/04	FOR THE PERIOD 9/24/03 (COMMENCEMENT OF OPERATIONS THROUGH 7/31/04)
OPERATIONS				
Net investment income	\$ 39,599,258	\$ 83,719,154	\$ 77,627,430	\$ 120,895,550
Net realized gain (loss) from investments	3,279,938	(30,328,278)	8,070,427	9,651,210
Change in net unrealized appreciation (depreciation) of investments	74,645,894	47,552,557	153,966,425	85,994,920
Change in net unrealized appreciation (depreciation) of interest rate swap transactions	(3,217,329)	(6,753,609)	(7,900,019)	313,040
Distributions to FundPreferred shareholders from net investment income	(2,588,573)	(6,004,164)	(4,683,169)	(8,370,050)
Net increase in net assets				

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

applicable to Common shares from operations	111,719,188	88,185,660	227,081,094	208,484,67

DISTRIBUTIONS TO COMMON SHAREHOLDERS				
From net investment income	(40,569,771)	(80,491,725)	(75,299,662)	(112,911,52
From accumulated net realized gains from investments	--	--	(11,856,709)	

Decrease in net assets applicable to Common shares from distributions to Common shareholders	(40,569,771)	(80,491,725)	(87,156,371)	(112,911,52

CAPITAL SHARE TRANSACTIONS				
Common shares:				
Net proceeds from sale of shares	--	(119,042)	(1,043)	1,708,927,04
Net proceeds from shares issued to shareholders due to reinvestment of distributions	977,167	29,383,959	--	1,703,41
FundPreferred shares offering costs	--	(9,218,088)	--	(16,495,02

Net increase (decrease) in net assets applicable to Common shares from capital share transactions	977,167	20,046,829	(1,043)	1,694,135,43

Net increase in net assets applicable to Common shares	72,126,584	27,740,764	139,923,680	1,789,708,58
Net assets applicable to Common shares at the beginning of period	907,746,422	880,005,658	1,789,808,855	100,27

Net assets applicable to Common shares at the end of period	\$979,873,006	\$907,746,422	\$1,929,732,535	\$1,789,808,85
=====				
Undistributed net investment income at the end of period	\$ (1,413,445)	\$ 2,145,641	\$ (1,567,505)	\$ 787,89
=====				

See accompanying notes to financial statements.

Notes to
Financial Statements (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The Funds covered in this report and their corresponding Common share New York

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

Stock Exchange symbols are Nuveen Quality Preferred Income Fund (JTP), Nuveen Quality Preferred Income Fund 2 (JPS) and Nuveen Quality Preferred Income Fund 3 (JHP). The Funds are registered under the Investment Company Act of 1940, as amended, as non-diversified, closed-end management investment companies.

Prior to the commencement of operations of Quality Preferred Income 2 (JPS) and Quality Preferred Income 3 (JHP), each Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 per Fund by Nuveen Institutional Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc., and the recording of the organization expenses (\$15,000 and \$11,500, respectively) and their reimbursement by Nuveen Investments, LLC, also a wholly owned subsidiary of Nuveen Investments, Inc.

Each Fund seeks to provide high current income consistent with capital preservation by investing primarily in a portfolio of preferred securities, debt securities including convertible debt securities and convertible preferred securities.

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with accounting principles generally accepted in the United States.

Securities Valuation

Exchange-listed securities are generally valued at the last sales price on the securities exchange on which such securities are primarily traded. Securities traded on a securities exchange for which there are no transactions on a given day or securities not listed on a securities exchange are valued at the mean of the closing bid and asked prices. Securities traded on Nasdaq are valued at the Nasdaq Official Closing Price. The prices of fixed-income securities are generally provided by an independent pricing service approved by the Funds' Board of Trustees and based on the mean between the bid and asked prices. When price quotes are not readily available for fixed income securities, the pricing service establishes fair market value using a wide range of market data including yields or prices of securities of comparable quality, type of issue, coupon, maturity and rating, indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant by the pricing service. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Trustees of the Funds, or its designee, may establish a fair value for the security. Short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased on a when-issued or delayed delivery basis may have extended settlement periods. Any securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At January 31, 2004, there were no such outstanding purchase commitments in any of the Funds.

