

NUVEEN PREFERRED CONVERTIBLE INCOME FUND 2
Form N-PX
August 30, 2006

FORM N-PX

**ANNUAL REPORT OF PROXY VOTING RECORD OF
REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21333

Nuveen Preferred and Convertible Income Fund 2

(Exact name of registrant as specified in charter)

333 West Wacker Drive, Chicago, Illinois 60606

(Address of principal executive offices) (Zip Code)

Gifford R. Zimmerman Chief Administrative Officer

(Name and address of agent for service)

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

Date of fiscal year-end: December 31

Date of reporting period: June 30, 2006

Item 1. Proxy Voting Record

Nuveen Preferred and Convertible Income Fund 2

Proxies voted for Fiscal Year Ending June 30, 2006

Security Name	Ticker Symbol	Cusip	Shareholder Meeting		Proposed	How Fund	
			Date	Items Voted Upon		Voted	Voted
The Mosaic Company	MOS	61945A206	10/5/2005	1) Board of Directors	Issuer	Yes	For
				2) Appointment of KPMG LLP	Issuer	Yes	For

Mtg

Date/Type	Company/ Ballot Issues	Security	Mgmt Rec	Vote Cast	Record Date	Prpnt
11/08/05 -A	Wachovia Preferred Funding Corp	92977V206			09/30/05	
	1.1 Elect Director James E. Alward		For	For		Mgmt
	<i>Please note that ISS does not provide vote recommendations for any agendas representing bankruptcy plans or pertaining to preferred stockholders, warrant holders or debt holders. Therefore no analysis will be provided.</i>					
	1.2 Elect Director Joel J. Griffin		For	For		Mgmt
	<i>Please note that ISS does not provide vote recommendations for any agendas representing bankruptcy plans or pertaining to preferred stockholders, warrant holders or debt holders. Therefore no analysis will be provided.</i>					
	1.3 Elect Director Charles F. Jones		For	For		Mgmt
	<i>Please note that ISS does not provide vote recommendations for any agendas representing bankruptcy plans or pertaining to preferred stockholders, warrant holders or debt holders. Therefore no analysis will be provided.</i>					
	1.4 Elect Director G. Kennedy Thompson		For	For		Mgmt
	<i>Please note that ISS does not provide vote recommendations for any agendas representing bankruptcy plans or pertaining to preferred stockholders, warrant holders or debt holders. Therefore no analysis will be provided.</i>					
05/16/06 -A	Wachovia Preferred Funding Corp	92977V206			03/31/06	
	1 Elect Directors		For	Split		Mgmt
	1.1 Elect Director James E. Alward		For			
	<i>We recommend a vote FOR the directors with the exception of insider G. Kennedy Thompson. We recommend that shareholders WITHHOLD votes from G. Kennedy Thompson for failure to establish independent nominating and compensation committees.</i>					
	1.2 Elect Director Joel J. Griffin		For			
	1.3 Elect Director Charles F. Jones		For			
	1.4 Elect Director G. Kennedy Thompson		Withhold			

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05/01/06 -A	Weingarten Realty Investors *WRI*	948741608		03/14/06	
	1 Elect Directors		For	For	Mgmt
	2 Ratify Auditors		For	For	Mgmt
	3 Amend Omnibus Stock Plan		For	For	Mgmt

V. Vote

Recommendation The total cost of the company's plans of 4.37 percent is within the allowable cap for this company of 5.00 percent.

4	Performance-Based Equity Awards	Against	For	ShrHolder
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In conclusion, the company's annual and long-term incentive programs do not sufficiently meet ISS or the proponent's requirements of pay-for-superior performance standards. Therefore, ISS supports this shareholder proposal.

SIGNATURES:

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

Nuveen Preferred and Convertible Income Fund 2

By

/s/ Gifford R. Zimmerman Chief Administrative Officer

Date

August 31, 2006