

NUVEEN PREFERRED CONVERTIBLE INCOME FUND 2

Form N-PX

August 30, 2006

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## 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**

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(Exact name of registrant as specified in charter)

**333 West Wacker Drive, Chicago, Illinois 60606**

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(Address of principal executive offices) (Zip Code)

**Gifford R. Zimmerman Chief Administrative Officer**

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(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

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**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 | Voted | How Fund |
|--------------------|---------------|-----------|---------------------|----------------------------|----------|-------|----------|
|                    |               |           | Date                | Items Voted Upon           |          |       | 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 | <b>Wachovia Preferred Funding Corp</b>  | 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 | <b>Wachovia Preferred Funding Corp</b>  | 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 | <b>Weingarten Realty Investors *WRI*</b> | 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 |
|---|---------------------------------|--|---------|-----|-----------|

*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.

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Nuveen Preferred and Convertible Income Fund 2

By

/s/ Gifford R. Zimmerman Chief Administrative Officer

Date

August 31, 2006