Investment Income

Dividend income is recorded on the ex-dividend date. Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis (see Dividends and Distributions to Common Shareholders for REIT income recognition policy).

Income Taxes

Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income to its shareholders. Therefore, no federal income tax provision is required.

Dividends and Distributions to Common Shareholders

Dividends from net investment income are declared monthly. Net realized capital gains from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

The Funds make certain adjustments, at different points in time, to the character of both (a) the distributions received by the Funds from REITs, and (b) dividends to Fund shareholders to the extent that such dividends are attributable to REIT distributions received by the Funds.

Characterization of Receipts from REITs - Distributions from REITs are generally comprised of investment income, long-term and short-term capital gains, and/or a return of REIT capital. The actual character of the amounts received by a Fund from REITs during the period is not known until after the fiscal year-end of the Funds. For the six months ended January 31, 2004, each Fund applied percentage estimates (of whether the receipts represented investment income, long-term and short-term capital gains, or return of capital), based on historical experience, to its receipts from the REITs and treated as income in the Statement of Operations only the amount of investment income so calculated. Each Fund will adjust that estimated breakdown of income type (and consequently its net investment income) as necessary in the subsequent calendar year when the REITs inform their shareholders of the actual breakdown of income type.

Characterization of Fund Distributions to Shareholders Derived from Distributions from REITs - During the six months ended January 31, 2004, each Fund treated each distribution to its shareholders, to the extent that such distribution was attributable to receipts from portfolio REITs, as being entirely from net investment income, because the character of such distributions made during the period is not known until after the fiscal year-end of the Funds. Each Fund recharacterizes those distributions as being from ordinary income, long-term and short-term capital gains, and return of capital, if necessary, in the subsequent calendar year, based upon the income type breakdown information conveyed at that time by the REITs whose securities are held in the Fund's portfolio. Consequently, the financial statements may reflect an over-distribution of net investment income that is at least partly attributable to the fact that, as of the date of the financial statements, some of the amounts received by the Funds from the portfolio REITs, but none of the dividends paid by the Funds to shareholders from the portfolio REITs during the period, were treated as something other than ordinary income.

Distributions to Common shareholders of net investment income and net realized capital gains, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States.

Fund Preferred Shares

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

The Funds have issued and outstanding \$25,000 stated value FundPreferred shares. Each Fund's FundPreferred shares are issued in more than one Series. The dividend rate on each Series may change every seven days, as set pursuant to a dutch auction process by the auction agent, and is payable at or near the end of each rate period. The number of shares outstanding, by Series and in total, for each Fund is as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)	QUALITY PREFERRED INCOME 3 (JHP)

Number of shares:			
Series M	3,520	4,800	3,320
Series T	3,520	4,800	--
Series T2	--	4,000	--
Series W	3,520	4,800	--
Series TH	3,520	4,800	3,320
Series TH2	--	4,000	--
Series F	3,520	4,800	--

Total	17,600	32,000	6,640
=====			

Effective August 22, 2002, Quality Preferred Income (JTP) issued 3,520 Series M, 3,520 Series T, 3,520 Series W, 3,520 Series TH, and 3,520 Series F, \$25,000 stated value FundPreferred shares.

Effective October 18, 2002, Quality Preferred Income 2 (JPS) issued 4,800 Series M, 4,800 Series T, 4,800 Series W, 4,800 Series TH, and 4,800 Series F, \$25,000 stated value FundPreferred shares. In addition, effective November 15, 2002, Quality Preferred Income 2 (JPS) issued 4,000 Series T2, and 4,000 Series TH2, \$25,000 stated value FundPreferred shares.

Effective February 14, 2003, Quality Preferred Income 3 (JHP) issued 3,320 Series M, and 3,320 Series TH, \$25,000 stated value FundPreferred shares.

