

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND II
Form N-CSRS
November 03, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSRS

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-21238

Nicholas-Applegate Convertible & Income Fund II
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105
(Address of principal executive offices) (Zip code)

Lawrence G. Altadonna - 1345 Avenue of the Americas, New York, New York 10105
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-739-3371

Date of fiscal year end: February 28, 2007

Date of reporting period: August 31, 2006

Form N-CSRS is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e -1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR 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 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. REPORT TO SHAREHOLDERS

Nicholas-Applegate Convertible & Income Fund Nicholas-Applegate Convertible & Income Fund II

Semi-Annual Report
August 31, 2006

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Nicholas-Applegate Convertible & Income Funds Letter to Shareholders (unaudited)

October 4, 2006

Dear Shareholder:

We are pleased to provide you with the semi-annual report for Nicholas-Applegate Convertible & Income Fund and Nicholas-Applegate Convertible & Income Fund II (the "Funds") for the fiscal six months ended August 31, 2006.

The convertible market finished the six-month fiscal period ended August 31, 2006 on a positive note, as the Merrill Lynch All-Convertible Index increased 2.04%. For this period, the convertible market lagged the S&P 500 Index but outperformed the NASDAQ Composite Index. The Merrill Lynch Master II Index, a gauge for the high yield market, returned 3.55%. For information on how the Funds fared in this environment, please review the following pages.

If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds' shareholder servicing agent at (800) 331-1710. In addition, a wide range of information and resources are available on our Web site, www.allianzinvestors.com/closedendfunds.

Together with Allianz Global Investors Fund Management LLC, the Funds' investment manager, and Nicholas-Applegate Capital Management LLC, the Funds' sub-adviser, we thank you for investing with us.

We remain dedicated to serving your financial needs.

Sincerely,

Robert E. Connor
Chairman

Brian S. Shlissel
President & Chief Executive Officer

Nicholas-Applegate Convertible & Income Fund Performance & Statistics

August 31, 2006 (unaudited)

- * Nicholas-Applegate Convertible & Income Fund had a net asset value (NAV) return of 3.70% and a market price return of 7.39% for the six-month reporting period.
- * In the convertibles portion of the Fund's portfolio, performance was affected by a broad-based sell-off in the market. In this environment, cyclicals were hit the hardest, particularly airlines and materials. This reflects investor anticipation of a slowing economy, which would likely see less business and leisure travel as well as lower demand for housing-related materials.
- * The healthcare industry was a positive contributor to Fund performance, based on strong first-quarter earnings and a broad rotation into defensive growth areas such as biotechnology and healthcare services.
- * Insurance companies aided Fund performance, rising on solid corporate profits and low catastrophe occurrences year-to-date.
- * High yield bond performance was solid for the period. Investors were drawn to energy, telecommunications and consumer products, reassured by ratings increases in these sectors.
- * Given investor confidence in the high yield bond market, lower-quality issuers turned in the best performance during the reporting period.

Total Return⁽¹⁾ :	Market Price	Net Asset Value (NAV)
6 months	7.39%	3.70%
1 year	15.30%	7.61%
Commencement of Operations (3/31/03) to 8/31/06	15.32%	13.48%

Common Share Market Price/NAV Performance:

Commencement of Operations (3/31/03) to 8/31/06

Market Price/NAV:

Market Price	\$16.03
NAV	\$14.47
Premium to NAV	10.78%
Market Price Yield ⁽²⁾	9.36%

**Moody's Ratings
(as a % of total investments)**

(1) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends and capital gain distributions have been reinvested at prices obtained under the Fund's dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual return.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to the total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

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(2) Market Price Yield is determined by dividing the annualized current per share dividend to common shareholders by the market price per common share at August 31, 2006.

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Nicholas-Applegate Convertible & Income Fund II Performance & Statistics

August 31, 2006 (unaudited)

- * Nicholas-Applegate Convertible & Income Fund II had a net asset value (NAV) return of 3.79% and a market price return of 7.43% for the six months ended August 31, 2006.
- * In the convertibles portion of the Fund's portfolio, performance was affected by a broad-based sell-off in the market. In this environment cyclicals were hit the hardest, particularly airlines and materials. This reflects investor anticipation of a slowing economy, which would likely see less business and leisure travel as well as lower demand for housing-related materials.
- * The healthcare industry was a positive contributor to the Fund, based on strong first quarter earnings and a broad rotation into defensive growth areas such as biotechnology and healthcare services.
- * Insurance companies aided Fund performance, rising on solid corporate profits and low catastrophe occurrences year-to-date.
- * High yield bond performance was solid for the period. Investors were drawn to energy, telecommunications and consumer products, reassured by ratings increases in these sectors.
- * Given investor confidence in the high yield bond market, lower-quality issuers turned in the best performance during the reporting period.

