

NUVEEN QUALITY PREFERRED INCOME FUND 2
Form N-CSR
October 08, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21137

Nuveen Quality Preferred Income Fund 2
(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606
(Name and address of agent for service)

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

Date of fiscal year July 31
end:

Date of reporting period: July 31, 2014

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed-End Funds

Nuveen Investments

Closed-End Funds

Annual Report July 31, 2014

JTP

Nuveen Quality Preferred Income Fund

JPS

Nuveen Quality Preferred Income Fund 2

JHP

Nuveen Quality Preferred Income Fund 3

Nuveen Investments to be acquired by TIAA-CREF

On April 14, 2014, TIAA-CREF announced that it had entered into an agreement to acquire Nuveen Investments, the parent company of your fund's investment adviser, Nuveen Fund Advisors, LLC ("NFAL") and the Nuveen affiliates that act as sub-advisers to the majority of the Nuveen Funds. TIAA-CREF is a national financial services organization with approximately \$569 billion in assets under management (as of March 31, 2014) and is a leading provider of retirement services in the academic, research, medical and cultural fields. Nuveen anticipates that it will operate as a separate subsidiary within TIAA-CREF's asset management business, and that its current leadership and key investment teams will stay in place.

Your fund investment will not change as a result of Nuveen's change of ownership. You will still own the same fund shares and the underlying value of those shares will not change as a result of the transaction. NFAL and your fund's sub-adviser(s) will continue to manage your fund according to the same objectives and policies as before, and we do not anticipate any significant changes to your fund's operations. Under the securities laws, the consummation of the transaction will result in the automatic termination of the investment management agreements between the funds and NFAL and the investment sub-advisory agreements between NFAL and each fund's sub-adviser(s). The new agreements have been approved by shareholders of your fund.

The transaction is currently expected to close early in the fourth quarter of 2014, but remains subject to customary closing conditions.

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Chairman's Letter

to Shareholders

Dear Shareholders,

After significant growth in 2013, domestic and international equity markets have been less compelling during the first part of 2014. Concerns about deflation, political uncertainty in many places and the potential for more fragile economies to impact other countries have produced uncertainty in the markets.

Europe is beginning to emerge slowly from the recession in mid-2013, with improved GDP and employment trends in some countries. However, Japan's deflationary headwinds have resurfaced; and China shows signs of slowing from credit distress combined with declines in manufacturing and exports. Most recently, tensions between Russia and Ukraine may continue to hold back stocks and support government bonds in the near term.

Despite these headwinds, there are some encouraging signs of forward momentum in the markets. In the U.S., the news is more positive with financial risks slowly receding, positive GDP trends, downward trending unemployment and stronger household finances and corporate spending.

It is in such changeable markets that professional investment management is most important. Investment teams who have experienced challenging markets in the past understand how their asset class can behave in rapidly changing times. Remaining committed to their investment disciplines during these times is a critical component to achieving long-term success. In fact, many strong investment track records are established during challenging periods because experienced investment teams understand that volatile markets place a premium on companies and investment ideas that can weather the short-term volatility. By maintaining appropriate time horizons, diversification and relying on practiced investment teams, we believe that investors can achieve their long-term investment objectives.

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

William J. Schneider
Chairman of the Board
September 22, 2014

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Portfolio Managers'

Comments

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

The Funds are sub-advised by a team of specialists at Spectrum Asset Management, a wholly owned subsidiary of Principal Global Investors, LLC. Mark Lieb and Phil Jacoby lead the team. Here Mark and Phil talk about the U.S. economy and equity markets, their management strategy and the performance of the Funds for the twelve-month reporting period ended July 31, 2014.

What factors affected the U.S. economy and equity markets during the twelve-month reporting period ended July 31, 2014?

During this reporting period, the U.S. economy continued its advance toward recovery from recession. The Federal Reserve (Fed) maintained efforts to bolster growth and promote progress toward its mandates of maximum employment and price stability by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. Based on its view that the underlying strength in the broader economy was enough to support ongoing improvement in the labor market, the Fed began to reduce or taper its monthly asset purchases in \$10 billion increments over the course of five consecutive meetings (December 2013 through June 2014). As of July 2014, the Fed's monthly purchases comprise \$15 billion in mortgage backed securities (versus the original \$40 billion per month) and \$20 billion in longer-term Treasury securities (versus \$45 billion). Following its June 2014 meeting the Fed reiterated that it would continue to look at a wide range of factors, including labor market conditions, indicators of inflationary pressures and readings on financial developments, in determining future actions, saying that it would likely maintain the current target range for the fed funds rate for a considerable time after the asset purchase program ends, especially if projected inflation continues to run below the Fed's 2% longer-run goal.

In the second quarter of 2014, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew 4.2%. In the previous quarter, GDP contracted at an annualized rate of 2.1%, the economy's weakest quarter since the recession officially ended in June 2009. The decline during this period was attributed in part to the severe weather of the past winter, which deterred consumer spending and disrupted construction, production and shipping. The Consumer Price Index (CPI) rose 2.4% year-over-year as of July 2014, while the core CPI (which excludes food and energy) increased 1.9% during the same period, in line with the Fed's unofficial longer term objective of 2.0% for this inflation measure. As of July 2014, the national unemployment rate remained at 6.2%, down from the 7.3% reported in July 2013, but still higher than levels that would provide consistent support for optimal GDP growth. During the last twelve months, the unemployment rate and the number of unemployed persons have declined by 1.1% and 1.7 million, respectively. The housing

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

expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch). Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

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Portfolio Managers' Comments (continued)

market continued to post gains as the average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 8.1% for the twelve months ended July 2014.

Several events touched off increased volatility in the financial markets. First, in May 2013, then-Fed Chairman Ben Bernanke's remarks about tapering the Fed's asset purchase program triggered widespread uncertainty about the next step for the Fed's quantitative easing program and its impact on the markets as well as the overall economy. Meanwhile, political debate over federal spending continued, as Congress failed to reach an agreement on the federal budget for Fiscal 2014. On October 1, 2013, the start date for Fiscal 2014, the federal government shut down for 16 days until an interim appropriations bill was signed into law. (Consensus on a \$1.1 trillion federal spending bill was ultimately reached in January 2014, and in February 2014, members of Congress agreed to suspend the \$16.7 trillion debt ceiling until March 2015.)

The preferred securities market staged a strong recovery this year from the weak environment in 2013 caused by the government bond market's psychological adjustment to the risk of discontinued bond buying from the Fed in 2014. The \$1,000 par dominated Barclays USD Capital Securities Index posted a 10.33% return during the reporting period and the \$25 par dominated BofA/Merrill Lynch Preferred Securities Fixed Rate Index posted a 8.75% return. While the 10-year U.S. Treasury rate was essentially unchanged on July 31, 2014 versus a year earlier, the 10-year yield gyrated during that timeframe between a low of 2.44% and a high of 3.03%. During the reporting period, relatively subordinate Tier 1 structures once again outperformed more senior lower Tier 2 structures. The Tier 1 sub-index of the Barclays USD Capital Securities Index posted a return of 12.24%, which was well above the 9.71% return posted by the Lower Tier 2 sub-index.

What key strategies were used to manage the Funds during the twelve-month reporting period ended July 31, 2014?

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

Our underlying strategy is to maintain a balance between the individual investor-oriented \$25 par preferred securities often traded on securities exchanges and the institutional investor-oriented \$1,000 par preferred securities traded over-the-counter in the capital markets. Both types of securities offer performance opportunities, which together with the broad diversification benefits of this combined universe, help to produce potentially attractive risk-adjusted rates of return. We keep a risk-averse posture toward security structure and portfolio structure, which is an important core aspect of our efforts to preserve capital and provide attractive income relative to investment grade and senior corporate credit.

During the reporting period, we generally sold low yield-to-call step-up paper that had done well and had little upside remaining. Step-up preferred shares that pay a fixed dividend for a specific period of time and then a floating rate for some time later did particularly well as they offer prospective interest rate risk protection. At the beginning of the year, we purchased longer term paper in the \$25 par sector and added to concentrations in the additional Tier 1 sector of foreign banking in order to pick up yield and duration as we believed that longer term securities would do well after being over sold late last year. In the latter part of the reporting period, we added new positions in high coupon fixed-to-floating rate preferred stocks of U.S. banks and fixed-to-floating rate bonds of foreign utilities in order to reduce longer-term interest rate risk.

How did the Funds perform during the twelve-month reporting period ended July 31, 2014?

The tables in the Performance Overview and Holding Summaries section of this report provide total return performance for each Fund for the one-year, five-year and ten-year periods ended July 31, 2014. For the twelve-month reporting period ended July 31, 2014, all three Funds' common shares at net asset value (NAV) outperformed the Barclays U.S. Aggregate Bond Index and the Blended Benchmark.

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During the reporting period, several items contributed positively to the performance of the Funds: 1) outperformance of the \$25 par sector relative to the positive performance \$1,000 par sector, 2) outperformance of the European Tier 1 step-up sector, 3) the declining trend in long term interest rates, and 4) security selection. When interest rates go down callable securities (such as those in the \$25 par sector with 5 year call options) tend to experience a reduction in duration, and conversely when rates rise their duration rises too this "negative convexity" can cause the \$25 par sector to be more volatile than the \$1,000 par sector when long rates move significantly in one direction. Of course, volatility can have positive valuation implications when rates decline like they have during this reporting period. The outperformance of the \$25 par sector was particularly notable in the second half of the reporting period because it more than recovered the valuation losses that occurred during the first half of the reporting, the incremental move higher can be explained by preferred spreads moving about 50bps tighter relative to the decline in U.S. Treasury bond yields.

Capital Securities rallied tighter too, in particular, high coupon long duration capital securities did the best. Performance in this \$1,000 par sector was also aided by the improvement in a subsector called the European Tier 1 step-up sector. There had been heightened uncertainty around this group of securities due to expected changes in regulation, specifically, around the degree of their usefulness in the issuers' capital structure and the possibility that they would be extended rather than called at better prices. During the reporting period, European Banking Regulators agreed that this step-up sector would continue to have a role in the capital structure, but would soon become more economical to redeem. The end result of this regulatory clarity was a rally from what had been discounted prices.

Those positions that contributed to the Funds' outperformance include, Goldman Sachs Capital II and Centaur Funding. Goldman did well due to a timely tender offer to buy all of its trust preferred capital securities at a premium to the market. Centaur Funding Corporation, a high coupon issue, tightened amidst the rally in the U.S. Treasury market.

Strong absolute performance notwithstanding, there were several items that detracted from the performance which can be primarily explained as duration extension in the second half of 2013 and specific credit issues. As discussed, the duration or interest rate sensitivity of certain instruments can extend or lengthen when interest rate increase. The Funds' duration extended by a little over two and half years during the second half of 2013 which detracted from performance. Most of the duration extension risk had passed this by January 2014. Specific holdings that detracted from performance include the preferreds of Wachovia Bank and Barclay's Bank. Wachovia called a preferred security which was trading above par using an unusual regulatory par call. Barclay's Bank preferreds traded down as the bank saw one of its marginal revenue in its trading operation decline.

Fund**Leverage****IMPACT OF THE FUNDS' LEVERAGE STRATEGY ON PERFORMANCE**

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

The Funds also continued to use swap contracts to partially fix the interest cost of leverage, which as mentioned previously, the Funds use through bank borrowings. Each Fund's swap contracts detracted modestly from overall Fund performance during this reporting period.

As of July 31, 2014, the Funds' percentages of leverage are shown in the accompanying table.

	JTP	JPS	JHP
Effective Leverage*	27.99%	27.92%	28.00%
Regulatory Leverage*	27.99%	27.92%	28.00%

* Effective leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Regulatory leverage consists of preferred shares issued or borrowings of a Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is subject to asset coverage limits set forth in the Investment Company Act of 1940.

THE FUNDS' REGULATORY LEVERAGE*Bank Borrowings*

The Funds employ regulatory leverage through the use of bank borrowings. As of July 31, 2014, the Funds have outstanding bank borrowings as shown in the accompanying table.

	JTP	JPS	JHP
Bank Borrowings	\$234,000,000	\$464,000,000	\$89,000,000

Refer to Notes to Financial Statements, Note 8 Borrowing Arrangements for further details.

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Common Share**Information****DISTRIBUTION INFORMATION**

The following information regarding the Funds' distributions is current as of July 31, 2014. Each Fund's distribution levels may vary over time based on each Fund's investment activities and portfolio investment value changes.

During the current reporting period, each Fund's distributions to common shareholders were as shown in the accompanying table.

Ex-Dividend Date	Per Common Share Amounts		
	JTP	JPS	JHP
August 2013	\$ 0.0500	\$ 0.0550	\$ 0.0520
September	0.0520	0.0550	0.0520
October	0.0520	0.0550	0.0520
November	0.0520	0.0550	0.0520
December	0.0520	0.0550	0.0520
January	0.0520	0.0550	0.0520
February	0.0520	0.0550	0.0520
March	0.0520	0.0550	0.0520
April	0.0520	0.0550	0.0520
May	0.0520	0.0550	0.0520
June	0.0520	0.0550	0.0520
July 2014	0.0520	0.0550	0.0520
Non-Recurring supplemental taxable distribution*	0.0387		0.0422
Current Distribution Rate**	7.47%	7.40%	7.40%

* Distribution paid in December 2013.

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

Each Fund in this report seeks to pay regular monthly dividends out of its net investment income at a rate that reflects its past and projected net income performance. To permit each 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 income actually earned by the Fund during the period. If a 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 a Fund has cumulatively paid in dividends more than it has earned, the excess will constitute a negative UNII that 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 July 31, 2014, all of the Funds in this report had positive UNII balances for both tax and financial reporting purposes.

All monthly dividends paid by the Funds during the fiscal year ended July 31, 2014 were paid from net investment income. In certain future instances, a portion of each Fund's monthly distributions may be paid from sources or comprised of elements other than net investment income, including capital gains and/or a return of capital, and in such a case the shareholders will receive a notice to that effect. The composition and per share amounts of each Fund's monthly dividends for the fiscal year are presented in the Statement of Changes in Net Assets and Financial Highlights, respectively (for reporting purposes) and in Note 6 Income Tax Information within the accompany Notes to Financial Statements (for income tax purposes), later in this report.

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Common Share Information (continued)**COMMON SHARE REPURCHASES**

As of July 31, 2014, and since the inception of the Funds' repurchase programs, the Funds have cumulatively repurchased and retired their common shares as shown in the accompanying table.

	JTP	JPS	JHP
Common Shares Cumulatively Repurchased and Retired	0	0	20,000
Common Shares Authorized for Repurchase	6,465,000	12,040,000	2,375,000

During the current reporting period, the Funds repurchased and retired common shares at a weighted average price and a weighted average discount per common share as shown in the accompanying table.

	JTP	JPS	JHP
Common Shares Repurchased and Retired	0	0	20,000
Weighted Average Price Per Common Share Repurchased and Retired	\$ 0	\$ 0	\$ 7.78
Weighted Average Discount Per Common Share Repurchased and Retired	0%	0%	13.58%

COMMON SHARE EQUITY SHELF PROGRAMS

JTP, JPS and JHP each filed registration statements with the SEC authorizing each Fund to issue an additional 6.4 million, 12.0 million and 2.3 million common shares, respectively, through equity shelf programs, which are not yet effective.

Under these equity shelf programs, the Funds, subject to market conditions, may raise additional capital from time to time in varying amounts and offering methods at a net price at or above each Fund's NAV per common share.

Refer to Notes to Financial Statements, Note 1 – General Information and Significant Accounting Policies for further details and the Funds' equity shelf programs.

OTHER COMMON SHARE INFORMATION

As of July 31, 2014, and during the current reporting period, the Funds' common share prices were trading at premium/(discount) to their common share NAVs as shown in the accompanying table.