39

Notes to
Financial Statements (Unaudited) (continued)

Interest Rate Swap Transactions

The Funds are authorized to enter into hedging transactions, including interest rate swap transactions. The Funds use interest rate swaps with the intent to reduce or eliminate the risk that an increase in short-term interest rates could have on Common share net earnings as a result of leverage. Interest rate swaps involve each Fund's agreement with the swap counterparty to pay a fixed rate payment in exchange for the counterparty paying the Fund a variable rate payment that is intended to approximate each Fund's variable rate payment obligation on FundPreferred shares or any variable rate borrowing. The payment obligation is based on the notional amount of the swap. Interest rate swaps do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of credit loss with respect to the swap counterparty on interest rate swaps

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

is limited to the net amount of interest payments that each Fund is to receive. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the net payment obligations under any interest rate swap transactions. Interest rate swap positions are marked to market daily. Although there are economic advantages of entering into interest rate swap transactions, there are also additional risks. The Funds help manage the credit risks associated with interest rate swap transactions by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser continually monitor the financial stability of the swap counterparties.

At January 31, 2004, Quality Preferred Income (JTP) had open interest rate swap agreements with Citibank NA as follows:

NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE*	TERMINATION DATE	UNREALIZED APPRECIATION (DEPRECIATION)
\$110,000,000	3.1300%	1.1000%	8/29/05	\$(2,245,505)
110,000,000	3.8600	1.1000	8/29/07	(3,498,650)
110,000,000	4.3500	1.1000	8/29/09	(4,226,783)
				\$ (9,970,938)

*Based on LIBOR (London Interbank Offered Rate)

At January 31, 2004, Quality Preferred Income 2 (JPS) had open interest rate swap agreements with Citibank NA as follows:

NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE*	TERMINATION DATE	UNREALIZED APPRECIATION (DEPRECIATION)
\$200,000,000	2.6300%	1.1200%	11/06/05	\$(2,329,923)
200,000,000	3.3750	1.1200	11/06/07	(2,538,387)
200,000,000	3.9100	1.1200	11/06/09	(2,718,669)
				\$ (7,586,979)

*Based on LIBOR (London Interbank Offered Rate)

At January 31, 2004, Quality Preferred Income 3 (JHP) had open interest rate swap agreements with Citibank NA as follows:

NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE*	TERMINATION DATE	UNREALIZED APPRECIATION (DEPRECIATION)
--------------------	------------	----------------	---------------------	--

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

\$42,000,000	2.4125%	1.1200%	3/06/06	\$ (192,936)
42,000,000	3.2550	1.1200	3/06/08	(124,194)
42,000,000	3.8150	1.1200	3/06/10	(144,922)
				\$ (462,052)

*Based on LIBOR (London Interbank Offered Rate)

Repurchase Agreements

In connection with transactions in repurchase agreements, it is each Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral may be delayed or limited.

Other Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments for the purpose of hedging their portfolios. The specific derivative instruments will be limited to U.S. Treasury security or U.S. Government Agency security futures contracts and options on U.S. Treasury security or U.S. Government Agency security futures contracts. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the six months ended January 31, 2004.

Offering Costs

Nuveen Investments, LLC has agreed to reimburse all organization expenses (approximately \$15,000, \$15,000 and \$11,500, respectively) and pay all Common shares offering costs (other than the sales load) that exceed \$.03 per Common share for Quality Preferred Income (JTP), Quality Preferred Income 2 (JPS) and Quality Preferred Income 3 (JHP). Quality Preferred Income's (JTP), Quality Preferred Income 2's (JPS) and Quality Preferred Income 3's (JHP) share of Common shares offering costs (\$1,389,616, \$1,479,001 and \$527,608, respectively) were recorded as a reduction of the proceeds from the sale of the Common shares.

