

NUVEEN CALIFORNIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-Q
July 28, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-10197

Nuveen California Dividend Advantage Municipal Fund 2

(Exact name of registrant as specified in charter)

333 West Wacker Drive, Chicago, Illinois 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger Vice President and Secretary

333 West Wacker Drive, Chicago, Illinois 60606

(Name and address of agent for service)

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

Date of fiscal year end: 8/31

Date of reporting period: 5/31/06

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q 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 the 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. § 3507.

Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)

Nuveen California Dividend Advantage Municipal Fund 2 (NVX)

May 31, 2006

**Principal
Amount (000) Description (1)**

**Option
C
Provisions (**

Consumer Staples □ 4.0% (2.7% of Total Investments)

\$	825	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Sonoma County Tobacco Securitization Corporation, Series 2005, 4.250%, 6/01/21	6/15 at 100.
	4,625	California County Tobacco Securitization Agency, Tobacco Settlement Asset-Backed Bonds, Stanislaus County Tobacco Funding Corporation, Series 2002A, 5.500%, 6/01/33	6/12 at 100.
	3,200	Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.250%, 6/01/33	6/13 at 100.
	8,650	Total Consumer Staples	

Education and Civic Organizations □ 15.5% (10.3% of Total Investments)

	2,000	California Educational Facilities Authority, Revenue Bonds, Stanford University, Series 2001Q, 5.250%, 12/01/32	6/11 at 101.
	180	California Educational Facilities Authority, Revenue Bonds, University of Redlands, Series 2005A, 5.000%, 10/01/35	10/15 at 100.
		California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006:	
	125	5.000%, 11/01/21 (WI/DD, Settling 6/01/06)	11/15 at 100.
	165	5.000%, 11/01/25 (WI/DD, Settling 6/01/06)	11/15 at 100.
	6,375	California Educational Facilities Authority, Student Loan Revenue Bonds, Cal Loan Program, Series 2001A, 5.400%, 3/01/21 □ MBIA Insured (Alternative Minimum Tax)	3/08 at 102.
		California State Public Works Board, Lease Revenue Bonds, University of California, UCLA Replacement Hospital Project, Series 2002A:	
	8,880	5.375%, 10/01/16 □ FSA Insured	10/12 at 100.
	10,570	5.375%, 10/01/18 □ FSA Insured	10/12 at 100.
	570	California State University, Systemwide Revenue Bonds, Series 2005A, 5.000%, 11/01/30 □ AMBAC Insured	5/15 at 100.
	620	California Statewide Community Development Authority, Revenue Bonds, Notre Dame de Namur University, Series 2003, 6.500%, 10/01/23	10/13 at 100.
	3,000	Long Beach Bond Financing Authority, California, Lease Revenue Refunding Bonds, Long Beach Aquarium of the South Pacific, Series 2001, 5.250%, 11/01/30 □ AMBAC Insured	11/11 at 101.
	32,485	Total Education and Civic Organizations	

Health Care □ 11.8% (7.9% of Total Investments)

	2,000	California Health Facilities Financing Authority, Revenue Bonds, Casa Colina Inc., Series 2001, 6.000%, 4/01/22	4/12 at 100.
	1,240	California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/34	11/15 at 100.
	500	California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31	8/11 at 102.
	955	California State Public Works Board, Revenue Bonds, University of California □ Davis Medical Center, Series 2004II-A, 5.000%, 11/01/22 □ MBIA Insured	11/14 at 100.
	2,185	California Statewide Community Development Authority, Health Facility Revenue Refunding Bonds, Memorial Health Services, Series 2003A, 6.000%, 10/01/11	No Opt. C
	2,500	California Statewide Community Development Authority, Hospital Revenue Bonds, Monterey Peninsula Hospital, Series 2003B, 5.250%, 6/01/18 □ FSA Insured	6/13 at 100.