	JTP	JPS	JHP
Common Share NAV	\$ 9.31	\$ 9.95	\$ 9.65
Common Share Price	\$ 8.35	\$ 8.92	\$ 8.43
Premium/(Discount) to NAV	(10.31)%	(10.35)%	(12.64)%
12-Month Average Premium/(Discount) to NAV	(10.68)%	(10.68)%	(11.53)%

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Risk

Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment, Market and Price Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the corporate securities owned by the Funds, which generally trade in the over-the-counter markets. Shares of closed-end investment companies like the Funds frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. A Fund's use of leverage creates the possibility of higher volatility for a Fund's per share NAV, market price and distributions. Leverage risk can be introduced through regulatory leverage (issuing preferred shares or debt borrowings at the Fund level) or through certain derivative investments held in a Fund's portfolio. Leverage typically magnifies the total return of a Fund's portfolio, whether that return is positive or negative. The use of leverage creates an opportunity for increased common share net income, but there is no assurance that a Fund's leveraging strategy will be successful.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

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

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

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

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

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

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

Derivatives Strategy Risk. Derivative securities, such as calls, puts, warrants, swaps and forwards, carry risks different from, and possibly greater than, the risks associated with the underlying investments.

Counterparty Risk. To the extent that a Fund's derivative investments are purchased or sold in over-the-counter transactions, the Fund will be exposed to the risk that counter- parties to these transactions will be unable to meet their obligations.

Interest Rate Swaps Risk. The risk that yields will move in the direction opposite to the direction anticipated by a Fund, which would cause a Fund to make payments to its counterparty in the transaction that could adversely affect the Fund's performance.

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JTP**Nuveen Quality Preferred Income Fund****Performance Overview and Holding Summaries as of July 31, 2014**

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of July 31, 2014

	1-Year	Average Annual 5-Year	10-Year
JTP at Common Share NAV	12.65%	16.86%	4.00%
JTP at Common Share Price	13.63%	15.07%	3.63%
Barclays U.S. Aggregate Bond Index	3.97%	4.47%	4.80%
Blended Benchmark (Comparative Index)	11.38%	11.38%	4.58%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

Common Share Price Performance Weekly Closing Price

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This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation

(% of net assets)

Convertible Preferred Securities	0.6%
\$25 Par (or similar) Retail Preferred	50.0%
Corporate Bonds	7.8%
\$1,000 Par (or similar)	
Institutional Preferred	77.6%
Investment Companies	1.1%
Short-Term Investments	1.0%
Borrowings	(38.9)%
Other Assets Less Liabilities	0.8%

Portfolio Composition

(% of total investments)¹

Banks	34.1%
Insurance	29.0%
Real Estate Investment Trust	8.3%
Capital Markets	7.0%
Electric Utilities	3.9%
Short-Term Investments	0.7%
Other Industries	17.0%

Country Allocation

(% of total investments)¹

United States	63.2%
United Kingdom	11.4%
Netherlands	5.8%
France	4.7%
Other Countries	14.9%

Top Five Issuers

(% of total investments)¹

Bank of America Corporation	4.0%
General Electric Company	3.7%
HSBC Holdings PLC	3.7%

PNC Financial Services Group Inc	3.4%
Deutsche Bank AG	2.7%

Credit Quality

(% of total investments)¹

AA	3.7%
A	14.9%
BBB	67.0%
BB or Lower	12.8%
N/A (not applicable)	1.6%

1 Excluding investments in derivatives.

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JPS**Nuveen Quality Preferred Income Fund 2****Performance Overview and Holding Summaries as of July 31, 2014**

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of July 31, 2014

	Average Annual		
	1-Year	5-Year	10-Year
JPS at Common Share NAV	12.83%	16.65%	4.50%
JPS at Common Share Price	13.76%	14.22%	4.26%
Barclays U.S. Aggregate Bond Index	3.97%	4.47%	4.80%
Blended Benchmark (Comparative Index)	11.38%	11.38%	4.58%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

Common Share Price Performance Weekly Closing Price

Nuveen Investments

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Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation

(% of net assets)

Convertible Preferred Securities	0.4%
\$25 Par (or similar) Retail Preferred	48.8%
Corporate Bonds	7.9%
\$1,000 Par (or similar)	
Institutional Preferred	78.3%
Investment Companies	1.3%
Short-Term Investments	1.1%
Borrowings	(38.7)%
Other Assets Less Liabilities	0.9%

Portfolio Composition

(% of total investments)¹

Insurance	31.7%
Banks	31.3%
Capital Markets	7.5%
Real Estate Investment Trust	7.2%
Diversified Financial Services	6.0%
Short-Term Investments	0.8%
Other Industries	15.5%

Country Allocation

(% of total investments)¹

United States	63.3%
United Kingdom	9.6%
Netherlands	6.5%
France	5.2%
Other Countries	15.4%

Top Five Issuers

(% of total investments)¹

MetLife Inc	4.0%
General Electric Company	3.6%
JPMorgan Chase & Company	3.5%

PNC Financial Services	3.4%
Wells Fargo and Company	3.3%

Credit Quality

(% of total investments)¹

AA	3.6%
A	15.1%
BBB	68.9%
BB or Lower	10.6%
N/A (not applicable)	1.8%

1 Excluding investments in derivatives.

Nuveen Investments

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JHP**Nuveen Quality Preferred Income Fund 3****Performance Overview and Holding Summaries as of July 31, 2014**

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

Average Annual Total Returns as of July 31, 2014

	Average Annual		
	1-Year	5-Year	10-Year
JHP at Common Share NAV	12.97%	16.53%	4.30%
JHP at Common Share Price	11.09%	14.17%	3.54%
Barclays U.S. Aggregate Bond Index	3.97%	4.47%	4.80%
Blended Benchmark (Comparative Index)	11.38%	11.38%	4.58%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Returns at NAV are net of Fund expenses, and assume reinvestment of distributions. Comparative index return information is provided for the Fund's shares at NAV only. Indexes are not available for direct investment.

Common Share Price Performance Weekly Closing Price

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This data relates to the securities held in the Fund's portfolio of investments as of the end of the reporting period. It should not be construed as a measure of performance for the Fund itself. Holdings are subject to change.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Fund Allocation

(% of net assets)

Convertible Preferred Securities	0.0%
\$25 Par (or similar) Retail Preferred	49.7%
Corporate Bonds	6.3%
\$1,000 Par (or similar)	
Institutional Preferred	79.2%
Investment Companies	1.4%
Short-Term Investments	1.6%
Borrowings	(38.9)%
Other Assets Less Liabilities	0.7%

Portfolio Composition

(% of total investments)¹

Banks	36.8%
Insurance	28.1%
Capital Markets	8.0%
Real Estate Investment Trust	5.7%
Diversified Financial Services	4.0%
Short-Term Investments	1.1%
Other Industries	16.3%

Country Allocation

(% of total investments)¹

United States	60.8%
United Kingdom	11.8%
France	6.6%
Netherlands	5.5%
Other Countries	15.3%

Top Five Issuers

(% of total investments)¹

JPMorgan Chase & Company	4.3%
Wells Fargo and Company	3.9%
Bank of America Corporation	3.9%

General Electric Company	3.4%
Vodafone Group Public Limited Company	2.9%

Credit Quality

(% of total investments)¹

AA	3.4%
A	12.5%
BBB	68.8%
BB or Lower	13.2%
N/A (not applicable)	2.1%

¹ Excluding investments in derivatives.

Nuveen Investments

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Shareholder**Meeting Report**

The annual meeting of shareholders was held in the offices of Nuveen Investments on April 11, 2014 for JTP, JPS and JHP; at this meeting the shareholders were asked to vote on the election of Board Members.

	JTP Common Shares	JPS Common Shares	JHP Common Shares
Approval of the Board Members was reached as follows:			
William Adams IV			
For	55,810,366	103,873,143	19,696,658
Withhold	1,393,251	3,128,873	752,412
Total	57,203,617	107,002,016	20,449,070
David J. Kundert			
For	55,688,952	103,841,650	19,661,729
Withhold	1,514,665	3,160,366	787,341
Total	57,203,617	107,002,016	20,449,070
John K. Nelson			
For	55,782,009	103,927,421	19,703,153
Withhold	1,421,608	3,074,595	745,917
Total	57,203,617	107,002,016	20,449,070
Terence J. Toth			
For	55,774,714	103,904,041	19,695,210
Withhold	1,428,903	3,097,975	753,860
Total	57,203,617	107,002,016	20,449,070

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Report of

Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders

Nuveen Quality Preferred Income Fund

Nuveen Quality Preferred Income Fund 2

Nuveen Quality Preferred Income Fund 3

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2, and Nuveen Quality Preferred Income Fund 3 (the "Funds") as of July 31, 2014, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of July 31, 2014, by correspondence with the custodian and counterparties. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Quality Preferred Income Fund, Nuveen Quality Preferred Income Fund 2, and Nuveen Quality Preferred Income Fund 3 at July 31, 2014, and the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois
September 25, 2014

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JTP

Nuveen Quality Preferred Income Fund

Portfolio of Investments July 31, 2014

Shares	Description (1)	Coupon	Ratings (2)	Value
	LONG-TERM INVESTMENTS	137.1% (99.3% of Total Investments)		
	CONVERTIBLE PREFERRED SECURITIES	0.6% (0.5% of Total Investments)		
	Banks 0.6%			
3,270	Wells Fargo & Company	7.500%	BBB+	\$ 3,956,700
	Total Convertible Preferred Securities (cost \$3,780,261)			3,956,700
Shares	Description (1)	Coupon	Ratings (2)	Value
	\$25 PAR (OR SIMILAR) RETAIL PREFERRED	50.0% (36.2% of Total Investments)		
	Banks 9.7%			
32,500	AgriBank FCB, (3)	6.875%	A	\$ 3,432,813
18,000	Bank of America Corporation	6.375%	BB+	451,260
2,100	Barclays Bank PLC	6.625%	BBB	53,256
150,514	Citigroup Capital XIII	7.875%	BBB	4,077,424
185,000	Citigroup Inc.	6.875%	BB+	4,970,950
350	Citigroup Inc.	5.800%	BB+	8,257
62,000	City National Corporation	5.500%	BBB	1,396,240
26,000	Fifth Third Bancorp.	6.625%	BBB	699,660
144,700	First Niagara Finance Group	8.625%	BB+	4,189,065
100,000	FirstMerit Corporation	5.875%	BBB	2,349,000
35,000	General Electric Capital Corporation	4.875%	AA+	827,400
50,000	General Electric Capital Corporation	4.875%	AA+	1,205,500
9,000	General Electric Capital Corporation	4.700%	AA+	206,730
18,400	HSBC Holdings PLC	8.000%	BBB+	498,088
11,863	HSBC Holdings PLC	6.200%	BBB+	300,134
150,000	HSBC USA Inc.	2.858%	BBB+	7,447,500
47,500	JPMorgan Chase Capital Trust XXIX	6.700%	BBB	1,211,725
81,008	Merrill Lynch Preferred Capital Trust V	7.280%	BB+	2,083,526
742,900	PNC Financial Services	6.125%	BBB	20,229,167
25,950	Royal Bank of Scotland Group PLC	5.750%	BB	603,597
91,051	Wells Fargo & Company	5.850%	BBB+	2,330,906

	Total Banks			58,572,198
	Capital Markets 3.2%			
	Affiliated Managers			
25,200	Group Inc.	5.250%	BBB	650,664
515,646	Deutsche Bank Capital Funding Trust II	6.550%	BBB	13,509,925
40,122	Deutsche Bank Contingent Capital Trust III	7.600%	BBB	1,102,553
4,500	Goldman Sachs Group Inc., Series GSG-2 (PPLUS)	5.750%	A	113,670
43,900	Morgan Stanley Capital Trust IV	6.250%	BB+	1,106,280
37,000	State Street Corporation	5.900%	BBB+	953,490
72,700	State Street Corporation	5.250%	BBB+	1,672,827
	Total Capital Markets			19,109,409
	Diversified Financial Services 2.8%			
36,800	ING Groep N.V.	7.375%	BBB	942,816
625,776	ING Groep N.V.	7.200%	BBB	16,138,763
	Total Diversified Financial Services			17,081,579
	Diversified Telecommunication Services 2.5%			
144,434	Qwest Corporation	7.500%	BBB	3,813,058
47,803	Qwest Corporation	7.375%	BBB	1,252,917
101,300	Qwest Corporation	7.000%	BBB	2,606,449
67,900	Qwest Corporation	7.000%	BBB	1,747,746
155,600	Qwest Corporation	6.125%	BBB	3,656,600
82,042	Verizon Communications Inc.	5.900%	A	2,085,508
	Total Diversified Telecommunication Services			15,162,278

Nuveen Investments

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Shares	Description (1)	Coupon	Ratings (2)	Value
	Electric Utilities 3.6%			
178,000	Alabama Power Company, (3)	6.450%	A3	\$ 4,722,571
91,819	Duke Energy Capital Trust II	5.125%	Baa1	2,147,646
14,903	Entergy Arkansas Inc.	5.750%	A	380,176
22,668	Entergy Arkansas Inc.	4.750%	A	502,550
15,000	Entergy Louisiana LLC	5.250%	A2	360,000
92,100	Integrus Energy Group Inc.	6.000%	BBB	2,369,733
64,800	Interstate Power and Light Company	5.100%	BBB	1,599,912
250,999	NextEra Energy Inc.	5.125%	BBB	5,439,148
185,974	NextEra Energy Inc.	5.000%	BBB	3,903,594
5,102	PPL Capital Funding, Inc.	5.900%	BB+	121,019
	Total Electric Utilities			21,546,349
	Food Products 0.5%			
28,100	Dairy Farmers of America Inc., 144A, (3)	7.875%	Baa3	3,021,630
	Insurance 11.4%			
795,723	Aegon N.V.	6.375%	Baa1	20,282,979
248,300	Aflac Inc.	5.500%	BBB+	5,998,928
7,569	Allstate Corporation, (5)	6.250%	BBB	191,874
6,700	Allstate Corporation	5.625%	BBB	163,882
147,000	Allstate Corporation	5.100%	Baa1	3,667,650
64,043	Arch Capital Group Limited	6.750%	BBB	1,729,161
10,965	Aspen Insurance Holdings Limited	7.250%	BBB	285,309
156,458	Aspen Insurance Holdings Limited	5.950%	BBB	3,892,675
226,594	Axis Capital Holdings Limited	6.875%	BBB	5,868,785
167,100	Axis Capital Holdings Limited	5.500%	BBB	3,796,512
231,787	Delphi Financial Group, Inc., (3)	7.376%	BBB	5,743,983
125,430	Hartford Financial Services Group Inc.	7.875%	BB+	3,729,034
46,984	PartnerRe Limited	5.875%	BBB+	1,130,905
166,360	Prudential PLC	6.750%	A	4,240,516
104,100	Reinsurance Group of America Inc.	6.200%	BBB	2,821,110
4,000	RenaissanceRe Holdings Limited	5.375%	BBB+	91,120
88,198	Torchmark Corporation	5.875%	BBB+	2,188,192
126,900		5.625%	BBB	2,900,934

