

Nuveen Municipal Value Fund 2  
Form N-Q  
April 01, 2010

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 811-22253

Nuveen Municipal Value Fund 2  
(Exact name of registrant as specified in charter)

Nuveen Investments  
333 West Wacker Drive, Chicago, Illinois 60606  
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy  
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: 10/31

Date of reporting period: 1/31/10

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.



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Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)  
 Nuveen Municipal Value Fund 2 (NUW)  
 January 31, 2010

| Principal    |  |  |      |
|--------------|--|--|------|
| Amount (000) | Description (1)  |  |      |
|              | Alaska – 0.1%  |  |      |
| \$ 155       | Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/46                                    |  | 6/1  |
|              | Arizona – 3.5%   |  |      |
| 4,000        | Maricopa County Pollution Control Corporation, Arizona, Pollution Control Revenue Bonds, El Paso Electric Company, Refunding Series 2009A, 7.250%, 2/01/40   |  | 2/1  |
| 2,995        | Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Series 2007, 5.000%, 12/01/37   |  | N    |
| 6,995        | Total Arizona  |  |      |
|              | California – 9.6%  |  |      |
| 11,000       | Alhambra Unified School District, Los Angeles County, California, General Obligation Bonds, Capital Appreciation Series 2009B, 0.000%, 8/01/41 – AGC Insured |  | N    |
| 2,500        | California State Public Works Board, Lease Revenue Bonds, Department of General Services Buildings 8 & 9, Series 2009A, 6.250%, 4/01/34                      |  | 4/1  |
| 2,150        | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.000%, 6/01/33                 |  | 6/1  |
| 1,800        | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2005A, 5.000%, 6/01/45                    |  | 6/1  |
| 450          | M-S-R Energy Authority, California, Gas Revenue Bonds, Series 2009, 6.500%, 11/01/39   |  | N    |
|              | Palomar Pomerado Health, California, General Obligation Bonds, Series 2009A:   |  |      |
| 9,320        | 0.000%, 8/01/33 – AGC Insured  |  | N    |
| 10,200       | 0.000%, 8/01/38 – AGC Insured  |  | 8/2  |
|              | Poway Unified School District, San Diego County, California, School Facilities Improvement District 2007-1 General Obligation Bonds, Series 2009A:           |  |      |
| 8,000        | 0.000%, 8/01/32  |  | N    |
| 8,000        | 0.000%, 8/01/33  |  | N    |
| 53,420       | Total California   |  |      |
|              | Colorado – 5.3%  |  |      |
| 5,000        | Denver City and County, Colorado, Airport System Revenue Bonds, Series 2005A, 5.000%, 11/15/25 – SYNCORA GTY Insured   |  | 11/1 |
| 3,605        | E-470 Public Highway Authority, Colorado, Toll Revenue Bonds, Series 2004B, 0.000%, 9/01/27 – NPFQ Insured   |  | 9    |
| 4,000        | Park Creek Metropolitan District, Colorado, Senior Property Tax Supported Revenue Bonds,   |  | N    |

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|        |   |      |
|--------|---|------|
|        | Series 2009, 6.375%, 12/01/37 – AGC Insured   |      |
| 12,605 | Total Colorado  |      |
|        | Florida – 8.9%  |      |
| 9,500  | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2009A, 5.500%, 10/01/41                                       | 10/1 |
|        | Miami-Dade County, Florida, General Obligation Bonds, Build Better Communities Program, Series 2009-B1:   |      |
| 2,500  | 6.000%, 7/01/38   | 7/1  |
| 2,000  | 5.625%, 7/01/38   | 7/1  |
| 4,500  | Tolomato Community Development District, Florida, Special Assessment Bonds, Series 2007, 6.450%, 5/01/23  | 5/1  |
| 18,500 | Total Florida   |      |
|        | Georgia – 0.8%  |      |
| 500    | Atlanta, Georgia, Tax Allocation Bonds, Beltline Project Series 2008A, Series 2008B, Series 2008C, Series 2009B, Series 2009C, 7.500%, 1/01/31        | 1/1  |
| 1,000  | Clayton County Development Authority, Georgia, Special Facilities Revenue Bonds, Delta Air Lines, Inc. Project, Series 2009, 8.750%, 6/01/29          | 6/2  |
| 1,500  | Total Georgia   |      |
|        | Illinois – 11.6%  |      |
| 5,000  | Illinois Finance Authority, Revenue Bonds, Northwestern Memorial Hospital, Series 2009A, 6.000%, 8/15/39  | 8/1  |
| 3,500  | Illinois Finance Authority, Revenue Bonds, OSF Healthcare System, Series 2009A, 7.125%, 11/15/37  | 5/1  |
| 5,000  | Illinois Finance Authority, Revenue Bonds, Rush University Medical Center Obligated Group, Series 2009A and 2009B, 7.250%, 11/01/38                   | 11/1 |
| 3,995  | Illinois Finance Authority, Student Housing Revenue Bonds, Educational Advancement Fund Inc., Refunding Series 2007A, 5.250%, 5/01/34                 | 5/1  |
| 28,000 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A, 0.000%, 12/15/35 – MBIA Insured | N    |
| 45,495 | Total Illinois  |      |
|        | Indiana – 5.4%  |      |
| 5,000  | Indiana Finance Authority, Hospital Revenue Bonds, Deaconess Hospital Obligated Group, Series 2009A, 6.750%, 3/01/39                                  | 3/1  |
| 3,650  | Indiana Health Facility Financing Authority, Revenue Bonds, Community Foundation of Northwest Indiana, Series 2007, 5.500%, 3/01/37                   | 3/1  |
| 2,000  | Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series 2009B, 6.000%, 1/01/39  | 1/1  |
| 10,650 | Total Indiana   |      |
|        | Iowa – 1.1%   |      |
| 3,000  | Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C, 5.375%, 6/01/38   | 6/1  |
|        | Louisiana – 7.5%  |      |