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California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A:

330	5.250%, 7/01/24	7/15 at 100.
190	5.250%, 7/01/35	7/15 at 100.
5,775	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 3/01/41 (WI/DD, Settling 6/08/06)	3/16 at 100.
5,355	California Statewide Community Development Authority, Revenue Bonds, Kaiser Permanente System, Series 2002E, 4.700%, 11/01/36 (Mandatory put 6/01/09)	No Opt. C
3,000	Central California Joint Powers Health Finance Authority, Certificates of Participation, Community Hospitals of Central California Obligated Group, Series 2000, 6.000%, 2/01/30	2/10 at 101.
1,500	Whittier, California, Health Facility Revenue Bonds, Presbyterian Intercommunity Hospital, Series 2002, 5.600%, 6/01/22	6/12 at 101.

25,530 Total Health Care

Housing/Multifamily □ 11.6% (7.7% of Total Investments)

2,450	ABAG Finance Authority for Non-Profit Corporations, California, Multifamily Housing Revenue Refunding Bonds, United Dominion/2000 Post Apartments, Series 2000B, 6.250%, 8/15/30 (Mandatory put 8/15/08)	No Opt. C
3,460	California Statewide Community Development Authority, GNMA Collateralized Housing Revenue Refunding Bonds, Crowne Pointe Project, Series 2002F, 6.750%, 8/20/37	8/12 at 105.
5,962	California Statewide Community Development Authority, Multifamily Housing Revenue Refunding Bonds, Claremont Village Apartments, Series 2001D, 5.500%, 6/01/31 (Mandatory put 6/01/16) (Alternative Minimum Tax)	6/11 at 102.
3,250	California Statewide Community Development Authority, Revenue Refunding Bonds, Irvine Apartment Communities Development, Series 1998A, 4.900%, 5/15/25 (Mandatory put 5/15/08)	7/08 at 101.
4,000	Daly City Housing Development Finance Agency, California, Mobile Home Park Revenue Bonds, Franciscan Mobile Home Park Project, Series 2002A, 5.850%, 12/15/32	12/13 at 102.
205	Independent Cities Lease Finance Authority, California, Mobile Home Park Revenue Bonds, San Juan Mobile Estates Project, Series 2006A, 5.850%, 5/15/41 (WI/DD, Settling 6/01/06)	5/16 at 100.
1,055	Rohnert Park Finance Authority, California, Senior Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003A, 5.750%, 9/15/38	9/13 at 100.
700	Rohnert Park Finance Authority, California, Subordinate Lien Revenue Bonds, Rancho Feliz Mobile Home Park, Series 2003B, 6.625%, 9/15/38	9/13 at 100.
3,045	Yucaipa Redevelopment Agency, California, Mobile Home Park Revenue Bonds, Rancho del Sol and Grandview, Series 2001A, 6.750%, 5/15/36	5/11 at 102.

24,127 Total Housing/Multifamily

Housing/Single Family □ 0.4% (0.2% of Total Investments)

710	California Rural Home Mortgage Finance Authority, Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 2001A, 5.650%, 12/01/31 (Alternative Minimum Tax)	6/11 at 102.
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Industrials □ 0.6% (0.4% of Total Investments)

1,250	California Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Series 2002A, 5.000%, 1/01/22 (Alternative Minimum Tax)	1/16 at 102.
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Long-Term Care □ 0.7% (0.5% of Total Investments)

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1,550	California Health Facilities Financing Authority, Cal-Mortgage Insured Revenue Bonds, Northern California Retired Officers Community Corporation ☐ Paradise Valley Estates, Series 2002, 5.125%, 1/01/22	1/13 at 100.
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Tax Obligation/General ☐ 22.9% (15.2% of Total Investments)