	W.R. Berkley Corporation			
	Total Insurance			68,723,549
	Machinery 1.0%			
244,403	Stanley Black and Decker, Inc.	5.750%	BBB+	6,004,982
	Media 0.7%			
163,689	Comcast Corporation	5.000%	A	4,084,041
	Multi-Utilities 1.6%			
212,097	Dominion Resources Inc.	8.375%	BBB	5,450,893
150,800	DTE Energy Company	6.500%	Baa1	3,941,912
7,083	Scana Corporation	7.700%	BBB	182,458
	Total Multi-Utilities			9,575,263
	Real Estate Investment Trust 11.2%			
150,000	DDR Corporation, (4)	6.250%	Baa3	3,666,000
1,873	Digital Realty Trust Inc.	7.375%	Baa3	47,855
2,530	Digital Realty Trust Inc.	7.000%	Baa3	64,287
33,292	Digital Realty Trust Inc.	5.875%	Baa3	736,419
69,874	Duke Realty Corporation, Series L	6.600%	Baa3	1,771,306
19,843	Health Care REIT, Inc.	6.500%	Baa3	510,362
145,700	Hospitality Properties Trust	7.125%	Baa3	3,712,436
4,634	Kimco Realty Corporation	6.900%	Baa2	120,484
102,200	Kimco Realty Corporation	5.625%	Baa2	2,384,326
3,883	Kimco Realty Corporation	5.500%	Baa2	88,571
55,924	National Retail Properties Inc.	6.625%	Baa2	1,406,489

Nuveen Investments

JTP Nuveen Quality Preferred Income Fund
Portfolio of Investments (continued) July 31, 2014

Shares	Description (1)	Coupon	Ratings (2)	Value	
Real Estate Investment Trust (continued)					
12,235	PS Business Parks, Inc.	6.875%	Baa2	\$ 312,482	
112,407	PS Business Parks, Inc.	6.450%	Baa2	2,782,073	
201,493	PS Business Parks, Inc.	6.000%	Baa2	4,785,459	
7,720	PS Business Parks, Inc.	5.700%	Baa2	174,781	
220,328	Public Storage, Inc.			5,402,443	
2,351	Public Storage, Inc.	6.500%	A	62,302	
22,656	Public Storage, Inc.	6.350%	A	577,728	
104,063	Public Storage, Inc.	5.750%	A	2,544,340	
9,000	Public Storage, Inc.	5.625%	A	213,300	
235,318	Public Storage, Inc.	5.200%	A	5,287,595	
268,800	Realty Income Corporation	6.625%	Baa2	6,994,176	
128,400	Regency Centers Corporation	6.625%	Baa3	3,325,560	
132,139	Senior Housing Properties Trust	5.625%	BBB	3,049,768	
74,186	Ventas Realty LP	5.450%	BBB+	1,766,369	
447,052	Vornado Realty LP	7.875%	BBB	11,381,944	
109,700	Vornado Realty Trust	5.700%	BBB	2,660,225	
68,822	Weingarten Realty Trust	6.500%	Baa3	1,735,003	
Total Real Estate Investment Trust				67,564,083	
U.S. Agency 1.6%					
48,600	Cobank Agricultural Credit Bank, (3), (4)	11.000%	A	2,490,750	
65	Farm Credit Bank of Texas, (3)	6.750%	Baa1	6,822,972	
Total U.S. Agency				9,313,722	
Wireless Telecommunication Services 0.2%					
18,300	Telephone and Data Systems Inc.	7.000%	Baa3	456,217	
28,000	Telephone and Data Systems Inc.	6.875%	Baa2	696,919	
Total Wireless Telecommunication Services				1,153,136	
Total \$25 Par (or similar) Retail Preferred (cost \$294,792,620)				300,912,219	
Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
CORPORATE BONDS 7.8% (5.6% of Total Investments)					
Banks 1.8%					
\$ 10,000		6.750%	1/29/49	BBB	\$ 10,675,000

	JPMorgan Chase & Company				
	Capital Markets 2.1%				
6,000	Credit Suisse Group AG, 144A	6.500%	8/08/23	BBB+	6,630,000
300	Macquarie Bank Limited	10.250%	6/20/57	BB+	342,750
6,300	State Street Capital Trust IV (7)	1.231%	6/01/77	A3	5,449,500
12,600	Total Capital Markets				12,422,250
	Construction & Engineering 0.4%				
2,500	Hutchison Whampoa International 12 Limited, 144A	6.000%	11/07/62	BBB	2,684,375
	Insurance 3.0%				
1,900	AIG Life Holdings Inc., 144A	7.570%	12/01/45	BBB	2,536,610
5,000	AIG Life Holdings Inc., 144A	8.125%	3/15/46	BBB	6,954,520
900	AXA	5.500%	12/31/49	A3	922,500
1,100	Liberty Mutual Group Inc., 144A	7.697%	10/15/97	BBB+	1,244,009
1,700	Mitsui Sumitomo Insurance Company Limited, 144A	7.000%	3/15/72	A	2,012,375
2,500	Prudential PLC	11.750%	12/23/49	A	2,582,250
1,870	Prudential PLC	5.250%	3/29/49	A	1,912,075
14,970	Total Insurance				18,164,339
	Multi-Utilities 0.2%				
1,000	Wisconsin Energy Corporation, (4)	6.250%	5/15/67	A3	1,030,150

Nuveen Investments

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Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Oil, Gas & Consumable Fuels	0.3%			
\$ 1,900	DGP Midstream LLC, 144A	5.850%	5/21/43	Baa3	\$ 1,843,000
42,970	Total Corporate Bonds (cost \$42,811,997)				46,819,114
Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	\$1,000 PAR (OR SIMILAR) INSTITUTIONAL PREFERRED Investments)			77.6% (56.2% of Total	
	Banks	34.9%			
27,600	Bank of America Corporation	8.000%	N/A (6)	BB+	\$ 30,363,036
200	Bank One Capital III, (4)	8.750%	9/01/30	BBB	273,958
6,917	Barclays Bank PLC, 144A	7.434%	N/A (6)	BB+	6,830,538
7,000	Barclays Bank PLC, 144A	8.250%	N/A (6)	BB+	7,420,000
2,600	Citigroup Capital III	7.625%	12/01/36	BBB	3,188,705
4,000	Citigroup Inc., (4)	8.400%	N/A (6)	BB+	4,602,000
2,750	Citigroup Inc.	5.950%	N/A (6)	BB+	2,741,750
3,800	CoreStates Capital Trust III, Series 144A	0.794%	2/15/27	A	3,344,000
1,500	Credit Agricole SA, 144A	7.875%	N/A (6)	BB+	1,593,375
985	First Chicago NBD Institutional Capital I	0.790%	2/01/27	BBB	866,800
400	First Empire Capital Trust I	8.234%	2/01/27	BBB	406,890
3,500	Fulton Capital Trust I	6.290%	2/01/36	Baa3	3,403,750
24,400	General Electric Capital Corporation	7.125%	N/A (6)	AA	28,548,000
1,515	Groupe BCPE	3.300%	N/A (6)	BBB	1,343,199
16,950	HSBC Capital Funding LP, Debt, 144A	10.176%	N/A (6)	BBB+	25,340,250
4,200	HSBC Financial Capital Trust IX, (4)	5.911%	11/30/35	BBB+	4,357,500
4,300	JPMorgan Chase Capital XXIII, (4)	1.226%	5/15/77	BBB	3,558,250
3,200	JPMorgan Chase & Company	6.000%	N/A (6)	BBB	3,248,000
1,300		5.150%		BBB	1,229,280

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	JPMorgan Chase & Company			N/A (6)		
2,000	KeyCorp Capital III	7.750%	7/15/29	BBB		2,436,876
	Lloyd's Banking Group PLC, 144A	6.413%		N/A (6)	BB+	2,489,750
	Lloyd's Banking Group PLC, 144A	6.657%		N/A (6)	BB+	3,197,250
318	Lloyd's Banking Group PLC	7.500%		N/A (6)	BB	333,900
	M&T Bank Corporation	6.375%		N/A (6)	BBB	1,833,750
	M&T Bank Corporation	6.875%		N/A (6)	BBB	14,284,788
14,000	National Australia Bank	8.000%		N/A (6)	BBB+	3,871,875
	Nordea Bank AB	8.375%		N/A (6)	BBB+	5,197,500
5,000	PNC Financial Services Inc.	6.750%		N/A (6)	BBB	7,916,500
	Royal Bank of Scotland Group PLC	7.648%		N/A (6)	BB	5,117,860
	Societe Generale	7.875%		N/A (6)	BB+	2,824,875
2,700	Societe Generale	8.750%		N/A (6)	BBB	10,784,800
10,400	Societe Generale, 144A	7.875%		N/A (6)	BB+	2,092,500
2,000	Societe Generale, 144A	0.982%		N/A (6)	BBB	405,000
450	Standard Chartered PLC, 144A	7.014%		N/A (6)	BBB+	5,757,000
5,050	Wells Fargo & Company	7.980%		N/A (6)	BBB+	9,100,350
8,025	Total Banks					210,303,855
	Capital Markets 4.5%					
	Charles Schwab Corporation	7.000%		N/A (6)	BBB+	6,531,000
5,600	Credit Suisse Group AG, 144A	7.500%		N/A (6)	BB+	8,231,250
7,500	Credit Suisse Guernsey, 144A	7.875%	2/24/41	BBB		536,250
	Deutsche Bank Capital Funding Trust V, 144A	4.901%		N/A (6)	BBB	7,920,000
8,000	Goldman Sachs Group Inc.	5.700%		N/A (6)	BB+	2,546,250
2,500	Macquarie PMI LLC	8.375%		N/A (6)	BB+	849,000
800	Morgan Stanley	5.450%		N/A (6)	BB+	150,188
150	Total Capital Markets					26,763,938

Consumer Finance 0.2%					
1,100	American Express Company	6.800%	9/01/66	Baa2	1,199,000
Diversified Financial Services 1.9%					
1,100	ING US Inc.	5.650%	5/15/53	Ba1	1,119,250
7,893	Rabobank Nederland, 144A	11.000%	N/A (6)	A	10,584,513
Total Diversified Financial Services					11,703,763

Nuveen Investments

JTP Nuveen Quality Preferred Income Fund
Portfolio of Investments (continued) July 31, 2014

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Electric Utilities 1.8%				
6,600	Electricite de France, 144A	5.250%	N/A (6)	A3	\$ 6,706,458
2,400	FPL Group Capital Inc.	6.650%	6/15/67	BBB	2,451,000
1,500	PPL Capital Funding Inc.	6.700%	3/30/67	BB+	1,533,750
	Total Electric Utilities				10,691,208
	Insurance 25.7%				
698	Ace Capital Trust II	9.700%	4/01/30	A	1,033,040
2,600	AIG Life Holdings Inc.	8.500%	7/01/30	BBB	3,471,000
1,700	Allstate Corporation	5.750%	8/15/53	Baa1	1,828,563
3,600	American International Group, Inc.	8.175%	5/15/58	BBB	4,972,500
4,880	AXA SA, 144A	6.380%	N/A (6)	Baa1	5,282,600
4,000	AXA SA	8.600%	12/15/30	A3	5,380,000
8,395	Catlin Insurance Company Limited, 144A	7.249%	N/A (6)	BBB+	8,667,838
3,250	Dai-ichi Mutual Life, 144A	7.250%	N/A (6)	A3	3,900,000
5,500	Great West Life & Annuity Capital I, 144A, (4)	6.625%	11/15/34	A	6,322,074
3,800	Great West Life & Annuity Insurance Capital LP II, 144A, (4)	7.153%	5/16/46	A	3,952,000
6,700	Liberty Mutual Group, 144A	7.000%	3/15/37	Baa3	7,102,000
7,060	Liberty Mutual Group, 144A	7.800%	3/07/87	Baa3	8,366,100
2,500	Lincoln National Corporation, (4)	6.050%	4/20/67	BBB	2,525,000
6,300	MetLife Capital Trust IV, 144A	7.875%	12/15/67	BBB	7,969,500
600	MetLife Capital Trust X, 144A, (4)	9.250%	4/08/68	BBB	861,000
12,650	National Financial Services Inc.	6.750%	5/15/67	Baa2	13,274,594
2,225	Oil Insurance Limited, 144A	3.216%	N/A (6)	Baa1	2,047,000
16,900	Prudential Financial Inc.	5.625%	6/15/43	BBB+	18,083,000
1,125		5.875%	9/15/42	BBB+	1,217,813

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	Prudential Financial Inc.				
				N/A	
7,100	Prudential PLC	6.500%	(6)	A	7,224,250
15,075	QBE Capital Funding Trust II, 144A	7.250%	5/24/41	BBB	16,318,688
10,000	Sompo Japan Insurance	5.325%	3/28/73	A	10,750,000
2,500	Sumitomo Life Insurance Company, 144A	4.000%	9/20/73	BBB+	2,943,750
4,200	XLIT Limited	3.687%	(6)	Ba1	3,562,125
6,970	ZFS Finance USA Trust V, (4)	6.500%	5/09/67	A	7,475,325
	Total Insurance				154,529,760
	Machinery 0.3				
1,500	Stanley Black and Decker, Inc.	5.750%	12/15/53	BBB+	1,624,688
	Multi-Utilities 0.7%				
2,300	Dominion Resources Inc.	7.500%	6/30/66	BBB	2,518,500
2,000	Dominion Resources Inc.	2.531%	9/30/66	BBB	1,848,144
	Total Multi-Utilities				4,366,644
	Real Estate Investment Trust 0.2%				
950	Sovereign Capital Trusts	7.908%	6/13/36	BB+	1,015,299
	Road & Rail 2.0%				
10,900	Burlington Northern Santa Fe Funding Trust I	6.613%	12/15/55	BBB	12,259,579
	Specialty Retail 1.2%				
2,800	Swiss Re Capital I	6.854%	(6)	A	2,975,000
4,000	Swiss Re Capital I, 144A	6.854%	(6)	A	4,250,000
	Total Specialty Retail				7,225,000
	Thriffs & Mortgage Finance 0.3%				
2,000	Caisse Nationale Des Caisses d'Epargne et de Prevoyance	6.750%	(6)	BBB	2,020,000
	U.S. Agency 0.7%				
3	Farm Credit Bank of Texas	10.000%	(6)	Baa1	4,145,872
	Wireless Telecommunication Services 3.2%				
15	Centaur Funding Corporation, Series B, (4)	9.080%	4/21/20	BBB	19,033,906
	Total \$1,000 Par (or similar) Institutional Preferred (cost \$420,800,408)				466,882,512

Shares	Description (1), (8)		Value	
	INVESTMENT COMPANIES	1.1% (0.8% of Total Investments)		
252,950	Blackrock Credit Allocation Income Trust IV, (4)		\$ 3,402,178	
198,566	John Hancock Preferred Income Fund III, (4)		3,451,076	
	Total Investment Companies (cost \$9,446,348)		6,853,254	
	Total Long-Term Investments (cost \$771,631,634)		825,423,799	
Principal Amount (000)	Description (1)	Coupon	Maturity	Value
	SHORT-TERM INVESTMENTS	1.0% (0.7% of Total Investments)		
\$ 6,104	Repurchase Agreement with Fixed Income Clearing Corporation, dated 7/31/14, repurchase price \$6,104,297, collateralized by \$6,225,000 U.S. Treasury Notes, 2.125%, due 8/15/21, value \$6,229,245	0.000%	8/01/14	\$ 6,104,297
	Total Short-Term Investments (cost \$6,104,297)			6,104,297
	Total Investments (cost \$777,735,931)	138.1%		831,528,096
	Borrowings (38.9%) (9), (10)			(234,000,000)
	Other Assets Less Liabilities	0.8% (11)		4,443,839
	Net Assets Applicable to Common Shares	100%		\$ 601,971,935

Investments in Derivatives as of July 31, 2014

Interest Rate Swaps outstanding:

Counterparty	Notional Amount	Fund Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate (Annualized)	Fixed Rate Payment Frequency	Effective Date	Termination Date	Unrealized Appreciation (Depreciation) (11)
JPMorgan	\$ 67,587,000	Receive	USD-LIBOR-BBA	.255%	Monthly	2/01/12	2/01/18	\$ 1,202,790
JPMorgan	67,587,000	Receive	USD-LIBOR-BBA	.673	Monthly	2/01/12	2/01/20	1,963,956
Morgan Stanley	38,718,750	Receive	USD-LIBOR-BBA	.064	Monthly	3/21/13	3/21/16	(1,030,961)
	\$173,892,750							\$ 2,135,785

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group

indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.
 - (2) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
 - (3) For fair value measurement disclosure purposes, \$25 Par (or similar) Retail Preferred classified as Level 2. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value Measurements for more information.
 - (4) Investment, or a portion of investment, is out on loan as described in Note 8 Borrowings Arrangements. The total value of investments out on loan as of the end of the reporting period was \$33,336,300.
 - (5) Non-income producing; issuer has not declared a dividend within the past twelve months.
 - (6) Perpetual security. Maturity date is not applicable.
 - (7) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
 - (8) A copy of the most recent financial statements for the investment companies in which the Fund invests can be obtained directly from the Securities and Exchange Commission on its website at <http://www.sec.gov>.
 - (9) Borrowings as a percentage of Total Investments is 28.1%.
 - (10) The Fund may pledge up to 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for Borrowings. As of the end of the reporting period, investments with a value of \$478,805,162 have been pledged as collateral for Borrowings.
 - (11) Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative instruments as listed within Investments in Derivatives as of the end of the reporting period.
 - (12) Effective date represents the date on which both the Fund and Counterparty commence interest payment accruals on each contract.
- N/A Not applicable.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

PPLUS PreferredPlus Trust.