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| 5,000  | Louisiana Citizens Property Insurance Corporation, Assessment Revenue Bonds, Series 2006C-3,<br>6.125%, 6/01/25  | 6/1  |
|        | Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project,<br>Series 2007A:  |      |
| 7,000  | 5.375%, 5/15/43  | 5/1  |
| 275    | 5.500%, 5/15/47  | 5/1  |
| 3,255  | St John Baptist Parish, Louisiana, Revenue Bonds, Marathon Oil Corporation, Series 2007A,<br>5.125%, 6/01/37   | 6/1  |
| 15,530 | Total Louisiana  |      |
|        | Maine – 1.8%   |      |
| 3,335  | Maine Health and Higher Educational Facilities Authority, Revenue Bonds, Bowdoin College,<br>Tender Option Bond Trust 09-5B, 12.954%, 7/01/39 (IF)               | 7/1  |
|        | Massachusetts – 2.8%   |      |
|        | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Senior<br>Series 1997A:   |      |
| 375    | 5.000%, 1/01/11  | 7/1  |
| 1,200  | 5.000%, 1/01/13 – NPMG Insured   | 1/1  |
|        | Massachusetts Turnpike Authority, Metropolitan Highway System Revenue Bonds, Subordinate<br>Series 1999A:  |      |
| 2,045  | 5.250%, 1/01/15 – AMBAC Insured  | 4/1  |
| 1,000  | 4.750%, 1/01/34 – AMBAC Insured  | 7/1  |
| 1,000  | Massachusetts Water Pollution Abatement Trust, Pooled Loan Program Bonds, Series 2009-14,<br>13.212%, 8/01/38 (IF)   | 8/1  |
| 5,620  | Total Massachusetts  |      |
|        | Michigan – 2.2%  |      |
| 5,000  | Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A, 5.000%,<br>7/01/35 – NPMG Insured   | 7/1  |
|        | Missouri – 0.4%  |      |
| 1,000  | Saint Louis Industrial Development Authority, Missouri, Empowerment Zone Hotel Facilities<br>Revenue Bonds, Laurel Embassy Suites, Series 2009, 8.500%, 12/15/39 | 12/1 |
|        | Nevada – 3.8%  |      |
| 1,250  | Clark County, Nevada, Airport Revenue Bonds, Tender Option Bond Trust Series 11823-1, 0.000%,<br>1/01/36 (WI/DD, Settling 2/03/10) (IF)                          | 1/2  |
| 250    | Clark County, Nevada, Senior Lien Airport Revenue Bonds, Series 2005A, 5.000%, 7/01/40 –<br>AMBAC Insured  | N    |
| 5,415  | Las Vegas Redevelopment Agency, Nevada, Tax Increment Revenue Bonds, Series 2009A, 8.000%,<br>6/15/30  | 6/1  |
| 6,915  | Total Nevada   |      |
|        | New Jersey – 2.8%  |      |
|        | New Jersey Educational Facilities Authority Revenue Refunding Bonds, University of Medicine<br>and Dentistry of New Jersey Issue, Series 2009 B:                 |      |

