

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. |
|-----|---|--------------|

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. |
|-------|--|--------------|

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. |
|-------|--|--------------|

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

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

U.S. Guaranteed ☐ 25.8% (17.2% of Total Investments) (4)

| | | |
|--------|--|--------------|
| 9,000 | Anitoch Area Public Facilities Financing Agency, California, Special Tax Bonds, Community Facilities District 1989-1, Series 2001, 5.250%, 8/01/25 (Pre-refunded 8/01/11) ☐ MBIA Insured | 8/11 at 100. |
| 6,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 5.125%, 5/01/18 (Pre-refunded 5/01/12) | 5/12 at 101. |
| 7,530 | Los Angeles Unified School District, California, General Obligation Bonds, Series 2000D, 5.375%, 7/01/25 (Pre-refunded 7/01/10) ☐ FGIC Insured | 7/10 at 100. |
| 1,375 | Lucia Mar Unified School District, San Luis Obispo County, California, General Obligation Bonds, Series 2004A, 5.250%, 8/01/21 (Pre-refunded 8/01/14) ☐ FGIC Insured | 8/14 at 100. |
| 3,000 | Northern California Tobacco Securitization Authority, Tobacco Settlement Asset-Backed Bonds, Series 2001A, 5.375%, 6/01/41 (Pre-refunded 6/01/11) | 6/11 at 100. |
| 15,090 | Santa Clara Valley Transportation Authority, California, Sales Tax Revenue Bonds, Series 2001A, 5.000%, 6/01/25 (Pre-refunded 6/01/11) ☐ MBIA Insured | 6/11 at 100. |
| 6,200 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2001, 5.375%, 8/01/25 (Pre-refunded 8/01/11) ☐ AMBAC Insured | 8/11 at 101. |
| 2,710 | Southwestern Community College District, San Diego County, California, General Obligation Bonds, Series 2004, 5.000%, 8/01/21 (Pre-refunded 8/01/14) ☐ FGIC Insured | 8/14 at 100. |
| 2,800 | Tobacco Securitization Authority of Southern California, Tobacco Settlement Asset-Backed Bonds, San Diego County Tobacco Asset Securitization Corporation, Senior Series 2001A, 5.500%, 6/01/36 (Pre-refunded 6/01/12) | 6/12 at 100. |

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53,705 Total U.S. Guaranteed

Utilities □ 4.5% (3.0% of Total Investments)

| | | |
|-------|---|---------------|
| 5,000 | Anaheim Public Finance Authority, California, Second Lien Electric Distribution Revenue Bonds, Series 2004, 5.250%, 10/01/21 □ MBIA Insured | 10/14 at 100. |
| | Los Angeles Department of Water and Power, California, Power System Revenue Bonds, Series 2003A-2: | |
| 750 | 5.000%, 7/01/21 □ MBIA Insured | 7/13 at 100. |
| 1,000 | 5.000%, 7/01/23 □ MBIA Insured | 7/13 at 100. |
| 790 | Merced Irrigation District, California, Electric System Revenue Bonds, Series 2005, 5.125%, 9/01/31 □ XLCA Insured | 9/15 at 100. |
| 2,000 | Santa Clara, California, Subordinate Electric Revenue Bonds, Series 2003A, 5.250%, 7/01/20 □ MBIA Insured | 7/13 at 100. |

9,540 Total Utilities

Water and Sewer □ 14.3% (9.5% of Total Investments)

| | | |
|--------|--|---------------|
| 2,740 | California Department of Water Resources, Water System Revenue Bonds, Central Valley Project, Series 2002Z, 5.000%, 12/01/18 □ FGIC Insured | 12/12 at 100. |
| 4,900 | East Bay Municipal Utility District, Alameda and Contra Costa Counties, California, Water System Subordinated Revenue Bonds, Series 2001, 5.000%, 6/01/26 □ MBIA Insured | 6/11 at 100. |
| 2,655 | El Dorado Irrigation District, California, Water and Sewer Certificates of Participation, Series 2004A, 5.000%, 3/01/20 □ FGIC Insured | 3/14 at 100. |
| 545 | Healdsburg Public Financing Authority, California, Wastewater Revenue Bonds, Series 2006, 5.000%, 4/01/36 (WI/DD, Settling 6/06/06) □ MBIA Insured | 4/16 at 100. |
| 980 | Los Angeles Department of Water and Power, California, Waterworks Revenue Bonds, Series 2006A-2, 5.000%, 7/01/27 □ AMBAC Insured | 7/16 at 100. |
| 1,700 | San Buenaventura, California, Wastewater Revenue Certificates of Participation, Series 2004, 5.000%, 3/01/24 □ MBIA Insured | 3/14 at 100. |
| 6,885 | San Diego Public Facilities Financing Authority, California, Subordinate Lien Water Revenue Bonds, Series 2002, 5.000%, 8/01/21 □ MBIA Insured | 8/12 at 100. |
| 10,000 | San Francisco City and County Public Utilities Commission, California, Clean Water Revenue Refunding Bonds, Series 2003A, 5.250%, 10/01/20 □ MBIA Insured | 4/13 at 100. |

30,405 Total Water and Sewer

\$ 318,292 Total Investments (cost \$321,900,339) □ 150.3%

Other Assets Less Liabilities □ (1.0)%

Preferred Shares, at Liquidation Value □ (49.3)%

Net Assets Applicable to Common Shares □ 100%

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common

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shares unless otherwise noted.

- (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 or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.

N/R Not rated.

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

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 the treatment of paydown gains and losses, timing differences in recognizing taxable market discount and timing differences in recognizing certain gains and losses on investment transactions.

At May 31, 2006, the cost of investments was \$321,887,054.

Gross unrealized appreciation and gross unrealized depreciation of investments at May 31, 2006, were as follows:

| | |
|---|--------------|
| Gross unrealized: | |
| Appreciation | \$13,773,228 |
| Depreciation | (348,091) |
| <hr/> | |
| Net unrealized appreciation (depreciation) of investments | \$13,425,137 |

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: EX-99 CERT Attached hereto.

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 California Dividend Advantage Municipal Fund 2

By (Signature and Title)* /s/ Jessica R. Droeger
Jessica R. Droeger
Vice President and Secretary

Date July 28, 2006

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 July 28, 2006

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

Date July 28, 2006

* Print the name and title of each signing officer under his or her signature.