REIT Real Estate Investment Trust.

USD-LIBOR-BBA United States Dollar London Inter-Bank Offered Rate British Bankers' Association.

See accompanying notes to financial statements.

Nuveen Investments

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JPS

Nuveen Quality Preferred Income Fund 2

Portfolio of Investments July 31, 2014

Shares	Description (1)	Coupon	Ratings (2)	Value
	LONG-TERM INVESTMENTS	136.7% (99.2% of Total Investments)		
	CONVERTIBLE PREFERRED SECURITIES	0.4% (0.3% of Total Investments)		
	Banks	0.4%		
4,300	Wells Fargo & Company	7.500%	BBB+	\$ 5,203,000
	Total Convertible Preferred Securities (cost \$5,004,125)			5,203,000
Shares	Description (1)	Coupon	Ratings (2)	Value
	\$25 PAR (OR SIMILAR) RETAIL PREFERRED	48.8% (35.4% of Total Investments)		
	Banks	9.5%		
60,500	AgriBank FCB, (3)	6.875%	A	\$ 6,390,313
12,603	Banco Santander Finance	10.500%	BB+	322,889
150,000	Barclays Bank PLC	8.125%	BBB	3,868,500
271,589	Citigroup Capital XIII	7.875%	BBB	7,357,346
411,100	Citigroup Inc.	6.875%	BB+	11,046,257
1,200	Citigroup Inc.	5.800%	BB+	28,308
117,000	City National Corporation, Series C	5.500%	BBB	2,634,840
60,000	Fifth Third Bancorp.	6.625%	BBB	1,614,600
146,500	First Niagara Finance Group	8.625%	BB+	4,241,175
324,100	General Electric Capital Corporation	4.875%	AA+	7,661,724
110,767	General Electric Capital Corporation	4.875%	AA+	2,670,592
137,589	General Electric Capital Corporation	4.700%	AA+	3,160,419
417,415	HSBC Holdings PLC	8.000%	BBB+	11,299,424
102,700	HSBC Holdings PLC	6.200%	BBB+	2,598,310
40,100	HSBC USA Inc.	6.500%	BBB+	1,012,124
100,000	HSBC USA Inc.	4.500%	BBB+	2,522,000
74,000	HSBC USA Inc.	2.858%	BBB+	3,674,100
12,636	JPMorgan Chase & Company	6.300%	BBB	313,626
82,300	JPMorgan Chase & Company	5.500%	BBB	1,857,511
1,214,400	PNC Financial Services	6.125%	BBB	33,068,112
100,990	Royal Bank of Scotland Group PLC	6.750%	BB	2,515,661

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170,000	Wells Fargo & Company	5.850%	BBB+	4,352,000
	Total Banks			114,209,831
	Capital Markets 4.8%			
60,000	Affiliated Managers Group Inc.	6.375%	BBB	1,509,600
1,284,535	Deutsche Bank Capital Funding Trust II	6.550%	BBB	33,654,817
13,800	Deutsche Bank Capital Funding Trust IX	6.625%	BBB	351,348
91,791	Deutsche Bank Capital Funding Trust VIII	6.375%	BBB	2,326,902
222,555	Deutsche Bank Contingent Capital Trust III	7.600%	BBB	6,115,811
333,629	Goldman Sachs Group, Inc.	5.500%	BB+	7,993,751
790	Morgan Stanley	7.125%	BB+	21,772
30,409	Morgan Stanley Capital Trust III	6.250%	BB+	769,044
2,800	Morgan Stanley Capital Trust V	5.750%	Ba1	70,392
1,800	Morgan Stanley Capital Trust VIII	6.450%	BB+	45,288
37,600	State Street Corporation	5.900%	BBB+	968,952
180,922	State Street Corporation	5.250%	BBB+	4,163,015
	Total Capital Markets			57,990,692
	Diversified Financial Services 3.2%			
768,094	ING Groep N.V.	7.200%	BBB	19,809,144
731,274	ING Groep N.V.	7.050%	BBB	18,786,429
	Total Diversified Financial Services			38,595,573

Nuveen Investments

Shares	Description (1)	Coupon	Ratings (2)	Value
	Diversified Telecommunication Services	2.6%		
184,004	Qwest Corporation	7.500%	BBB	\$ 4,857,706
96,790	Qwest Corporation	7.375%	BBB	2,536,866
383,205	Qwest Corporation	7.000%	BBB	9,859,865
26,600	Qwest Corporation	7.000%	BBB	684,684
296,095	Qwest Corporation	6.125%	BBB	6,958,233
222,300	Verizon Communications Inc.	5.900%	A	5,650,866
	Total Diversified Telecommunication Services			30,548,220
	Electric Utilities	2.9%		
360,400	Alabama Power Company, (3)	6.450%	A3	9,561,881
72,419	Duke Energy Capital Trust II	5.125%	Baa1	1,693,880
12,952	Entergy Arkansas Inc.	5.750%	A	330,406
194,200	Entergy Arkansas Inc.	4.750%	A	4,305,414
60,296	Entergy Louisiana LLC	5.875%	A2	1,565,284
25,000	Entergy Louisiana LLC	5.250%	A2	600,000
56,142	Entergy Louisiana LLC	4.700%	A2	1,233,440
10,000	Gulf Power Company, (3)	5.600%	BBB+	918,246
152,000	Integrys Energy Group Inc.	6.000%	BBB	3,910,960
145,100	Interstate Power and Light Company	5.100%	BBB	3,582,519
80,146	NextEra Energy Inc.	5.700%	BBB	1,938,732
152,000	NextEra Energy Inc.	5.625%	BBB	3,570,480
51,349	NextEra Energy Inc.	5.125%	BBB	1,112,733
28,540	NextEra Energy Inc.	5.000%	BBB	599,055
	Total Electric Utilities			34,923,030
	Food Products	0.5%		
53,400	Dairy Farmers of America Inc., 144A, (3)	7.875%	Baa3	5,742,171
	Insurance	11.1%		
1,717,889	Aegon N.V.	6.375%	Baa1	43,788,991
490,320	Aflac Inc.	5.500%	BBB+	11,846,131
393,000	Allstate Corporation	5.100%	Baa1	9,805,350
301,725	Arch Capital Group Limited	6.750%	BBB	8,146,575
74,981	Aspen Insurance Holdings Limited	7.250%	BBB	1,951,006
210,600	Aspen Insurance Holdings Limited	5.950%	BBB	5,239,728
496,950	Axis Capital Holdings Limited	6.875%	BBB	12,871,005
240,539	Axis Capital Holdings Limited	5.500%	BBB	5,465,046
409,482		7.376%	BBB	10,147,496

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	Delphi Financial Group, Inc., (3)			
17,249	PartnerRe Limited	7.250%	BBB+	457,443
29,905	PartnerRe Limited	5.875%	BBB+	719,813
	Protective Life Corporation	6.250%	BBB	102,240
317,875	Prudential PLC	6.750%	A	8,102,634
280,000	Reinsurance Group of America Inc.	6.200%	BBB	7,588,000
68,864	RenaissanceRe Holdings Limited	5.375%	BBB+	1,568,722
125,600	Torchmark Corporation	5.875%	BBB+	3,116,136
79,181	W.R. Berkley Corporation	5.625%	BBB	1,810,078
	Total Insurance			132,726,394
	Machinery 1.1%			
520,581	Stanley Black and Decker, Inc.	5.750%	BBB+	12,790,675
	Media 0.2%			
75,680	Comcast Corporation	5.000%	A	1,888,216
	Multi-Utilities 1.7%			
534,091	Dominion Resources Inc.	8.375%	BBB	13,726,139
112,600	DTE Energy Company	5.250%	Baa1	2,664,116
148,032	Scana Corporation	7.700%	BBB	3,813,304
	Total Multi-Utilities			20,203,559

Nuveen Investments

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JPS Nuveen Quality Preferred Income Fund 2
Portfolio of Investments (continued) July 31, 2014

Shares	Description (1)	Coupon	Ratings (2)	Value
	Real Estate Investment Trust	9.6%		
5,000	Alexandria Real Estate Equities Inc., Series B	6.450%	Baa3	\$ 126,350
100,000	DDR Corporation	6.250%	Baa3	2,444,000
52,467	Digital Realty Trust Inc.	7.375%	Baa3	1,340,532
17,545	Digital Realty Trust Inc.	7.000%	Baa3	445,818
69,868	Digital Realty Trust Inc.	5.875%	Baa3	1,545,480
162,885	Duke Realty Corporation, Series L	6.600%	Baa3	4,129,135
3,203	Health Care REIT, Inc.	6.500%	Baa3	82,381
321,594	Hospitality Properties Trust	7.125%	Baa3	8,194,215
58,372	Kimco Realty Corporation	6.900%	Baa2	1,517,672
7,961	Kimco Realty Corporation	6.000%	Baa2	195,522
253,032	Kimco Realty Corporation	5.625%	Baa2	5,903,237
133,372	National Retail Properties Inc.	6.625%	Baa2	3,354,306
82,301	Prologis Inc., (3)	8.540%	BBB	5,344,421
152,633	PS Business Parks, Inc.	6.450%	Baa2	3,777,667
450,182	PS Business Parks, Inc.	6.000%	Baa2	10,691,823
8,418	PS Business Parks, Inc.	5.750%	Baa2	193,193
15,300	PS Business Parks, Inc.	5.700%	Baa2	346,392
196,229	Public Storage, Inc.	5.900%	A	4,811,535
3,400	Public Storage, Inc.	6.500%	A	90,100
220,000	Public Storage, Inc.	6.375%	A	5,594,600
203,125	Public Storage, Inc.	5.750%	A	4,966,406
20,000	Public Storage, Inc.	5.625%	A	474,000
139,683	Public Storage, Inc.	5.200%	A3	3,156,836
95,600	Public Storage, Inc.	5.200%	A	2,148,132
418,502	Realty Income Corporation	6.750%	Baa2	10,994,048
183,646	Realty Income Corporation	6.625%	Baa2	4,778,469

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146,600	Regency Centers Corporation	6.625%		Baa3	3,796,940
3,948	Senior Housing Properties Trust	5.625%		BBB	91,120
116,643	Ventas Realty LP	5.450%		BBB+	2,777,270
809,354	Vornado Realty LP	7.875%		BBB	20,606,153
55,798	Weingarten Realty Trust	6.500%		Baa3	1,406,668
	Total Real Estate Investment Trust				115,324,421
	U.S. Agency 1.4%				
42,800	Cobank Agricultural Credit Bank, (3)	11.000%		A	2,193,500
144	Farm Credit Bank of Texas, (3)	6.750%		Baa1	15,115,507
	Total U.S. Agency				17,309,007
	Wireless Telecommunication Services 0.2%				
2,150	Telephone and Data Systems Inc.	7.000%		Baa3	53,600
81,428	Telephone and Data Systems Inc.	6.875%		Baa2	2,026,743
7,000	Telephone and Data Systems Inc.	6.625%		Baa3	171,710
4,300	Telephone and Data Systems Inc.	5.880%		Baa3	97,520
	Total Wireless Telecommunication Services				2,349,573
	Total \$25 Par (or similar) Retail Preferred (cost \$566,650,273)				584,601,362
Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	CORPORATE BONDS 7.9% (5.7% of Total Investments)				
	Banks 2.0%				
\$ 1,000	Den Norske Bank	0.511%	2/18/35	Baa3	\$ 685,000
1,000	Den Norske Bank	0.963%	2/24/37	Baa3	687,500
19,000	JPMorgan Chase & Company	6.750%	1/29/49	BBB	20,282,500
2,000	Societe Generale	8.250%	9/29/49	BB+	2,142,400
23,000	Total Banks				23,797,400
	Capital Markets 2.0%				
8,500	Credit Suisse Group AG, 144A	6.500%	8/08/23	BBB+	9,392,500
1,700	Macquarie Bank Limited	10.250%	6/20/57	BB+	1,942,250
14,686	State Street Capital Trust IV, (4)	1.231%	6/01/77	A3	12,703,390
24,886	Total Capital Markets				24,038,140

Nuveen Investments

Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Construction & Engineering	0.7%			
\$ 7,500	Hutchison Whampoa International 12 Limited, 144A	6.000%	11/07/62	BBB	\$ 8,053,125
	Electric Utilities	0.3%			
2,900	WPS Resource Corporation, (5)	6.110%	12/01/16	BBB	2,958,580
	Insurance	1.5%			
2,800	AIG Life Holdings Inc., 144A	7.570%	12/01/45	BBB	3,738,162
1,700	Liberty Mutual Group Inc., 144A	7.697%	10/15/97	BBB+	1,922,559
6,300	Mitsui Sumitomo Insurance Company Limited, 144A	7.000%	3/15/72	A	7,457,625
5,200	Prudential PLC	11.750%	12/23/49	A	5,371,080
16,000	Total Insurance				18,489,426
	Multi-Utilities	1.0%			
8,900	RWE AG	7.000%	10/12/72	BBB	9,750,840
2,000	Wisconsin Energy Corporation, (5)	6.250%	5/15/67	A3	2,060,300
10,900	Total Multi-Utilities				11,811,140
	Oil, Gas & Consumable Fuels	0.3%			
3,700	DCP Midstream LLC	5.850%	5/21/43	Baa3	3,589,000
	Wireless Telecommunication Services	0.1%			
1,600	Koninklijke KPN NV	7.000%	3/28/73	BB	1,668,000
90,486	Total Corporate Bonds (cost \$88,146,746)				94,404,811
Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	\$1,000 PAR (OR SIMILAR) INSTITUTIONAL PREFERRED Investments)	78.3%	(56.8% of Total		
	Banks	31.2%			
2,394	Bank of America Corporation	8.000%	N/A (6)	BB+	\$ 2,633,663
13,230	Bank of America Corporation	8.125%	N/A (6)	BB+	14,644,763
3,400	Bank One Capital III, (5)	8.750%	9/01/30	BBB	4,657,286
17,575	Barclays Bank PLC	7.434%	N/A (6)	BB+	17,355,313
10,500	Barclays Bank PLC	8.250%	N/A (6)	BB+	11,130,000
1,200	Chase Capital Trust II, Series B	0.725%	2/01/27	BBB	1,056,000
20,000		0.777%	3/01/27	BBB	17,600,000