Total Return⁽¹⁾ :	Market Price	Net Asset Value (NAV)
6 months	7.43%	3.79%
1 year	13.32%	8.11%
Commencement of Operations (7/31/03) to 8/31/06	12.26%	11.61%

Common Share Market Price/NAV Performance:	Market Price/NAV:	
Commencement of Operations (7/31/03) to 8/31/06	Market Price	\$15.52
	NAV	\$14.55
	Premium to NAV	6.67%
	Market Price Yield ⁽²⁾	8.94%

Moody's Ratings
(as a % of total investments)

(1) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all of the Fund's income dividends and capital gain distributions have been reinvested at prices obtained under the dividend reinvestment plan. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual return.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a onetime public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to the total assets applicable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current per share dividend to common shareholders by the market price per common share at August 31, 2006.

Nicholas-Applegate Convertible & Income Fund Schedule of Investments

August 31, 2006 (unaudited)

Principal			
Amount (000)		Credit Rating (Moody's/S&P)*	Value
CORPORATE BONDS & NOTES 40.7%			
Advertising 0.7%			
\$10,700	Affinion Group, Inc., 11.50%, 10/15/15 (a)	Caa1/B-	\$ 10,807,000
Apparel 1.0%			
2,000	Levi Strauss & Co, 9.75%, 1/15/15	B3/B-	2,080,000
10,295	12.25%, 12/15/12	B3/B-	11,530,400
1,975	Oxford Industries, Inc., 8.875%, 6/1/11	B1/B	1,994,750
			15,605,150
Automotive 1.6%			
7,485	General Motors Corp., 8.375%, 7/15/33	Caa1/B-	6,268,687
10,890	Goodyear Tire & Rubber Co., 11.25%, 3/1/11	B3/B-	12,033,450
8,308	HLI Operating Co., Inc., 10.50%, 6/15/10	Caa3/CCC	6,397,160
			24,699,297
Chemicals 2.7%			
4,703	Huntsman LLC, 11.625%, 10/15/10	Ba3/BB-	5,220,330
5,115	Lyondell Chemical Co., 10.875%, 5/1/09	B2/B	5,217,300
5,435	11.125%, 7/15/12	Ba3/BB	5,924,150
13,590	Mosaic Global Holdings, Inc., 11.25%, 6/1/11	Ba3/BB	14,354,438
5,125	PolyOne Corp., 10.625%, 5/15/10	B3/B+	5,496,562
4,830	Rhodia S.A., 10.25%, 6/1/10	B2/B-	5,325,075
			41,537,855
Coal 0.9%			
3,595	International Coal Group, Inc., 10.25%, 7/15/14 (a)	B3/CCC+	3,711,837
10,445	James River Coal Co., 9.375%, 6/1/12	Caa2/CCC-	9,687,738
			13,399,575
Commercial Services 1.8%			
3,800	Cenveo Corp., 7.875%, 12/1/13	B3/B-	3,591,000
5,400	Hertz Corp., 10.50%, 1/1/16 (a)	B3/B	5,818,500
4,444	Rent-Way, Inc., 11.875%, 6/15/10	B3/NR	4,966,170
12,335	Vertrue, Inc., 9.25%, 4/1/14	B2/B	12,766,725
			27,142,395
Computers 0.5%			
8,515	Unisys Corp., 8.00%, 10/15/12	B2/B+	7,887,019
Electric 2.7%			
13,025	AES Corp., 9.50%, 6/1/09	B/B1	13,936,750
12,750	Mission Energy Holdings Co., 13.50%, 7/15/08	B/B-2	14,264,063
12,630	PSEG Energy Holdings LLC, 10.00%, 10/1/09	Ba/BB3-	13,640,400
			41,841,213
Electronics 1.6%			
13,405	IMAX Corp., 9.625%, 12/1/10	B3/B-	12,902,312
12,170	Stoneridge, Inc., 11.50%, 5/1/12	B2/B	11,835,325
			24,737,637