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|--------|---|------|
| 2,135  | 7.125%, 12/01/23  | 6/1  |
| 3,000  | 7.500%, 12/01/32  | 6/1  |
| 5,135  | Total New Jersey<br>New York – 1.5%   |      |
| 3,000  | Liberty Development Corporation, New York, Goldman Sachs Headquarters Revenue Bonds Series<br>2007, 5.500%, 10/01/37<br>North Carolina – 1.6%               | N    |
| 3,000  | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%,<br>1/01/19 – NPPG Insured<br>Ohio – 5.9%                     | 1/1  |
| 5,000  | American Municipal Power Ohio INC Prairie State Energy Campus Project Revenue Bonds Series<br>2009 A, 5.750%, 2/15/39 – AGC Insured                         | 2/1  |
| 5,500  | Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue<br>Bonds, Senior Lien, Series 2007A-2, 6.500%, 6/01/47        | 6/1  |
| 2,000  | Ohio State Higher Educational Facilities Commission, Hospital Revenue Bonds, University<br>Hospitals Health System, Series 2009, 6.750%, 1/15/39            | 1/1  |
| 12,500 | Total Ohio<br>Puerto Rico – 3.7%  |      |
| 4,390  | Puerto Rico Aqueduct and Sewerage Authority, Revenue Bonds, Senior Lien Series 2008A,<br>6.000%, 7/01/44  | 7/1  |
| 3,000  | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series<br>2009A, 6.000%, 8/01/42                                    | 8/1  |
| 7,390  | Total Puerto Rico<br>Rhode Island – 3.1%  |      |
| 3,000  | Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Bonds,<br>Lifespan Obligated Group Issue, Series 2009A, 7.000%, 5/15/39 | 5/1  |
| 3,240  | Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds,<br>Series 2002A, 6.125%, 6/01/32                              | 6/1  |
| 6,240  | Total Rhode Island<br>Texas – 6.1%  |      |
| 13,510 | Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation<br>Bonds, Series 2008, 0.000%, 8/15/39                       | 8    |
| 5,300  | North Texas Thruway Authority, Second Tier System Revenue Refunding Bonds, Series 2008,<br>5.750%, 1/01/38  | 1/1  |
| 5,000  | Richardson Hospital Authority, Texas, Revenue Bonds, Richardson Regional Medical Center,<br>Series 2004, 6.000%, 12/01/34                                   | 12/1 |
| 23,810 | Total Texas<br>Virgin Islands – 0.4%  |      |
| 1,000  | Virgin Islands Public Finance Authority, Matching Fund Revenue Loan Note – Diageo Project,<br>Series 2009A, 6.750%, 10/01/37<br>Virginia – 1.1%             | 10/1 |

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|            |   |     |
|------------|---|-----|
| 2,000      | Washington County Industrial Development Authority , Virginia, Hospital Revenue Bonds, Mountain States Health Alliance, Series 2009C, 7.750%, 7/01/38<br>Wisconsin – 8.3% | 1/1 |
| 195        | Badger Tobacco Asset Securitization Corporation, Wisconsin, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/27 (Pre-refunded 6/01/12)                    | 6/1 |
| 5,000      | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Healthcare Inc., Series 2003, 6.400%, 4/15/33  | 4/1 |
| 1,500      | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, ProHealth Care, Inc. Obligated Group, Series 2009, 6.625%, 2/15/39                                  | 2/1 |
| 9,000      | Wisconsin State, General Fund Annual Appropriation Revenue Bonds, Series 2009A, 6.000%, 5/01/36   | 5/1 |
| 15,695     | Total Wisconsin   |     |
| \$ 269,490 | Total Investments (cost \$179,656,451) – 99.3%  |     |
|            | Other Assets Less Liabilities – 0.7%  |     |
|            | Net Assets – 100%   |     |

Fair Value Measurements

In determining the value of the Fund’s investments, various inputs are used. These inputs are summarized in the three broad levels listed below:

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant unobservable inputs (including management’s assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the Fund’s fair value measurements as of January 31, 2010:

|                 | Level 1 | Level 2       | Level 3 | Total         |
|-----------------|---------|---------------|---------|---------------|
| Investments:    |         |               |         |               |
| Municipal Bonds | \$ —    | \$202,972,452 | \$ —    | \$202,972,452 |

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments

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in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

At January 31, 2010, the cost of investments was \$179,405,337.

Gross unrealized appreciation and gross unrealized depreciation of investments at January 31, 2010, were as follows:

Gross unrealized:

|   |              |
|---|--------------|
| Appreciation  | \$24,106,299 |
| Depreciation  | (539,184)    |
| Net unrealized appreciation (depreciation) of investments | \$23,567,115 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.

N/R Not rated.

WI/DD Purchased on a when-issued or delayed delivery basis.

(IF) Inverse floating rate investment.

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Item 2. Controls and Procedures.

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

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: See EX-99 CERT attached hereto.

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SIGNATURES

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

(Registrant) Nuveen Municipal Value Fund 2

By (Signature and Title) /s/ Kevin J. McCarthy  
Kevin J. McCarthy  
Vice President and Secretary

Date April 1, 2010

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

By (Signature and Title) /s/ Gifford R. Zimmerman  
Gifford R. Zimmerman  
Chief Administrative Officer (principal executive officer)

Date April 1, 2010

By (Signature and Title) /s/ Stephen D. Foy  
Stephen D. Foy  
Vice President and Controller (principal financial officer)

Date April 1, 2010