California, General Obligation Bonds, Series 2003:		
3,000	5.250%, 2/01/20	8/13 at 100.
1,400	5.250%, 2/01/21	8/13 at 100.
California, General Obligation Bonds, Series 2004:		
1,350	5.125%, 4/01/25	4/14 at 100.
1,000	5.125%, 2/01/27	2/14 at 100.
5,000	California, General Obligation Refunding Bonds, Series 2002, 5.000%, 2/01/12	No Opt. C
4,225	California, General Obligation Veterans Welfare Bonds, Series 2001BV, 5.600%, 12/01/32 ☐ FSA Insured	6/06 at 101.
3,615	Colton Joint Unified School District, San Bernardino County, California, General Obligation Bonds, Series 2002A, 5.500%, 8/01/22 ☐ FGIC Insured	8/12 at 102.
Contra Costa County Community College District, California, General Obligation Bonds, Series 2002:		
3,005	5.000%, 8/01/21 ☐ FGIC Insured	8/12 at 100.
3,300	5.000%, 8/01/22 ☐ FGIC Insured	8/12 at 100.
1,325	Golden West Schools Financing Authority, California, General Obligation Revenue Refunding Bonds, School District Program, Series 1998A, 6.650%, 8/01/13 ☐ MBIA Insured	No Opt. C
10,840	Los Angeles Unified School District, California, General Obligation Bonds, Series 2002E, 5.000%, 7/01/19 ☐ MBIA Insured	7/12 at 100.
1,250	Los Angeles Unified School District, California, General Obligation Bonds, Series 2003A, 5.250%, 7/01/20 ☐ FSA Insured	7/13 at 100.
Oakland Unified School District, Alameda County, California, General Obligation Bonds, Series 2005:		
475	5.000%, 8/01/25 ☐ MBIA Insured	8/15 at 100.
500	5.000%, 8/01/26 ☐ MBIA Insured	8/15 at 100.
2,000	Puerto Rico, General Obligation and Public Improvement Bonds, Series 2001A, 5.500%, 7/01/20 ☐ MBIA Insured	No Opt. C
San Jose-Evergreen Community College District, Santa Clara County, California, General Obligation Bonds, Series 2005A:		
370	5.000%, 9/01/25 ☐ MBIA Insured	9/15 at 100.
545	5.000%, 9/01/27 ☐ MBIA Insured	9/15 at 100.
4,050	Santa Rosa High School District, Sonoma County, California, General Obligation Bonds, Series 2001, 5.300%, 5/01/26 ☐ FGIC Insured	5/11 at 101.
1,160	Saugus Union School District, Los Angeles County, California, General Obligation Bonds, Series 2002A, 5.000%, 8/01/21 ☐ FGIC Insured	8/12 at 100.

48,410 Total Tax Obligation/General

Tax Obligation/Limited ☐ 28.2% (18.8% of Total Investments)

Beaumont Financing Authority, California, Local Agency Revenue Bonds, Series 2004D:		
650	5.500%, 9/01/24	9/14 at 102.
385	5.800%, 9/01/35	9/14 at 102.
4,900	California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series	12/13 at 100.