Costs incurred by Quality Preferred Income (JTP), Quality Preferred Income 2 (JPS) and Quality Preferred Income 3 (JHP) in connection with their offering of FundPreferred shares (\$9,218,088, \$16,495,026, and \$3,589,491, respectively) were recorded as a reduction to paid-in surplus.

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

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

2. FUND SHARES

Transactions in Common and FundPreferred shares were as follows:

	QUALITY PREFERRED INCOME (JTP)		QUALITY PREFERRED INCOME 2 (JPS)		QUALITY INCO
	-----		-----		-----
	SIX MONTHS ENDED 1/31/04	YEAR ENDED 7/31/03	SIX MONTHS ENDED 1/31/04	FOR THE PERIOD 9/24/02 (COMMENCEMENT OF OPERATIONS) THROUGH 7/31/03	SIX MONTHS ENDED 1/31/04

Common shares:					
Shares sold	--	--	--	119,400,000	--
Shares issued to shareholders due to reinvestment of distributions	66,713	2,049,704	--	116,272	19,046

	66,713	2,049,704	--	119,516,272	19,046
=====					
FundPreferred shares sold	--	17,600	--	32,000	--
=====					

41

Notes to
Financial Statements (Unaudited) (continued)

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments) of investment securities and U.S. Government and agency obligations during the six months ended January 31, 2004, were as follows:

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

Purchases:			
Investment securities	\$131,897,030	\$194,856,139	\$4
U.S. Government and agency obligations	1,207,688	9,560,859	
Sales and maturities:			
Investment securities	132,688,766	203,415,345	4
U.S. Government and agency obligations	1,226,250	9,707,813	
=====			

4. INCOME TAX INFORMATION

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

The following information is presented on an income tax basis based on the information currently available to the Funds. Differences between amounts for financial statement and federal income tax purposes are primarily due to the recognition of income on certain securities, which are treated as debt securities for income tax purposes and equity securities for financial statement purposes, and timing differences in recognizing certain gains and losses on security transactions.

At January 31, 2004, the cost of investments were as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)	QUALITY PREFERRED INCOME 3 (JHP)
Cost of investments	\$1,316,199,638	\$2,485,246,169	\$498,366,882

Gross unrealized appreciation and gross unrealized depreciation of investments at January 31, 2004, were as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)	QUALITY PREFERRED INCOME 3 (JHP)
Gross unrealized:			
Appreciation	\$110,287,541	\$243,696,138	\$33,175,339
Depreciation	(4,490,370)	(4,950,928)	(955,202)
Net unrealized appreciation of investments	\$105,797,171	\$238,745,210	\$32,220,137

42

The tax components of undistributed net ordinary income and net realized gains at July 31, 2003, the Funds' last fiscal year end, were as follows:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)	QUALITY PREFERRED INCOME 3 (JHP)
Undistributed net ordinary income *	\$17,864,493	\$25,684,356	\$6,530,948
Undistributed net long-term capital gains	--	--	--

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

The tax character of distributions paid during the fiscal year ended July 31, 2003, the Funds' last fiscal year end, was designated for purposes of the dividends paid deduction as follows:

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

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)	QUALITY PREFERRED INCOME 3 (JHP)
Distributions from net ordinary income *	\$79,694,828	\$108,646,966	\$13,076,411
Distributions from net long-term capital gains	--	--	--

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

At July 31, 2003, the Funds' last fiscal year end, Quality Preferred Income (JTP) had an unused capital loss carryforward of \$1,653,878 available to be applied against future capital gains, if any. If not applied, the carryforward will expire in the year 2011.

Quality Preferred Income (JTP) elected to defer net realized losses from investments incurred from November 1, 2002 through July 31, 2003 ("post-October losses") in accordance with Federal income tax regulations. Quality Preferred Income (JTP) had \$28,137,157 of post-October losses that were treated as having arisen on the first day of the current fiscal year.