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Chase Capital Trust III, Series C					
5,400	Citigroup Capital III	7.625%	12/01/36	BBB	6,622,695
5,500	Citigroup Inc.	5.950%	N/A (6)	BB+	5,483,500
6,000	Citigroup Inc.	8.400%	N/A (6)	BB+	6,903,000
3,000	Credit Agricole SA	7.875%	N/A (6)	BB+	3,186,750
1,500	First Empire Capital Trust I	8.234%	2/01/27	BBB	1,525,838
17,095	First Union Capital Trust II, Series A, (5)	7.950%	11/15/29	BBB+	21,731,779
4,300	Fulton Capital Trust I	6.290%	2/01/36	Baa3	4,181,750
3,200	General Electric Capital Corporation	6.250%	N/A (6)	AA	3,552,000
32,500	General Electric Capital Corporation	7.125%	12/15/62	AA	38,025,000
2,800	General Electric Capital Corporation	6.375%	11/15/67	AA	3,116,400
10,000	Groupe BCPE	3.300%	N/A (6)	BBB	8,866,000
10,500	HSBC Bank PLC	0.688%	12/19/35	A	7,245,000
5,500	HSBC Bank PLC	0.600%	6/11/37	A	3,789,500
13,550	HSBC Capital Funding LP, Debt, 144A	10.176%	N/A (6)	BBB+	20,257,250
6,852	HSBC Financial Capital Trust IX, (5)	5.911%	11/30/35	BBB+	7,108,950
7,800	JPMorgan Chase & Company	6.000%	N/A (6)	BBB	7,917,000
1,400	JPMorgan Chase & Company	5.150%	N/A (6)	BBB	1,323,840
2,800	JPMorgan Chase Capital XXIII	1.226%	5/15/77	BBB	2,317,000
6,000	KeyCorp Capital III	7.750%	7/15/29	BBB	7,310,628
6,350	Lloyd's Banking Group PLC, 144A	6.657%	5/21/49	BB+	7,000,875
1,802	Lloyd's Banking Group PLC	7.500%	6/27/64	BB	1,892,100
6,200	M&T Bank Corporation	6.375%	N/A (6)	BBB	6,316,250
26,000	M&T Bank Corporation	6.875%	12/29/49	BBB	26,528,892
5,600	National Australia Bank	8.000%	N/A (6)	BBB+	6,195,000

Nuveen Investments

JPS Nuveen Quality Preferred Income Fund 2
Portfolio of Investments (continued) July 31, 2014

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Banks (continued)				
9,327	Nordea Bank AB	8.375%	3/25/15	BBB+	\$ 9,695,417
20,000	PNC Financial Services Inc.	6.750%	2/01/62	BBB	22,300,000
3,400	Royal Bank of Scotland Group PLC	7.648%	N/A (6)	BB	4,046,680
24,144	Societe Generale	8.750%	10/07/49	BBB	25,037,328
2,000	Societe Generale	7.875%	6/18/64	BB+	2,092,500
2,000	Societe Generale, 144A	7.875%	N/A (6)	BB+	2,092,500
800	Societe Generale, 144A	0.982%	12/31/49	BBB	720,000
6,450	Standard Chartered PLC, 144A	7.014%	1/30/58	BBB+	7,353,000
20,000	Wells Fargo & Company	7.980%	N/A (6)	BBB+	22,680,000
	Total Banks				373,491,447
	Capital Markets 3.5%				
11,000	Charles Schwab Corporation	7.000%	N/A (6)	BBB+	12,828,750
14,600	Credit Suisse Group AG, 144A	7.500%	N/A (6)	BB+	16,023,500
6,300	Credit Suisse Guernsey	7.875%	2/24/41	BBB	6,756,750
750	Goldman Sachs Group Inc.	5.700%	N/A (6)	BB+	763,875
1,200	Macquarie PMI LLC	8.375%	N/A (6)	BB+	1,273,500
4,000	Morgan Stanley	5.450%	N/A (6)	BB+	4,005,000
	Total Capital Markets				41,651,375
	Diversified Financial Services 2.5%				
2,861	Countrywide Capital Trust III, Series B	8.050%	6/15/27	BB+	3,509,869
2,300	ING US Inc.	5.650%	5/15/53	Ba1	2,340,250
18,030	Rabobank Nederland, 144A	11.000%	N/A (6)	A	24,178,230
	Total Diversified Financial Services				30,028,349
	Electric Utilities 2.4%				
15,800	Electricite de France, 144A	5.250%	N/A (6)	A3	16,054,854
5,000	FPL Group Capital Inc.	6.650%	6/15/67	BBB	5,106,250
7,700	PPL Capital Funding Inc.	6.700%	3/30/67	BB+	7,873,250

	Total Electric Utilities				29,034,354
	Industrial Conglomerates	0.1%			
	General Electric				
1,600	Capital Trust I	6.375%	11/15/67	AA	1,776,000
	Insurance	31.1%			
6,400	AIG Life Holdings Inc.	8.500%	7/01/30	BBB	8,544,000
2,000	Allstate Corporation	5.750%	8/15/53	Baa1	2,151,250
1,200	Allstate Corporation	6.500%	5/15/67	Baa1	1,311,000
	American International				
6,805	Group, Inc.	8.175%	8/15/53	BBB	9,399,406
11,350	AXA SA	8.600%	12/15/30	A3	15,265,750
9,450	AXA SA, 144A	6.380%	6/14/57	Baa1	10,229,625
	Catlin Insurance				
	Company Limited,				
15,359	144A	7.249%	7/19/57	BBB+	15,858,168
	Dai-ichi Mutual Life,		N/A		
6,500	144A	7.250%	(6)	A3	7,800,000
	Everest Reinsurance				
1,200	Holdings, Inc.	6.600%	5/01/67	BBB	1,260,000
	Glen Meadows Pass				
16,150	Through Trust, (5)	6.505%	8/15/67	BB+	15,948,125
	Great West Life &				
2,600	Annuity Capital I, 144A	6.625%	11/15/34	A	2,988,617
	Great West Life &				
	Annuity Insurance				
6,600	Capital LP II, 144A, (5)	7.153%	5/16/46	A	6,864,000
	Liberty Mutual Group,				
13,669	144A	7.000%	3/15/37	Baa3	14,489,140
	Liberty Mutual Group,				
10,481	144A	7.800%	3/07/87	Baa3	12,419,985
	Lincoln National				
2,500	Corporation, (5)	6.050%	4/20/67	BBB	2,525,000
	MetLife Capital Trust				
16,600	IV, 144A	7.875%	12/15/67	BBB	20,999,000
	MetLife Capital Trust				
31,100	X, 144A, (5)	9.250%	4/08/68	BBB	44,628,500
	National Financial				
23,754	Services Inc., (5)	6.750%	5/15/67	Baa2	24,926,854
	Oil Insurance Limited,		N/A		
4,200	144A	3.216%	(6)	Baa1	3,864,000
	Provident Financing				
3,750	Trust I	7.405%	3/15/38	Baa3	4,356,675
	Prudential Financial				
30,400	Inc.	5.625%	6/15/43	BBB+	32,528,000
	Prudential Financial				
6,400	Inc., (5)	5.875%	9/15/42	BBB+	6,928,000

Nuveen Investments

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Insurance (continued)				
1,135	Prudential Financial Inc.	8.875%	6/15/68	BBB+	\$ 1,384,700
14,250	Prudential PLC	6.500%	9/23/53	A	14,499,375
29,870	QBE Capital Funding Trust II, 144A	7.250%	5/24/41	BBB	32,334,275
20,500	Sompo Japan Insurance, 144A	5.325%	3/28/73	A	22,037,500
5,000	Sumitomo Life Insurance Company, 144A	4.000%	9/20/73	BBB+	5,887,500
8,080	White Mountains Insurance Group, 144A	7.506%	N/A (6)	BB+	8,524,400
21,257	ZFS Finance USA Trust V, 144A, (5)	6.500%	5/09/67	A	22,798,133
	Total Insurance				372,750,978
	Machinery 0.2%				
2,250	Stanley Black and Decker, Inc.	5.750%	12/15/53	BBB+	2,437,031
	Multi-Utilities 0.6%				
6,400	Dominion Resources Inc.	7.500%	6/30/66	BBB	7,008,000
	Real Estate Investment Trust 0.3%				
2,772	Sovereign Capital Trusts	7.908%	6/13/36	BB+	2,962,536
	Road & Rail 1.1%				
11,400	Burlington Northern Santa Fe Funding Trust I	6.613%	12/15/55	BBB	12,821,945
	Specialty Retail 1.3%				
1,400	Swiss Re Capital I	6.854%	N/A (6)	A	1,487,500
13,400	Swiss Re Capital I, 144A	6.854%	N/A (6)	A	14,237,500
	Total Specialty Retail				15,725,000
	Thriffs & Mortgage Finance 0.0%				
500	Onbank Capital Trust I	9.250%	2/01/27	BBB	508,256
	U.S. Agency 0.2%				
2	Farm Credit Bank of Texas	10.000%	N/A (6)	Baa1	2,072,938
	Wireless Telecommunication Services 3.8%				
36	Centaur Funding Corporation, Series B, (5)	9.080%	4/21/20	BBB	45,217,070

	Total \$1,000 Par (or similar) Institutional Preferred (cost \$844,014,977)			937,485,279
Shares	Description (1), (7)			Value
	INVESTMENT COMPANIES 1.3% (1.0% of Total Investments)			
672,285	Blackrock Credit Allocation Income Trust IV, (5)			\$ 9,042,233
395,914	John Hancock Preferred Income Fund III, (5)			6,880,986
	Total Investment Companies (cost \$23,067,281)			15,923,219
	Total Long-Term Investments (cost \$1,526,883,402)			1,637,617,671
Principal Amount (000)	Description (1)	Coupon	Maturity	Value
	SHORT-TERM INVESTMENTS 1.1% (0.8% of Total Investments)			
\$ 13,317	Repurchase Agreement with Fixed Income Clearing Corporation, dated 7/31/14, repurchase price \$13,316,635, collateralized by \$13,570,000 U.S. Treasury Notes, 2.250%, due 7/31/21, value \$13,316,635	0.000%	8/01/14	\$ 13,316,635
	Total Short-Term Investments (cost \$13,316,635)			13,316,635
	Total Investments (cost \$1,540,200,037)			1,650,934,306
	Borrowings (38.7%) (8), (9)			(464,000,000)
	Other Assets Less Liabilities 0.9% (10)			10,791,349
	Net Assets Applicable to Common Shares 100%			\$1,197,725,655

Nuveen Investments

JPS Nuveen Quality Preferred Income Fund 2
Portfolio of Investments (continued) July 31, 2014

Investments in Derivatives as of July 31, 2014

Interest Rate Swaps outstanding:

Counterparty	Notional Amount	Fund Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate (Annualized)	Fixed Rate Payment Frequency	Effective Date	Termination Date	Unrealized Appreciation (Depreciation)	(10)
JPMorgan	\$134,344,000	Receive	1-Month USD-LIBOR-BBA	.255%	Monthly	12/01/12	12/01/18	\$ 2,390,809	
JPMorgan	134,344,000	Receive	1-Month USD-LIBOR-BBA	.673	Monthly	12/01/12	12/01/20	3,903,793	
Morgan Stanley	77,200,000	Receive	1-Month USD-LIBOR-BBA	.064	Monthly	3/21/13	3/21/16	(2,055,597)	
	\$345,888,000							\$ 4,239,005	

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

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

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

(3) For fair value measurement disclosure purposes, \$25 Par (or similar) Retail Preferred classified as Level 2. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value Measurements for more information.

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

(5) Investment, or a portion of investment, is out on loan as described in Note 8 Borrowings Arrangements. The total value of investments out on loan as of the end of the reporting period was \$109,893,215.

(6) Perpetual security. Maturity date is not applicable.

(7) A copy of the most recent financial statements for the investment companies in which the Fund invests can be obtained directly from the Securities and Exchange Commission on its website at <http://www.sec.gov>.

(8) Borrowings as a percentage of Total Investments is 28.1%.

(9) The Fund may pledge up to 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for Borrowings. As of the end of the reporting period, investments with a value of \$952,124,251 have been pledged as collateral for Borrowings.

(10) Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative instruments as listed within Investments in Derivatives as of the end of the reporting period.

(11) Effective date represents the date on which both the Fund and Counterparty commence interest payment accruals on each contract.

N/A Not applicable.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

REIT Real Estate Investment Trust.

USD-LIBOR-BBA United States Dollar London Inter-Bank Offered Rate British Bankers' Association.

See accompanying notes to financial statements.

JHP

Nuveen Quality Preferred Income Fund 3

Portfolio of Investments July 31, 2014

Shares	Description (1)	Coupon	Ratings (2)	Value
	LONG-TERM INVESTMENTS	136.6% (98.9% of Total Investments)		
	CONVERTIBLE PREFERRED SECURITIES	0.0% (0.0% of Total Investments)		
	Banks 0.0%			
340	KeyCorp	7.750%	BBB	\$ 44,880
	Total Convertible Preferred Securities (cost \$33,666)			44,880
Shares	Description (1)	Coupon	Ratings (2)	Value
	\$25 PAR (OR SIMILAR) RETAILED PREFERRED INVESTMENTS		49.7% (36.0% of Total Investments)	
	Banks 10.4%			
12,300	AgriBank FCB, (3)	6.875%	A	\$ 1,299,187
54,185	Citigroup Capital XIII	7.875%	BBB	1,467,873
20,000	Citigroup Inc.	7.125%	BB+	546,200
40,553	Citigroup Inc.	6.875%	BB+	1,089,659
35,000	Citigroup Inc.	5.800%	BB+	825,650
19,300	City National Corporation	5.500%	BBB	434,636
59,100	Countrywide Capital Trust IV	6.750%	BB+	1,501,140
12,000	FirstMerit Corporation	5.875%	BBB	281,880
59,300	General Electric Capital Corporation, (4)	4.875%	AA+	1,401,852
29,626	General Electric Capital Corporation	4.875%	AA+	714,283
21,000	General Electric Capital Corporation	4.700%	AA+	482,370
25,000	HSBC Holdings PLC	8.000%	BBB+	676,750
20,000	HSBC USA Inc.	6.500%	BBB+	504,800
97,300	HSBC USA Inc.	4.500%	BBB+	2,453,906
26,500	HSBC USA Inc.	2.858%	BBB+	1,315,725
48,500	JPMorgan Chase & Company	6.700%	BBB	1,235,780
7,600	Merrill Lynch Capital Trust I	6.450%	BB+	192,432
3,300	Merrill Lynch Capital Trust II	6.450%	BB+	83,589
13,420	Merrill Lynch Capital Trust III	7.375%	BB+	345,565
211,700	PNC Financial Services	6.125%	BBB	5,764,591
52,500	Royal Bank of Scotland Group PLC	5.750%	BB	1,221,150

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	Total Banks			23,839,018
	Capital Markets 4.8%			
	Affiliated Managers			
35,900	Group Inc.	5.250%	BBB	926,938
306,782	Deutsche Bank Capital Funding Trust II	6.550%	BBB	8,037,688
42,000	Goldman Sachs Group, Inc.	5.500%	BB+	1,006,320
9,400	Morgan Stanley Capital Trust VI	6.600%	BB+	237,350
9,600	State Street Corporation	5.900%	BBB+	247,392
22,100	State Street Corporation	5.250%	BBB+	508,521
	Total Capital Markets			10,964,209
	Consumer Finance 0.0%			
1,100	Capital One Financial Corporation	6.000%	BB+	26,631
	Diversified Financial Services 2.8%			
239,500	ING Groep N.V.	7.050%	BBB	6,152,755
10,000	ING Groep N.V.	6.125%	BBB	253,000
	Total Diversified Financial Services			6,405,755
	Diversified Telecommunication Services 2.6%			
26,800	Qwest Corporation	7.500%	BBB	707,520
26,699	Qwest Corporation	7.375%	BBB	699,781
72,881	Qwest Corporation	7.000%	BBB	1,875,228

Nuveen Investments

JHP Nuveen Quality Preferred Income Fund 3
Portfolio of Investments (continued) July 31, 2014