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	2003C, 5.500%, 6/01/16	
2,105	California, Economic Recovery Revenue Bonds, Series 2004A, 5.000%, 7/01/15	7/14 at 100.
1,200	Capistrano Unified School District, Orange County, California, Special Tax Bonds, Community Facilities District 90-2 □ Talega, Series 2003, 6.000%, 9/01/33	9/13 at 100.
4,845	Encinitas Public Financing Authority, California, Lease Revenue Bonds, Acquisition Project, Series 2001A, 5.250%, 4/01/31 □ MBIA Insured	4/08 at 102.
750	Fontana, California, Special Tax Bonds, Sierra Community Facilities District 22, Series 2004, 6.000%, 9/01/34	9/14 at 100.
335	Hesperia Community Redevelopment Agency, California, Tax Allocation Bonds, Series 2005A, 5.000%, 9/01/20 □ XLCA Insured	9/15 at 100.
4,000	Industry Urban Development Agency, California, Tax Allocation Refunding Bonds, Civic, Recreational and Industrial Redevelopment Project 1, Series 2002, 5.500%, 5/01/19 □ MBIA Insured	5/07 at 101.
	Irvine, California, Unified School District, Community Facilities District Special Tax Bonds, Series 2006A:	
215	5.000%, 9/01/26	9/06 at 103.
495	5.125%, 9/01/36	9/06 at 103.
2,000	Lake Elsinore Public Finance Authority, California, Local Agency Revenue Refunding Bonds, Series 2003H, 6.000%, 10/01/20	10/13 at 102.
1,265	Lee Lake Water District, Riverside County, California, Special Tax Bonds, Community Facilities District 1 of Sycamore Creek, Series 2003, 6.500%, 9/01/24	9/13 at 102.
1,320	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2003A, 6.500%, 9/01/25	9/13 at 102.
1,000	Lincoln, California, Special Tax Bonds, Lincoln Crossing Community Facilities District 03-1, Series 2004, 6.000%, 9/01/34	9/13 at 102.
8,000	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 1998A, 5.000%, 7/01/23 □ AMBAC Insured	7/08 at 101.
5,000	Los Angeles County Metropolitan Transportation Authority, California, Proposition C Second Senior Lien Sales Tax Revenue Refunding Bonds, Series 2003A, 5.250%, 7/01/13 □ MBIA Insured	No Opt. C
3,295	Oakland Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Central District Redevelopment Project, Series 2003, 5.500%, 9/01/16 □ FGIC Insured	3/13 at 100.
2,000	Orange County, California, Special Tax Bonds, Community Facilities District 02-1 of Ladera Ranch, Series 2003A, 5.550%, 8/15/33	8/11 at 101.
2,000	Puerto Rico Public Finance Corporation, Commonwealth Appropriation Bonds, Series 2002E, 6.000%, 8/01/26	No Opt. C
385	Rialto Redevelopment Agency, California, Tax Allocation Bonds, Merged Project Area, Series 2005A, 5.000%, 9/01/35 □ XLCA Insured	9/15 at 100.
800	Riverside County Public Financing Authority, California, Tax Allocation Bonds, Multiple Projects, Series 2005A, 5.000%, 10/01/35 □ XLCA Insured	10/15 at 100.
6,000	Riverside County Redevelopment Agency, California, Tax Allocation Bonds, Jurupa Valley Project Area, Series 2001, 5.250%, 10/01/35 □ AMBAC Insured	10/11 at 102.
700	Sacramento, California, Special Tax Bonds, North Natomas Community Facilities District 4, Series 2003C, 6.000%, 9/01/33	9/14 at 100.
975	San Marcos Public Facilities Authority, California, Special Tax Bonds, Community Facilities District 99-1, Series 2003B, 6.000%, 9/01/24	9/09 at 102.
1,530	San Marcos Public Facilities Authority, California, Tax Allocation Bonds, Project Areas 2 and 3, Series 2005C, 5.000%, 8/01/35 □ AMBAC Insured	8/15 at 100.
1,930	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities	9/13 at 103.

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	District 01-1, Series 2003B, 6.750%, 9/01/30	
500	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities	9/13 at 102.
	District 01-1, Series 2004B, 6.000%, 9/01/39	
850	West Patterson Financing Authority, California, Special Tax Bonds, Community Facilities	9/13 at 103.
	District 2001-1, Series 2004A, 6.125%, 9/01/39	

59,430 Total Tax Obligation/Limited

Transportation ☐ 10.0% (6.6% of Total Investments)

1,930	Bay Area Toll Authority, California, Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2006, 5.000%, 4/01/31	4/16 at 100.
7,000	Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Refunding Bonds, Series 1999, 0.000%, 1/15/27	1/14 at 101.
5,585	Port of Oakland, California, Revenue Bonds, Series 2002N, 5.000%, 11/01/16 ☐ MBIA Insured (Alternative Minimum Tax)	11/12 at 100.
	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29A:	
2,430	5.250%, 5/01/18 ☐ FGIC Insured (Alternative Minimum Tax)	5/13 at 100.
2,555	5.250%, 5/01/19 ☐ FGIC Insured (Alternative Minimum Tax)	5/13 at 100.
1,000	San Francisco Airports Commission, California, Revenue Bonds, San Francisco International Airport, Second Series 2003, Issue 29B, 5.125%, 5/01/17 ☐ FGIC Insured	5/13 at 100.
2,000	San Francisco Airports Commission, California, Revenue Refunding Bonds, San Francisco International Airport, Second Series 2002, Issue 28A, 5.250%, 5/01/17 ☐ MBIA Insured (Alternative Minimum Tax)	5/12 at 100.

22,500 Total Transportation