Calculation of certain of the amounts presented above (namely, undistributed net ordinary income for tax purposes) involves the application of complex aspects of the Internal Revenue Code to certain securities held by the Funds. In calculating the amount of taxable income derived from these securities, management made assumptions as to the correct tax treatment of certain of those securities and made estimates about the tax characteristics of income received from those securities, based on information currently available to the Funds. The use of these assumptions and estimates will not affect the qualification of the Funds as regulated investment companies under Subchapter M of the Internal Revenue Code, nor is it expected that these assumptions and estimates will be used in computing taxable income for purposes of preparing the federal and state income and excise tax returns.

Notes to
Financial Statements (Unaudited) (continued)

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under each Fund's investment management agreement with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon each Fund's average daily managed assets. "Managed Assets" means the average daily net assets of each Fund including assets attributable to FundPreferred shares and the principal amount of borrowings, if any.

AVERAGE DAILY MANAGED ASSETS	MANAGEMENT FEE
For the first \$500 million	.9000%
For the next \$500 million	.8750

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

For the next \$500 million	.8500
For the next \$500 million	.8250
For Managed Assets over \$2 billion	.8000
=====	

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser has entered into Sub-Advisory Agreements with Spectrum Asset Management, Inc. ("Spectrum"), under which Spectrum manages the investment portfolios of the Funds. Spectrum is compensated for its services to the Funds from the management fee paid to the Adviser. Spectrum also receives compensation on certain portfolio transactions for providing brokerage services to the Funds.

The Funds pay no compensation directly to those of its Trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates.

For the first eight years of Quality Preferred Income's (JTP) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily Managed Assets, for fees and expenses in the amounts and for the time periods set forth below:

YEAR ENDING JUNE 30,		YEAR ENDING JUNE 30,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		
=====			

*From the commencement of operations.

The Adviser has not agreed to reimburse Quality Preferred Income (JTP) for any portion of its fees and expenses beyond June 30, 2010.

For the first eight years of Quality Preferred Income 2's (JPS) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily Managed Assets, for fees and expenses in the amounts and for the time periods set forth below:

YEAR ENDING SEPTEMBER 30,		YEAR ENDING SEPTEMBER 30,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		
=====			

*From the commencement of operations.

The Adviser has not agreed to reimburse Quality Preferred Income 2 (JPS) for any portion of its fees and expenses beyond September 30, 2010.

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

For the first eight years of Quality Preferred Income 3's (JHP) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily Managed Assets, for fees and expenses in the amounts and for the time periods set forth below:

YEAR ENDING DECEMBER 31,		YEAR ENDING DECEMBER 31,	
2002*	.32%	2007	.32%
2003	.32	2008	.24
2004	.32	2009	.16
2005	.32	2010	.08
2006	.32		

*From the commencement of operations.

The Adviser has not agreed to reimburse Quality Preferred Income 3 (JHP) for any portion of its fees and expenses beyond December 31, 2010.

6. SUBSEQUENT EVENTS - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their net investment income which were paid on April 1, 2004, to shareholders of record on March 15, 2004:

	QUALITY PREFERRED INCOME (JTP)	QUALITY PREFERRED INCOME 2 (JPS)	QUALITY PREFERRED INCOME 3 (JHP)
Dividend per share	\$.1050	\$.1050	\$.1030

Financial
Highlights (Unaudited)

Selected data for a Common share outstanding throughout each period:

	Investment Operations						Total
	Beginning Common Share Net Asset Value	Net Investment Income	Net Realized/ Unrealized Investment Gain (Loss)	Distributions from Net Investment Income to Fund Preferred Share- holders+	Distributions from Capital Gains to Fund Preferred Share- holders+		
QUALITY PREFERRED INCOME (JTP)							
Year Ended 7/31:							
2004 (d)	\$14.10	\$.61	\$1.17	\$ (.04)	\$--		\$1.74

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

2003	14.12	1.31	.16	(.09)	--	1.38
2002 (a)	14.33	.06	(.25)	--	--	(.19)

QUALITY PREFERRED
INCOME 2 (JPS)

Year Ended 7/31:

2004 (d)	14.97	.65	1.30	(.04)	--	1.91
2003 (b)	14.33	1.02	.79	(.07)	--	1.74

QUALITY PREFERRED
INCOME 3 (JHP)

Year Ended 7/31:

2004 (d)	14.38	.63	1.29	(.04)	--	1.88
2003 (c)	14.33	.67	.22	(.04)	--	.85

Total Returns

Offering Costs and FundPreferred Share Underwriting Discounts	Ending Common Share Net Asset Value	Ending Market Value	Based on Market Value**	Based on Common Share Net Asset Value**
--	---	---------------------------	----------------------------------	---

QUALITY PREFERRED
INCOME (JTP)

Year Ended 7/31:

2004 (d)	\$--	\$15.21	\$15.87	13.45%	12.54%
2003	(.15)	14.10	14.59	4.95	9.15
2002 (a)	(.02)	14.12	15.15	1.00	(1.47)

QUALITY PREFERRED
INCOME 2 (JPS)

Year Ended 7/31:

2004 (d)	--	16.15	15.89	13.65	12.98
2003 (b)	(.15)	14.97	14.65	4.02	11.22

QUALITY PREFERRED
INCOME 3 (JHP)

Year Ended 7/31:

2004 (d)	--	15.52	15.48	13.18	13.31
2003 (c)	(.18)	14.38	14.36	(.19)	4.62

Ratios/Supplemental Data

	Before Credit/Reimbursement	After Credit/Reimbursement
Ending Net Assets Applicable	Ratio of Expenses to Average Net Assets Applicable	Ratio of Expenses to Average Net Assets Applicable
	Ratio of Net Investment Income to Average Net Assets Applicable	Ratio of Investment Income to Average Net Assets Applicable

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

	to Common Shares (000)	to Common Shares++	to Common Shares++	to Common Shares++	to
QUALITY PREFERRED INCOME (JTP)					
Year Ended 7/31:					
2004 (d)	\$ 979,873	2.44%*	7.84%*	1.97%*	
2003	907,746	2.38	8.84	1.91	
2002 (a)	880,006	.96*	4.51*	.64*	
QUALITY PREFERRED INCOME 2 (JPS)					
Year Ended 7/31:					
2004 (d)	1,929,733	2.12*	7.81*	1.66*	
2003 (b)	1,789,809	1.99*	7.59*	1.54*	
QUALITY PREFERRED INCOME 3 (JHP)					
Year Ended 7/31:					
2004 (d)	366,806	2.28*	7.90*	1.81*	
2003 (c)	339,499	1.97*	7.14*	1.53*	

Fund Preferred Shares at End of Period

	Aggregate Amount Outstanding (000)	Liquidation and Market Value Per Share	Asset Coverage Per Share
QUALITY PREFERRED INCOME (JTP)			
Year Ended 7/31:			
2004 (d)	\$440,000	\$25,000	\$80,675
2003	440,000	25,000	76,577
2002 (a)	--	--	--
QUALITY PREFERRED INCOME 2 (JPS)			
Year Ended 7/31:			
2004 (d)	800,000	25,000	85,304
2003 (b)	800,000	25,000	80,932
QUALITY PREFERRED INCOME 3 (JHP)			
Year Ended 7/31:			
2004 (d)	166,000	25,000	80,242
2003 (c)	166,000	25,000	76,129

* Annualized.

** Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset

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

Value is the combination of reinvested dividend income at net asset value, reinvested capital gains distributions at net asset value, if any, and changes in Common share net asset value per share. Total returns are not annualized.