Shares	Description (1)	Coupon	Ratings (2)	Value
	Diversified Telecommunication Services (continued)			
22,500	Qwest Corporation	7.000%	BBB	\$ 579,150
30,900	Qwest Corporation	6.125%	BBB	726,150
	Verizon			
49,600	Communications Inc.	5.900%	A	1,260,832
	Total Diversified Telecommunication Services			5,848,661
	Electric Utilities 2.7%			
40,000	Alabama Power Company, (3)	6.450%	A3	1,061,252
	Duke Energy Capital			
4,110	Trust II	5.125%	Baa1	96,133
10,000	Entergy Arkansas Inc.	5.750%	A	255,100
10,000	Entergy Louisiana LLC	5.250%	A2	240,000
17,600	Entergy Louisiana LLC	4.700%	A2	386,672
	Interstate Power and			
27,800	Light Company	5.100%	BBB	686,382
25,000	NextEra Energy Inc.	5.700%	BBB	604,750
106,671	NextEra Energy Inc.	5.625%	BBB	2,505,702
12,000	NextEra Energy Inc.	5.125%	BBB	260,040
	PPL Capital Funding,			
1,227	Inc.	5.900%	BB+	29,104
	Total Electric Utilities			6,125,135
	Food Products 0.5%			
10,400	Dairy Farmers of America Inc., 144A, (3)	7.875%	Baa3	1,118,326
	Insurance 13.1%			
319,390	Aegon N.V.	6.375%	Baa1	8,141,251
94,822	Aflac Inc.	5.500%	BBB+	2,290,900
71,000	Allstate Corporation	5.100%	Baa1	1,771,450
	Arch Capital Group			
36,700	Limited	6.750%	BBB	990,900
	Aspen Insurance			
11,500	Holdings Limited	7.250%	BBB	299,230
	Aspen Insurance			
52,100	Holdings Limited	5.950%	BBB	1,296,248
	Axis Capital Holdings			
47,000	Limited	6.875%	BBB	1,217,300
	Axis Capital Holdings			
101,174	Limited	5.500%	BBB	2,298,673
	Delphi Financial Group,			
90,100	Inc., (3)	7.376%	BBB	2,232,795
	Hartford Financial			
84,800	Services Group Inc.	7.875%	BB+	2,521,104
3,845	PartnerRe Limited	7.250%	BBB+	101,969
36,506	PartnerRe Limited	5.875%	BBB+	878,699

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5,000	Protective Life Corporation	6.000%	BBB	125,050
63,344	Prudential PLC	6.750%	A	1,614,639
32,000	Reinsurance Group of America Inc.	6.200%	BBB	867,200
83,739	RenaissanceRe Holdings Limited	5.375%	BBB+	1,907,574
26,026	Torchmark Corporation	5.875%	BBB+	645,705
35,626	W.R. Berkley Corporation	5.625%	BBB	814,410
	Total Insurance			30,015,097
	Machinery 0.9%			
83,100	Stanley Black and Decker, Inc.	5.750%	BBB+	2,041,767
	Media 0.1%			
13,900	Comcast Corporation	5.000%	A	346,805
	Multi-Utilities 1.3%			
93,898	Dominion Resources Inc.	8.375%	BBB	2,413,179
21,400	DTE Energy Company	5.250%	Baa1	506,324
	Total Multi-Utilities			2,919,503
	Real Estate Investment Trust 7.9%			
50,000	DDR Corporation	6.250%	Baa3	1,222,000
6,000	Digital Realty Trust Inc.	7.375%	Baa3	153,300
11,019	Digital Realty Trust Inc.	5.875%	Baa3	243,740
54,287	Hospitality Properties Trust	7.125%	Baa3	1,383,233
31,800	Kimco Realty Corporation	5.625%	Baa2	741,894

Nuveen Investments

Shares	Description (1)	Coupon	Ratings (2)	Value	
Real Estate Investment Trust (continued)					
10,000	PS Business Parks, Inc.	6.875%	Baa2	\$ 255,400	
73,699	PS Business Parks, Inc.	6.000%	Baa2	1,750,351	
30,000	Public Storage, Inc.	6.000%	A	750,600	
12,000	Public Storage, Inc.	5.750%	A	293,400	
99,300	Public Storage, Inc.	5.200%	A3	2,244,180	
18,600	Public Storage, Inc.	5.200%	A	417,942	
117,100	Realty Income Corporation	6.625%	Baa2	3,046,942	
9,922	Ventas Realty LP	5.450%	BBB+	236,243	
153,858	Vornado Realty LP	7.875%	BBB	3,917,225	
57,400	Vornado Realty Trust	5.700%	BBB	1,391,950	
Total Real Estate Investment Trust				18,048,400	
U.S. Agency 1.4%					
20,200	Cobank Agricultural Credit Bank, (3)	11.000%	A	1,035,250	
20	Farm Credit Bank of Texas, (3)	6.750%	Baa1	2,099,376	
Total U.S. Agency				3,134,626	
Wireless Telecommunication Services 1.2%					
70,400	Telephone and Data Systems Inc.	7.000%	Baa3	1,755,072	
31,000	Telephone and Data Systems Inc.	6.875%	Baa2	771,590	
12,791	United States Cellular Corporation	6.950%	Baa3	320,158	
Total Wireless Telecommunication Services				2,846,820	
Total \$25 Par (or similar) Retail Preferred (cost \$109,969,857)				113,680,753	
Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
CORPORATE BONDS 6.3% (4.6% of Total Investments)					
Banks 2.5%					
\$ 250	Den Norske Bank	0.511%	2/18/35	Baa3	\$ 171,250
250	Den Norske Bank	0.963%	2/24/37	Baa3	171,875
5,000	JPMorgan Chase & Company	6.750%	1/29/49	BBB	5,337,500
5,500	Total Banks				5,680,625
Capital Markets 1.9%					
1,700	Credit Suisse Group AG, 144A	6.500%	8/08/23	BBB+	1,878,500
910	Macquarie Bank Limited	10.250%	6/20/57	BB+	1,039,675
1,795		1.231%	6/01/77	A3	1,552,675

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	State Street Capital Trust IV					
4,405	Total Capital Markets					4,470,850
	Construction & Engineering 0.5%					
1,000	Hutchison Whampoa International 12 Limited, 144A					1,073,750
	6.000%	11/07/62	BBB			
	Insurance 1.1%					
700	AIG Life Holdings Inc.					934,540
	7.570%	12/01/45	BBB			
1,450	Liberty Mutual Group Inc., 144A					1,639,830
	7.697%	10/15/97	BBB+			
2,150	Total Insurance					2,574,370
	Oil, Gas & Consumable Fuels 0.3%					
700	DCP Midstream LLC, 144A					679,000
	5.850%	5/21/43	Baa3			
13,755	Total Corporate Bonds (cost \$13,376,770)					14,478,595

Nuveen Investments

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JHP Nuveen Quality Preferred Income Fund 3
Portfolio of Investments (continued) July 31, 2014

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	\$1,000 PAR (OR SIMILAR) INSTITUTIONAL PREFERRED Investments)			79.2% (57.3% of Total	
	Banks 38.0%				
2,200	Abbey National Capital Trust I	8.963%	N/A (5)	BBB	\$ 2,772,000
9,400	Bank of America Corporation	8.000%	N/A (5)	BB+	10,341,034
5,060	Barclays PLC	7.434%	N/A (5)	BB+	4,996,750
2,800	Barclays PLC	8.250%	3/15/64	BB+	2,968,000
2,400	Chase Capital Trust II, Series B	0.725%	2/01/27	BBB	2,112,000
500	Citigroup Capital III	7.625%	12/01/36	BBB	613,213
1,000	Citigroup Inc.	5.950%	N/A (5)	BB+	997,000
500	Credit Agricole SA, 144A	7.875%	N/A (5)	BB+	531,125
3,000	First Chicago NBD Institutional Capital I	0.790%	2/01/27	BBB	2,640,000
1,000	First Empire Capital Trust I	8.234%	2/01/27	BBB	1,017,225
8,485	First Union Capital Trust II, Series A, (6)	7.950%	11/15/29	BBB+	10,786,437
500	Fulton Capital Trust I	6.290%	2/01/36	Baa3	486,250
1,600	General Electric Capital Corporation	6.250%	N/A (5)	AA	1,776,000
4,500	General Electric Capital Corporation	7.125%	N/A (5)	AA	5,265,000
2,400	Groupe BCPE	3.300%	N/A (5)	BBB	2,127,840
1,500	HSBC Bank PLC	0.688%	12/19/35	A	1,035,000
1,500	HSBC Bank PLC	0.600%	6/11/37	A	1,033,500
1,300	HSBC Capital Funding LP, Debt, 144A	10.176%	N/A (5)	BBB+	1,943,500
1,500	HSBC Financial Capital Trust IX	5.911%	11/30/35	BBB+	1,556,250
800	JPMorgan Chase & Company	5.150%	N/A (5)	BBB	756,480
1,800	JPMorgan Chase Capital XXIII, (6)	1.226%	5/15/77	BBB	1,489,500
2,500	Lloyd's Banking Group PLC, 144A	6.413%	N/A (5)	BB+	2,706,250
600	Lloyd's Banking Group PLC, 144A	6.657%	N/A (5)	BB+	661,500

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			N/A		
1,100	M&T Bank Corporation	6.375%	(5)	BBB	1,120,625
			N/A		
4,500	M&T Bank Corporation	6.875%	(5)	BBB	4,591,539
			N/A		
2,700	National Australia Bank	8.000%	(5)	BBB+	2,986,875
			N/A		
1,900	Nordea Bank AB	8.375%	(5)	BBB+	1,975,050
	PNC Financial Services		N/A		
2,000	Inc.	6.750%	(5)	BBB	2,230,000
			N/A		
4,128	Societe Generale	8.750%	(5)	BBB	4,280,736
			N/A		
300	Societe Generale	7.875%	(5)	BB+	313,875
	Societe Generale,		N/A		
500	144A	7.875%	(5)	BB+	523,125
	Societe Generale,		N/A		
1,200	144A	0.982%	(5)	BBB	1,080,000
	Standard Chartered		N/A		
4,800	PLC, 144A	7.014%	(5)	BBB+	5,472,000
	Wells Fargo &		N/A		
1,500	Company	7.980%	(5)	BBB+	1,701,000
	Total Banks				86,886,679
	Capital Markets 4.3%				
	Charles Schwab		N/A		
2,100	Corporation	7.000%	(5)	BBB+	2,449,125
	Credit Suisse Group		N/A		
2,200	AG, 144A	7.500%	(5)	BB+	2,414,500
1,700	Credit Suisse Guernsey	7.875%	2/24/41	BBB	1,823,250
	Goldman Sachs Group		N/A		
250	Inc.	5.700%	(5)	BB+	254,625
			N/A		
800	Macquarie PMI LLC	8.375%	(5)	BB+	849,000
			N/A		
2,000	Morgan Stanley	5.450%	(5)	BB+	2,002,500
	Total Capital Markets				9,793,000
	Diversified Financial Services 2.7%				
	First Hawaiian Capital				
2,700	Trust I, Series B	8.343%	7/01/27	BBB	2,736,380
500	ING US Inc.	5.650%	5/15/53	Ba1	508,750
	Rabobank Nederland,		N/A		
2,200	144A	11.000%	(5)	A	2,950,200
	Total Diversified Financial Services				6,195,330
	Electric Utilities 1.5%				
	Electricite de France,		N/A		
3,000	144A	5.250%	(5)	A3	3,048,390
450	FPL Group Capital Inc.	6.650%	6/15/67	BBB	459,563
	Total Electric Utilities				3,507,953

Nuveen Investments

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Industrial Conglomerates	0.4%			
900,000	General Electric Capital Trust I	6.375%	11/15/67	AA	\$ 999,000
	Insurance	24.6%			
400	Ace Capital Trust II	9.700%	4/01/30	A	592,000
800	AIG Life Holdings Inc.	8.500%	7/01/30	BBB	1,068,000
700	Allstate Corporation	5.750%		Baa1	752,938
3,200	American International Group, Inc.	8.175%	5/15/58	BBB	4,420,000
1,200	AXA SA	8.600%	12/15/30	A3	1,614,000
4,300	AXA SA, 144A	6.380%	N/A (5)	Baa1	4,654,750
3,200	Catlin Insurance Company Limited	7.249%	N/A (5)	BBB+	3,304,000
1,250	Dai-ichi Mutual Life, 144A	7.250%	N/A (5)	A3	1,500,000
1,850	Great West Life & Annuity Insurance Capital LP II, 144A, (6)	7.153%	5/16/46	A	1,924,000
800	Liberty Mutual Group, 144A	7.800%	3/07/87	Baa3	948,000
3,200	MetLife Capital Trust IV, 144A	7.875%	12/15/67	BBB	4,048,000
5,500	National Financial Services Inc., (6)	6.750%	5/15/67	Baa2	5,771,563
818	Oil Insurance Limited, 144A	3.216%	N/A (5)	Baa1	752,560
4,100	Prudential Financial Inc.	5.625%	6/15/43	BBB+	4,387,000
1,200	Prudential Financial Inc., (6)	5.875%	9/15/42	BBB+	1,299,000
305	Prudential Financial Inc.	8.875%	6/15/68	BBB+	372,100
3,800	Prudential PLC	6.500%	N/A (5)	A	3,866,500
5,800	QBE Capital Funding Trust II, 144A	7.250%	5/24/41	BBB	6,278,500
4,000	Sompo Japan Insurance	5.325%	3/28/73	A	4,300,000
1,000	Sumitomo Life Insurance Company, 144A	4.000%	9/20/73	BBB+	1,177,500
900	White Mountains Insurance Group,	7.506%	N/A (5)	BB+	949,500

	144A					
2,154	ZFS Finance USA Trust V, 144A	6.500%	5/09/67	A		2,310,165
	Total Insurance					56,290,076
	Machinery 0.4%					
850	Stanley Black and Decker, Inc.	5.750%	12/15/53	BBB+		920,656
	Multi-Utilities 0.6%					
500	Dominion Resources Inc.	7.500%	6/30/66	BBB		547,500
900	Dominion Resources Inc.	2.531%	9/30/66	BBB		831,665
	Total Multi-Utilities					1,379,165
	Road & Rail 1.6%					
3,185	Burlington Northern Santa Fe Funding Trust I	6.613%	12/15/55	BBB		3,582,269
	Specialty Retail 1.2%					
300	Swiss Re Capital I	6.854%	N/A (5)	A		318,750
2,200	Swiss Re Capital I, 144A	6.854%	N/A (5)	A		2,337,500
	Total Specialty Retail					2,656,250
	Wireless Telecommunication Services 3.9%					
7,260	Centaur Funding Corporation, Series B	9.080%	4/21/20	BBB		9,061,388
	Total \$1,000 Par (or similar) Institutional Preferred (cost \$164,378,791)					181,271,766
Shares	Description (1), (7)					Value
	INVESTMENT COMPANIES 1.4% (1.0% of Total Investments)					
137,958	Blackrock Credit Allocation Income Trust IV, (6)					\$ 1,855,535
75,864	John Hancock Preferred Income Fund III, (6)					1,318,517
	Total Investment Companies (cost \$4,631,955)					3,174,052
	Total Long-Term Investments (cost \$292,391,039)					312,650,046

Nuveen Investments

JHP Nuveen Quality Preferred Income Fund 3
Portfolio of Investments (continued) July 31, 2014

Principal Amount (000)	Description (1)	Coupon	Maturity	Value
	SHORT-TERM INVESTMENTS	1.6% (1.1% of Total Investments)		
\$ 3,566	Repurchase Agreement with Fixed Income Clearing Corporation, dated 7/31/14, repurchase price \$3,566,266, collateralized by \$3,635,000 U.S. Treasury Notes, 2.250%, due 7/31/21, value \$3,639,544	0.000%	8/01/14	\$ 3,566,266
	Total Short-Term Investments (cost \$3,566,266)			3,566,266
	Total Investments (cost \$295,957,305)		138.2%	316,216,312
	Borrowings (38.9)% (8), (9)			(89,000,000)
	Other Assets Less Liabilities	0.7% (10)		1,591,987
	Net Assets Applicable to Common Shares		100%	\$228,808,299

Investments in Derivatives as of July 31, 2014

Interest Rate Swaps outstanding:

Counterparty	Notional Amount	Fund Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate (Annualized)	Fixed Rate Payment Frequency	Effective Date	Termination Date	Unrealized Appreciation (Depreciation) (10)
JPMorgan	\$25,638,000	Receive	1-Month USD-LIBOR-BBA1	0.255%	Monthly	12/01/14	12/01/18	\$ 456,258
JPMorgan	25,638,000	Receive	1-Month USD-LIBOR-BBA1	1.673	Monthly	12/01/14	12/01/20	744,994
Morgan Stanley	14,725,000	Receive	1-Month USD-LIBOR-BBA2	2.064	Monthly	8/21/14	8/21/16	(392,081)
	\$66,001,000							\$ 809,171

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

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

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

- (3) For fair value measurement disclosure purposes, \$25 Par (or similar) Retail Preferred classified as Level 2. See Notes to Financial Statements, Note 2 Investment Valuation and Fair Value Measurements for more information.
- (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.
- (5) Perpetual security. Maturity date is not applicable.
- (6) Investment, or a portion of investment, is out on loan as described in Note 8 Borrowing Arrangements. The total value of investments out on loan as of the end of the reporting period was \$18,995,400.
- (7) A copy of the most recent financial statements for the investment companies in which the Fund invests can be obtained directly from the Securities and Exchange Commission on its website at <http://www.sec.gov>.
- (8) Borrowings as a percentage of Total Investments is 28.1%.
- (9) The Fund may pledge up to 100% of its eligible investments (excluding any investments separately pledged as collateral for specific investments in derivatives, when applicable) in the Portfolio of Investments as collateral for Borrowings. As of the end of the reporting period, investments with a value of \$186,396,236 have been pledged as collateral for Borrowings.
- (10) Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative instruments as listed within Investments in Derivatives as of the end of the reporting period.
- (11) Effective date represents the date on which both the Fund and Counterparty commence interest payment accruals on each contract.

N/A Not applicable.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

USD-LIBOR-BBA United States Dollar London Inter-Bank Offered Rate British Bankers' Association.

See accompanying notes to financial statements.

Statement of**Assets and Liabilities July 31, 2014**

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
Assets			
Long-term investments, at value (cost \$771,631,634, \$1,526,883,402 and \$292,391,039, respectively)	\$ 825,423,799	\$1,637,617,671	\$ 312,650,046
Short-term investments, at value (cost approximates value)	6,104,297	13,316,635	3,566,266
Unrealized appreciation on interest rate swaps	3,166,746	6,294,602	1,201,252
Receivable for:			
Dividends	631,672	1,194,109	227,821
Interest	5,790,408	13,335,022	2,091,548
Investments sold	42,460		11,941
Reclaims		115,065	
Other assets	111,796	214,880	42,816
Total assets	841,271,178	1,672,087,984	319,791,690
Liabilities			
Borrowings	234,000,000	464,000,000	89,000,000
Unrealized depreciation on interest rate swaps	1,030,961	2,055,597	392,081
Common share dividends payable	3,322,558	6,511,225	1,216,658
Accrued expenses:			
Interest on borrowings	13,021	25,848	4,942
Management fees	608,517	1,181,195	234,136
Trustees fees	106,326	205,096	40,183
Other	217,860	383,368	95,391
Total liabilities	239,299,243	474,362,329	90,983,391
Net assets applicable to common shares	\$ 601,971,935	\$1,197,725,655	\$ 228,808,299
Common shares outstanding	64,663,448	120,393,013	23,710,657
Net asset value ("NAV") per common share outstanding	\$ 9.31	\$ 9.95	\$ 9.65
Net assets applicable to common shares consist of:			
Common shares, \$.01 par value per share	\$ 646,634	\$ 1,203,930	\$ 237,107
Paid-in surplus	882,154,950	1,688,569,820	329,378,157

Undistributed (Over-distribution of) net investment income	5,699,056	4,112,040	532,891
Accumulated net realized gain (loss)	(342,456,655)	(611,133,409)	(122,408,034)
Net unrealized appreciation (depreciation)	55,927,950	114,973,274	21,068,178
Net assets applicable to common shares	\$ 601,971,935	\$ 1,197,725,655	\$ 228,808,299
Authorized shares:			
Common	Unlimited	Unlimited	Unlimited
Preferred	Unlimited	Unlimited	Unlimited
<i>See accompanying notes to financial statements.</i>			

Nuveen Investments
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Statement of**Operations Year Ended July 31, 2014**

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
Investment Income			
Dividends	\$22,386,545	\$ 42,350,522	\$ 8,479,348
Interest	29,310,455	59,966,705	11,111,493
Other income	229,125	454,333	87,146
Total investment income	51,926,125	102,771,560	19,677,987
Expenses			
Management fees	6,931,943	13,464,552	2,667,327
Interest expense on borrowings	2,468,991	4,900,932	937,132
Shareholder servicing agent fees and expenses	5,053	6,620	1,335
Custodian fees and expenses	88,808	246,790	66,250
Trustees fees and expenses	22,264	44,197	8,475
Professional fees	53,973	79,292	37,856
Shareholder reporting expenses	141,993	253,388	57,181
Stock exchange listing fees	21,033	39,180	8,745
Investor relations expenses	110,197	210,118	40,813
Other expenses	32,495	50,535	20,334
Total expenses	9,876,750	19,295,604	3,845,448
Net investment income (loss)	42,049,375	83,475,956	15,832,539
Realized and Unrealized Gain (Loss)			
Net realized gain (loss) from:			
Investments and foreign currency	10,505,082	14,782,608	5,587,132
Swaps	(994,198)	(1,982,298)	(378,100)
Change in net unrealized appreciation (depreciation) of:			
Investments and foreign currency	19,738,503	47,186,628	6,589,379
Swaps	(1,803,732)	(3,580,499)	(683,453)
Net realized and unrealized gain (loss)	27,445,655	56,406,439	11,114,958
Net increase (decrease) in net assets applicable to common shares from operations	\$69,495,030	\$139,882,395	\$26,947,497
<i>See accompanying notes to financial statements.</i>			

Statement of**Changes in Net Assets**

	Quality Preferred Income (JTP)		Quality Preferred Income 2 (JPS)	
	Year Ended 7/31/14	Year Ended 7/31/13	Year Ended 7/31/14	Year Ended 7/31/13
Operations				
Net investment income (loss)	\$ 42,049,375	\$ 42,101,545	\$ 83,475,956	\$ 83,423,516
Net realized gain (loss) from:				
Investments and foreign currency	10,505,082	13,362,653	14,782,608	23,975,361
Swaps	(994,198)	(1,092,414)	(1,982,298)	(2,178,127)
Change in net unrealized appreciation (depreciation) of:				
Investments and foreign currency	19,738,503	(4,330,084)	47,186,628	223,072
Swaps	(1,803,732)	6,812,734	(3,580,499)	13,548,313
Net increase (decrease) in net assets applicable to common shares from operations	69,495,030	56,854,434	139,882,395	118,992,135
Distribution to Common Shareholders				
From net investment income	(42,723,139)	(38,797,071)	(79,459,391)	(79,456,874)
Decrease in net assets applicable to common shares from distributions to common shareholders				
	(42,723,139)	(38,797,071)	(79,459,391)	(79,456,874)
Capital Share Transactions				
Common shares:				
Cost of shares repurchased and retired				
Net proceeds from shares issued to shareholders due to		145,664		382,683

reinvestment of distributions				
Net increase (decrease) in net assets applicable to common shares from capital share transactions		145,664		382,683
Net increase (decrease) in net assets applicable to common shares	26,771,891	18,203,027	60,423,004	39,917,944
Net assets applicable to common shares at the beginning of period	575,200,044	556,997,017	1,137,302,651	1,097,384,707
Net assets applicable to common shares at the end of period	\$601,971,935	\$575,200,044	\$1,197,725,655	\$1,137,302,651
Undistributed (Over-distribution of) net investment income at the end of period	\$ 5,699,056	\$ 7,215,793	\$ 4,112,040	\$ 1,417,211

See accompanying notes to financial statements.

Statement of Changes in Net Assets (continued)

	Quality Preferred Income 3 (JHP)	
	Year Ended 7/31/14	Year Ended 7/31/13
Operations		
Net investment income (loss)	\$ 15,832,539	\$ 15,795,361
Net realized gain (loss) from:		
Investments and foreign currency	5,587,132	4,525,443
Swaps	(378,100)	(415,452)
Change in net unrealized appreciation (depreciation) of:		
Investments and foreign currency	6,589,379	1,357,653
Swaps	(683,453)	2,585,328
Net increase (decrease) in net assets applicable to common shares from operations	26,947,497	23,848,333
Distribution to Common Shareholders		
From net investment income	(15,800,200)	(14,807,653)
Decrease in net assets applicable to common shares from distributions to common shareholders	(15,800,200)	(14,807,653)
Capital Share Transactions		
Common shares:		
Cost of shares repurchased and retired	(156,050)	
Net proceeds from shares issued to shareholders due to reinvestment of distributions		47,371
Net increase (decrease) in net assets applicable to common shares from capital share transactions	(156,050)	47,371
Net increase (decrease) in net assets applicable to common shares	10,991,247	9,088,051
Net assets applicable to common shares at the beginning of period	217,817,052	208,729,001
Net assets applicable to common shares at the end of period	\$228,808,299	\$217,817,052
Undistributed (Over-distribution of) net investment income at the end of period	\$ 532,891	\$ 824,760

See accompanying notes to financial statements.

Statement of**Cash Flows Year Ended July 31, 2014**

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
Cash Flows from Operating Activities:			
Net Increase (Decrease) in Net Assets Applicable to common Shares from Operations	\$ 69,495,030	\$ 139,882,395	\$ 26,947,497
Adjustments to reconcile the net increase (decrease) in net assets applicable to common shares from operations to net cash provided by (used in) operating activities:			
Purchases of investments	(128,290,573)	(249,313,588)	(54,447,486)
Proceeds from sales and maturities of investments	129,758,551	250,283,497	55,750,757
Proceeds from (Purchases of) short-term investments, net	(765,094)	(4,342,437)	(1,164,895)
Proceeds from (Payments for) swap contracts, net	(994,198)	(1,982,298)	(378,100)
Amortization (Accretion) of premiums and discounts, net	463,558	931,057	218,656
(Increase) Decrease in:			
Receivable for dividends	(190,750)	(497,081)	(102,423)
Receivable for interest	317,637	400,028	207,768
Receivable for investments sold	(3,352)		63,735
Receivable for reclaims	9,375	(115,065)	12,938
Other assets	1,974	3,521	134
(Increase) Decrease in:			
Accrued interest on borrowings	(1,640)	(3,251)	(623)
Accrued management fees	18,245	38,604	7,929
Accrued Trustees fees	(6,502)	(12,271)	(1,307)
Accrued other expenses	(27,356)	2,464	(1,594)
Net realized gain (loss) from:			
Investments and foreign currency	(10,505,082)	(14,782,608)	(5,587,132)
Swaps	994,198	1,982,298	378,100
Change in net unrealized appreciation (depreciation) of:			
Investments and foreign currency	(19,738,503)	(47,186,628)	(6,589,379)
Swaps	1,803,732	3,580,499	683,453
Proceeds from litigation settlement	295,583	572,631	
Taxes paid on undistributed capital gains	(42,646)		(40,333)

Net cash provided by (used in) operating activities	42,592,187	79,441,767	15,957,695
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Cash Flows from Financing Activities:

Cash distributions paid to common shareholders	(42,592,187)	(79,441,767)	(15,801,645)
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Cost of shares repurchased and retired			(156,050)
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Net cash provided by (used in) financing activities	(42,592,187)	(79,441,767)	(15,957,695)
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Net Increase (Decrease) in Cash

Cash at the beginning of period			
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Cash at the end of period	\$	\$	\$
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Supplemental Disclosure of Cash Flow Information

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
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Cash paid for interest on borrowings (excluding borrowing costs)	\$ 2,470,631	\$ 4,904,183	\$ 937,755
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See accompanying notes to financial statements.

Financial

Highlights

Selected data for a common share outstanding throughout each period:

	Investment Operations					Less Distributions			Discount	Repur-	Ending
	Net	Realized/	to	to	Total	From	Accum-	Return			
Beginning	Investment	Gain	Share	Share-	Total	Common	Common	Common	Shares	Common	Market
NAV	(Loss)	(Loss)	holders	holders		holders	holders	holders	Retired	Share	Value
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Quality Preferred Income (JTP)											
Year Ended 7/31:											
2014	\$ 8.90	\$.65	\$.42	\$	\$ 1.07	\$ (.66)	\$	\$	\$ (.66)	\$ 9.31	\$ 8.35
2013	8.62	.65	.23		.88	(.60)			(.60)	8.90	7.98
2012	8.25	.66	.31		.97	(.60)			(.60)	8.62	8.70
2011	8.07	.35	.18		.53	(.35)			(.35)	8.25	7.54
Year Ended 12/31:											
2010	7.06	.65	.94		1.59	(.58)			(.58)	8.07	7.40
2009	5.25	.63	1.82	*	2.45	(.57)		(.07)	(.64)	7.06	6.57
Quality Preferred Income 2 (JPS)											
Year Ended 7/31:											
2014	9.45	.69	.47		1.16	(.66)			(.66)	9.95	8.92
2013	9.12	.69	.30		.99	(.66)			(.66)	9.45	8.47
2012	8.77	.69	.32		1.01	(.66)			(.66)	9.12	9.34
2011	8.64	.37	.15		.52	(.39)			(.39)	8.77	8.07
Year Ended 12/31:											
2010	7.67	.69	.93		1.62	(.65)			(.65)	8.64	7.90
2009	5.42	.69	2.29	*	2.98	(.70)		(.03)	(.73)	7.67	7.25

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.

(b) The amounts shown are based on common share equivalents. During the fiscal year ended December 31, 2009, Quality Preferred Income (JTP) and Quality Preferred Income 2 (JPS) redeemed all of their

outstanding FundPreferred shares, at liquidation value.

(c) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share NAV is the combination of changes in common share NAV, reinvested dividend income at NAV and reinvested capital gains distributions at NAV, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending NAV. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its NAV), and therefore may be different from the price used in the calculation. Total returns are not annualized.

(d) After expense reimbursement from the Adviser, where applicable. As of June 30, 2010 and September 30, 2010, the Adviser is no longer reimbursing Quality Preferred Income (JTP) and Quality Preferred Income 2 (JPS), respectively, for any fees or expenses.