- *** After custodian fee credit and expense reimbursement, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to FundPreferred shareholders; income ratios reflect income earned on assets attributable to FundPreferred shares. Each Ratio of Expenses to Average Net Assets Applicable to Common Shares and each Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares includes the effect of the interest expense paid on interest rate swap transactions as follows:

	Ratio of Net Interest Expense to Average Net Assets Applicable to Common Shares -----
QUALITY PREFERRED INCOME (JTP)	
2004(d)	.94%*
2003	.80
2002(a)	--
QUALITY PREFERRED INCOME 2 (JPS)	
2004(d)	.71*
2003(b)	.58
QUALITY PREFERRED INCOME 3 (JHP)	
2004(d)	.73*
2003(c)	.51

- (a) For the period June 25, 2002 (commencement of operations) through July 31, 2002.
- (b) For the period September 24, 2002 (commencement of operations) through July 31, 2003.
- (c) For the period December 18, 2002 (commencement of operations) through July 31, 2003.
- (d) For the six months ended January 31, 2004.

See accompanying notes to financial statements.

46-47 SPREAD

<
Build Your Wealth
Automatically

Sidebar text: Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Exchange-Traded Fund allows you to conveniently reinvest

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

dividends and/or capital gains distributions in additional fund shares.

By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of compounding.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

EASY AND CONVENIENT

To make recordkeeping easy and convenient, each month you'll receive a statement showing your total dividends and distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBILITY

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

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

BOARD OF TRUSTEES

William E. Bennett
Robert P. Bremner
Lawrence H. Brown
Jack B. Evans
Anne E. Impellizzeri
William L. Kissick
Thomas E. Leafstrand
Peter R. Sawers
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale
Sheila W. Wellington

FUND MANAGER

Nuveen Institutional
Advisory Corp.
333 West Wacker Drive
Chicago, IL 60606

SUB-ADVISERS

Spectrum Asset
Management, Inc.
4 High Ridge Park
Stamford, CT 06905

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071

(800) 257-8787

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, IL

INDEPENDENT AUDITORS

Ernst & Young LLP
Chicago, IL

PROXY VOTING POLICIES AND PROCEDURES

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling Nuveen Investments at (800) 257-8787; and (ii) on the Commission's website at <http://www.sec.gov>.

GLOSSARY OF TERMS USED IN THIS REPORT

AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return (including change in NAV and reinvested dividends) that

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

would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered.

NET ASSET VALUE (NAV): A fund's NAV is calculated by subtracting the liabilities of the fund from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period ended January 31, 2004. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

49

Serving Investors
for Generations

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility.

Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio. Our clients have come to appreciate this diversity, as well as our continued adherence to proven, long-term investing principles.

Managing \$90 billion in assets, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under four distinct brands: Nuveen, a leader in tax-free investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; and Symphony, a leading institutional manager of market-neutral alternative investment portfolios.

To learn more about the products and services Nuveen Investments offers and for a prospectus, where applicable, talk to your financial advisor, or call us at (800) 257-8787. Please read the information carefully before you invest.

Distributed by
Nuveen Investments, LLC | 333 West Wacker Drive | Chicago, Illinois 60606
| www.nuveen.com

ESA-D-0104D

ITEM 2. CODE OF ETHICS.

Not applicable to this filing.

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

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable to this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable to this filing.

ITEM 6. SCHEDULE OF INVESTMENTS

Not applicable at this time.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not applicable to this filing.

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS

Not applicable at this time.

ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no material changes by which shareholders may recommend nominees to the registrant's Board of Trustees implemented after the registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A (17 CFR 240.14a-101) or this Item.

ITEM 10. CONTROLS AND PROCEDURES.

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

ITEM 11. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable

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

because posted on registrant's website at www.nuveen.com/etf.

(a) (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT attached hereto.

(a) (3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons: Not applicable at this time.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

SIGNATURES

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

(Registrant) Nuveen Quality Preferred Income Fund 2

By (Signature and Title)* /s/ Jessica R. Droeger

Jessica R. Droeger
Vice President and Secretary

Date: April 8, 2004

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

By (Signature and Title)* /s/ Gifford R. Zimmerman

Gifford R. Zimmerman
Chief Administrative Officer
(Principal Executive Officer)

Date: April 8, 2004

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

Stephen D. Foy
Vice President and Controller

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

(Principal Financial Officer)

Date: April 8, 2004

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