Nuveen Investments

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Total Returns			Ratios/Supplemental Data					Portfolio Turnover Rate(g)
			Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(e)		Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(d)(e)		Net Investment Income (Loss)	
Based on Common Share NAV(c)	Based on Market Value(c)	Ending Net Assets Applicable to Common Shares (000)	Expenses	Net Investment Income (Loss)	Expenses	Net Investment Income (Loss)		
Quality Preferred Income (JTP)								
Year Ended 7/31:								
2014	12.65%	13.63%	\$ 601,972	1.72%	7.32%	N/A	N/A	16%
2013	10.32	(1.78)	575,200	1.75	7.22	N/A	N/A	34
2012	12.51	24.30	556,997	1.83	8.17	N/A	N/A	21
2011(f)	6.74	6.62	533,062	1.61**	7.17**	N/A	N/A	9
Year Ended 12/31:								
2010	23.09	21.94	521,347	1.65	8.37	1.60%	8.42%	20
2009	51.85	53.05	456,186	1.86	11.04	1.71	11.19	29
Quality Preferred Income 2 (JPS)								
Year Ended 7/31:								
2014	12.83	13.76	1,197,726	1.69	7.32	N/A	N/A	16
2013	10.98	(2.63)	1,137,303	1.71	7.23	N/A	N/A	32
2012	12.32	25.17	1,097,385	1.80	8.13	N/A	N/A	19
2011(f)	5.99	7.02	1,055,468	1.58**	7.21**	N/A	N/A	7
Year Ended 12/31:								
2010	21.99	18.31	1,039,917	1.59	8.29	1.51	8.37	25
2009	61.22	63.90	922,354	1.82	11.27	1.64	11.45	27

(e) • Ratios do not reflect the effect of dividend payments to FundPreferred shareholders, where applicable.

• Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to FundPreferred shares and/or borrowings, where applicable, as described in Note 8 Borrowing Arrangements.

• Each ratio includes the effect of all interest expense paid and other costs related to borrowings, as follows:

Ratios of Borrowings Interest Expense to Average Net Assets Applicable to Common Shares

Quality Preferred Income (JTP)

Year Ended 7/31:

2014	.43%
2013	.47
2012	.54
2011(f)	.38**

Year Ended 12/31:

2010	.41
2009	.61

**Ratios of Borrowings Interest Expense
to Average Net Assets Applicable
to Common Shares**

Quality Preferred Income 2 (JPS)

Year Ended 7/31:

2014	.43%
2013	.47
2012	.55
2011(f)	.37**

Year Ended 12/31:

2010	.39
2009	.59

(f) For the seven months ended July 31, 2011.

(g) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.

N/A The Fund no longer has a contractual reimbursement agreement with the Adviser.

* Rounds to less than \$.01 per share.

** Annualized.

See accompanying notes to financial statements.

Financial Highlights (continued)

Selected data for a common share outstanding throughout each period:

	Investment Operations					Less Distributions			Discount from Common Shares Repurchased	Ending Common Share NAV	Ending Market Value
	Beginning Common Share NAV	Net Investment Income (Loss)	Realized Gain (Loss)	Unrealized Gain (Loss)	Net Realized Gains (Loss)	From Accumulated Net Realized Investment Income	From Accumulated Net Realized Investment Gains	From Accumulated Net Realized Investment Capital			
Quality Preferred Income 3 (JHP)											
Year Ended 7/31:											
2014	\$ 9.18	\$.67	\$.47	\$	\$ 1.14	\$ (.67)	\$	\$ (.67)	\$ *	\$ 9.65	\$ 8.43
2013	8.80	.67	.33		1.00	(.62)		(.62)		9.18	8.23
2012	8.48	.66	.28		.94	(.62)		(.62)		8.80	8.85
2011	\$ 8.37	.36	.11		.47	(.36)		(.36)		8.48	7.70
Year Ended 12/31:											
2010	7.45	.65	.89		1.54	(.62)		(.62)		8.37	7.74
2009	5.14	.63	2.34	*	2.97	(.58)	(.08)	(.66)		7.45	6.95

(a) Per share Net Investment Income (Loss) is calculated using the average daily shares method.

(b) The amounts shown are based on common share equivalents. During the fiscal year ended December 31, 2009, Quality Preferred Income 3 (JHP) redeemed all of its outstanding Fund Preferred shares, at liquidation value.

(c) Total Return Based on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share NAV is the combination of changes in common share NAV, reinvested dividend income at NAV and reinvested capital gains distributions at NAV, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending NAV. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its NAV), and therefore may be different from the price used in the calculation. Total returns are not annualized.

(d) After expense reimbursement from the Adviser, where applicable. As of December 31, 2010, the Adviser is no longer reimbursing Quality Preferred Income 3 (JHP), for any fees or expenses.

Nuveen Investments

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Total Returns			Ratios/Supplemental Data					
			Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(e)		Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(d)(e)		Portfolio Turnover Rate(g)	
Based on Common Share NAV(c)	Based on Market Value(c)	Ending Net Assets Applicable to Common Shares (000)	Net Investment Expenses	Net Investment Income (Loss)	Net Investment Expenses	Net Investment Income (Loss)		
Quality Preferred Income 3 (JHP)								
Year Ended 7/31:								
2014	12.97%	11.09%	\$ 228,808	1.76%	7.24%	N/A	N/A	18%
2013	11.53	(.30)	217,817	1.77	7.17	N/A	N/A	28
2012	11.91	24.04	208,729	1.84	8.04	N/A	N/A	23
2011(f)	5.69	4.08	201,139	1.65**	7.19**	N/A	N/A	8
Year Ended 12/31:								
2010	21.49	20.66	198,513	1.65	8.05	1.54%	8.16%	24
2009	63.23	54.50	176,677	1.87	10.56	1.66	10.77	35

(e) • Ratios do not reflect the effect of dividend payments to Fund Preferred shareholders, where applicable.

• Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Fund Preferred shares and/or borrowings, where applicable, as described in Note 8 Borrowing Arrangements.

• Each ratio includes the effect of all interest expense paid and other costs related to borrowings, as follows:

Ratios of Borrowings Interest Expense to Average Net Assets Applicable to Common Shares

Quality Preferred Income 3 (JHP)

Year Ended 7/31:

2014	.43%
2013	.47
2012	.54
2011(f)	.37**

Year Ended 12/31:

2010	.38
2009	.59

(f) For the seven months ended July 31, 2011.

(g) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 Investment Transactions) divided by the average long-term market value during the period.

N/A The Fund no longer has a contractual reimbursement agreement with the Adviser.

* Rounds to less than \$.01 per share.

** Annualized.

See accompanying notes to financial statements.

Nuveen Investments

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Financial Highlights (continued)

	Borrowings at End of Period	
	Aggregate Amount Outstanding (000)	Asset Coverage Per \$1,000
Quality Preferred Income (JTP)		
Year Ended 7/31:		
2014	\$ 234,000	\$ 3,573
2013	234,000	3,458
2012	217,000	3,567
2011(a)	154,875	4,442
Year Ended 12/31:		
2010	154,875	4,366
2009	153,375	3,974
Quality Preferred Income 2 (JPS)		
Year Ended 7/31:		
2014	464,000	3,581
2013	464,000	3,451
2012	427,000	3,570
2011(a)	308,800	4,418
Year Ended 12/31:		
2010	300,000	4,466
2009	289,500	4,186
Quality Preferred Income 3 (JHP)		
Year Ended 7/31:		
2014	89,000	3,571
2013	89,000	3,447
2012	81,000	3,577
2011(a)	58,900	4,415
Year Ended 12/31:		
2010	55,000	4,609
2009	55,000	4,212

(a) For the seven months ended July 31, 2011.

See accompanying notes to financial statements.

Notes to

Financial Statements

1. General Information and Significant Accounting Policies

General Information

Fund Information

The funds covered in this report and their corresponding New York Stock Exchange ("NYSE") symbols are as follows (each a "Fund" and collectively, the "Funds"):

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

The Funds are registered under the Investment Company Act of 1940, as amended, as diversified, closed-end registered investment companies. Quality Preferred Income (JTP), Quality Preferred Income 2 (JPS) and Quality Preferred Income 3 (JHP) were organized as Massachusetts business trusts on April 24, 2002, June 24, 2002 and October 17, 2002, respectively.

Investment Adviser

The Funds' investment adviser is Nuveen Fund Advisors, LLC (the "Adviser"), a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen"). The Adviser is responsible for each Fund's overall investment strategy and asset allocation decisions. The Adviser has entered into sub-advisory agreements with Spectrum Asset Management, Inc. ("Spectrum"), under which Spectrum manages the investment portfolios of the Funds. The Adviser is responsible for overseeing the Funds' investments in swap contracts.

Agreement and Plan of Merger

On April 14, 2014, TIAA-CREF, a national financial services organization, announced that it had entered into an agreement (the "Purchase Agreement") to acquire Nuveen, the parent company of the Adviser. The transaction is expected to be completed by the end of the year, subject to customary closing conditions, including obtaining necessary Nuveen fund and client consents sufficient to satisfy the terms of the Purchase Agreement and obtaining customary regulatory approvals. There can be no assurance that the transaction described above will be consummated as contemplated or that necessary conditions will be satisfied.

The consummation of the transaction will be deemed to be an "assignment" (as defined in the Investment Company Act of 1940) of the investment management agreements between the Nuveen funds and the Adviser and the investment sub-advisory agreements between the Adviser and each Nuveen fund's sub-adviser or sub-advisers, and will result in automatic termination of each agreement. It is anticipated that the Board of Directors/Trustees of the Nuveen funds will consider a new investment management agreement with the Adviser and new investment sub-advisory agreements with each sub-adviser.

The transaction is not expected to result in any change in the portfolio management of the Funds or in the Funds' investment objectives or policies.

Investment Objectives and Principal Investment Strategies

Each Fund's investment objective is high current income consistent with capital preservation. Each Fund's secondary investment objective is to enhance portfolio value. Each Fund invests at least 80% of its net assets in preferred securities; up to 20% of its net assets in debt securities, including convertible debt securities and convertible preferred securities; and 100% of each Fund's total assets in securities that, at the time of investment, are investment grade quality (BBB/Baa or better), which may include up to 10% in securities that are rated investment grade by at least one nationally recognized statistical rating organization.

Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed

Notes to Financial Statements (continued)

the custodian to earmark securities in the Funds' portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments.

As of July 31, 2014, the Fund's outstanding when-issued/delayed delivery purchase commitments were as follows:

	Quality Preferred Income (JTP)	Quality Preferred Income 2 (JPS)	Quality Preferred Income 3 (JHP)
Outstanding when-issued/delayed purchase commitments	\$	\$	\$
<i>Investment Income</i>			

Dividend income is recorded on the ex-dividend date or, for foreign securities, when information is available. Interest income, which reflects the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Interest income also reflects paydown gains and losses, if any. Other income is comprised of fees earned in connection with the rehypothecation of pledged collateral as further described in Note 8 Borrowing Agreements.

Professional Fees

Professional fees presented on the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment or to pursue other claims or legal actions on behalf of Fund shareholders. If a refund is received for workout expenditures paid in a prior reporting period, such amounts will be recognized as "Legal fee refund" on the Statement of Operations.

Dividends and Distributions to Common Shareholders

Dividends to common shareholders are declared monthly. Net realized capital gains from investment transactions, if any, are declared and distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to common shareholders 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 U.S. GAAP.

FundPreferred Shares

The Funds are authorized to issue auction rate preferred ("FundPreferred") shares. During prior fiscal periods, the Funds redeemed all of their outstanding FundPreferred shares, at liquidation value.

Common Shares Equity Shelf Programs and Offering Costs

Quality Preferred Income (JTP), Quality Preferred Income 2 (JPS) and Quality Preferred Income 3 (JHP) have each filed registration statements with the Securities and Exchange Commission ("SEC") authorizing the Funds to issue an additional 6.4 million, 12.0 million and 2.3 million common shares, respectively,

through their equity shelf programs ("Shelf Offering"), which are not yet effective.

Under these Shelf Offerings, the Funds, subject to market conditions, may raise additional equity capital from time to time in varying amounts and offering methods at a net price at or above each Fund's net asset value ("NAV") per common share.

Costs incurred by the Funds in connection with their initial Shelf Offering will be recorded as a deferred charge and recognized as a component of "Deferred offering costs" on the Statement of Assets and Liabilities. The deferred asset is reduced during the one-year period that additional shares are sold by reducing the proceeds from such shares and will be recognized as a component of "Proceeds from shelf offering, net of offering costs" on the Statement of Changes in Net Assets. At the end of the one-year life of the Shelf Offering period, any remaining deferred charges will be expensed accordingly and recognized as a component of "Other expenses" on the Statement of Operations. Any additional costs the Funds may incur in connection with their Shelf Offerings are expensed as incurred and will be recognized as a component of "Proceeds from shelf offering, net of offering costs" on the Statement of Changes in Net Assets.

Indemnifications

Under the Funds' organizational documents, their officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Netting Agreements

In the ordinary course of business, the Funds may enter into transactions subject to enforceable master repurchase agreements, International Swaps and Derivative Association, Inc. ("ISDA") master agreements or other similar arrangements ("netting agreements"). Generally, the right to offset in netting

agreements allows each Fund to offset any exposure to a specific counterparty with any collateral received or delivered to that counterparty based on the terms of the agreements. Generally, each Fund manages its cash collateral and securities collateral on a counterparty basis.

The Funds' investments subject to netting agreements as of the end of the reporting period, if any, are further described in Note 3 Portfolio Securities and Investments in Derivatives.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

2. Investment Valuation and Fair Value Measurements

The fair value input levels as described below are for fair value measurement purposes.

Investment Valuation

Common stocks and other equity-type securities are valued at the last sales price on the securities exchange on which such securities are primarily traded and are generally classified as Level 1. Securities primarily traded on the NASDAQ National Market ("NASDAQ") are valued at the NASDAQ Official Closing Price and are generally classified as Level 1. However, securities traded on a securities exchange or NASDAQ for which there were no transactions on a given day or securities not listed on a securities exchange or NASDAQ are valued at the quoted bid price and are generally classified as Level 2.

Prices of fixed-income securities are provided by a pricing service approved by the Nuveen funds' Board of Directors/Trustees. The pricing service establishes a security's fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or 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. These securities are generally classified as Level 2. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer or market activity, provided by the Adviser. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Prices of swap contracts are also provided by a pricing service approved by the Nuveen funds' Board of Directors/Trustees using the same methods as described above, and are generally classified as Level 2.

Investments initially valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing services. As a result, the NAV of the Funds' shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the NYSE is closed and an investor is not able to purchase, redeem or exchange shares. If significant market events occur between the time of determination of the closing price of a foreign security on an exchange and the time that the Funds' NAV is determined, or if under the Funds' procedures, the closing price of a foreign security is not deemed to be reliable, the security would be valued at fair value as determined in accordance with procedures established in good faith by the Nuveen funds' Board of Directors/Trustees. These securities are generally classified as Level 2 or Level 3 depending on

the priority of the significant inputs.

Investments in investment companies are valued at their respective NAV on the valuation date and are generally classified as Level 1.

Repurchase agreements are valued at contract amount plus accrued interest, which approximates market value. These securities are generally classified as Level 2.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Nuveen funds' Board of Directors/Trustees or its designee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a fund's NAV (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security's fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or 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. These securities are generally classified as Level 2 or as Level 3 depending on the priority of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Nuveen funds' Board of Directors/Trustees or its designee.

Notes to Financial Statements (continued)**Fair Value Measurements**

Fair value is defined as the price that the Funds would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of the end of the reporting period:

Quality Preferred Income (JTP)	Level 1	Level 2	Level 3	Total
Long-Term Investments*:				
Convertible Preferred Securities	\$ 3,956,700	\$	\$	\$ 3,956,700
\$25 Par (or similar) Retail Preferred Corporate Bonds	274,677,500	26,234,719**		300,912,219
\$1,000 Par (or similar) Institutional Preferred Investment Companies	6,853,254	46,819,114		46,819,114
		466,882,512		466,882,512
Short-Term Investments:				
Repurchase Agreements		6,104,297		6,104,297
Investments in Derivatives:				
Interest Rate Swaps***		2,135,785		2,135,785

Total	\$285,487,454	\$548,176,427	\$	\$833,663,881
Quality Preferred				
Income 2 (JPS)				
Long-Term Investments*:				
Convertible				
Preferred				
Securities	\$ 5,203,000	\$	\$	\$ 5,203,000
\$25 Par (or				
similar) Retail				
Preferred	529,187,827	55,413,535**		584,601,362
Corporate Bonds		94,404,811		94,404,811