Nicholas-Applegate Convertible & Income Fund Schedule of Investments

August 31, 2006 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	Financial Services 2.4%		
\$11,080	Alamosa Delaware, Inc., 11.00%, 7/31/10	Baa3/BBB+	\$ 12,104,900
8,175	AMR Holdings Co., 10.00%, 2/15/15	Caa1/B-	8,747,250
10,795	Ford Motor Credit Co., 7.00%, 10/1/13	Ba3/B+	10,074,952
4,945	MedCath Holdings Corp., 9.875%, 7/15/12	Caa1/B-	5,241,700
			36,168,802
	Food Products 0.9%		
12,805	Pilgrim's Pride Corp., 9.625%, 9/15/11	Ba2/BB-	13,413,237
	Healthcare 0.9%		
7,275	Alliance Imaging, Inc., 7.25%, 12/15/12	B/B- 3	6,765,750
6,475	Hanger Orthopedic Group, Inc., 10.25%, 6/1/14	B3/CCC+	6,491,187
			13,256,937
	Home Builders 0.7%		
12,160	William Lyon Homes, Inc., 10.75%, 4/1/13	B2/B	11,187,200
	Home Furnishings 1.8%		
11,370	Central Garden & Pet Co., 9.125%, 2/1/13	B2/B	11,767,950
14,600	Jarden Corp., 9.75%, 5/1/12	B3 /B-	15,111,000
			26,878,950
	Machinery 0.9%		
12,940	Case New Holland, Inc., 9.25%, 8/1/11	Ba3/BB	13,716,400
	Manufacturing 0.5%		
6,875	Clarke American Corp., 11.75%, 12/15/13	B2/B-	7,184,375
	Metals & Mining 2.2%		
7,710	AK Steel Corp., 7.875%, 2/15/09	B1/B+	7,661,812
11,665	Freeport-McMoRan Copper & Gold, Inc., 10.125%, 2/1/10	B1/B+	12,405,728
13,420	United States Steel LLC, 10.75%, 8/1/08	Ba1/BB	14,460,050
			34,527,590
	Miscellaneous 1.5%		
22,405	Dow Jones CDX High Yield, 10.50%, 12/29/09 (a) (b)	NR/NR	22,460,670
	Multi-Media 1.7%		
12,870	CCH I LLC, 11.00%, 10/1/15	Caa3/CCC-	11,486,475
6,450	Lodgenet Entertainment Corp., 9.50%, 6/15/13	B3/B-	6,917,625
8,140	Sirius Satellite Radio, Inc., 9.625%, 8/1/13	Caa1/CCC	7,773,700
			26,177,800
	Office/Business Equipment 0.4%		
5,565	Xerox Corp., 9.75%, 1/15/09	Ba2 /BB+	6,010,200
	Office Furnishings 1.1%		
	Interface, Inc.,		
5,375	9.50%, 2/1/14	Caa1/CCC	5,549,687
6,490	10.375%, 2/1/10	B2/B-	7,065,988
3,791	Tempur-Pedic, Inc., 10.25%, 8/15/10	B2/B	3,971,072
			16,586,747

5,000	Oil & Gas 0.4% Seitel, Inc., 11.75%, 7/15/11	B3/NR	5,775,000
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Nicholas-Applegate Convertible & Income Fund Schedule of Investments

August 31, 2006 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	Paper Products 1.2%		
\$ 5,096	Buckeye Technologies, Inc., 9.25%, 9/15/08	Caa1/B	\$ 5,096,000
12,945	NewPage Corp., 12.00%, 5/1/13	Caa2/CCC+	13,365,713
			18,461,713
	Pharmaceuticals 0.4%		
7,180	Leiner Health Products, Inc., 11.00%, 6/1/12	Caa1/CCC	6,821,000
	Pipelines 0.9%		
13,330	Sonat, Inc., 7.625%, 7/15/11	B2/B	13,629,925
	Retail 4.3%		
14,420	Bon-Ton Stores, Inc., 10.25%, 3/15/14	B2/B-	13,572,825
5,420	EPL Finance Corp., 11.75%, 11/15/13 (a)	Caa1/CCC+	6,056,850
4,790	GSC Holdings Corp., 8.00%, 10/1/12	Ba3/B+	4,891,788
8,325	Mothers Work, Inc., 11.25%, 8/1/10	Caa1/B-	8,793,281
9,710	Neiman-Marcus Group, Inc., 10.375%, 10/15/15	B/B- 3	10,389,700
10,000	R.H. Donnelley, Inc., 10.875%, 12/15/12	B2/B	10,950,000
10,770	Star Gas Partners L.P., 10.25%, 2/15/13, Ser. B	Caa3/B-	10,985,400
			65,639,844
	Telecommunications 3.9%		
7,395	Hawaiian Telcom Communications, Inc., 12.50%, 5/1/15, Ser. B	Caa1/CCC+	7,561,388
12,400	Intelsat Bermuda Ltd, 11.25%, 6/15/16 (a)	Caa1/B	12,849,500
10,110	Level 3 Financing, Inc., 12.25%, 3/15/13 (a)	B3/CCC-	11,083,088
12,990	Millicom International Cellular S.A., 10.00%, 12/1/13	B3/B-	13,931,775
12,680	Nortel Networks Ltd, 10.75%, 7/15/16 (a)	B3/B-	13,123,800
			58,549,551
	Transportation 0.4%		
5,870	PHI, Inc., 7.125%, 4/15/13 (a)	B1/BB-	5,591,175
	Travel Services 0.7%		
10,245	TDS Investor Corp., 11.875%, 9/1/16 (a)	Caa1/B-	9,988,875
	Total Corporate Bonds & Notes (cost-\$616,410,371)		619,683,132
	CONVERTIBLE PREFERRED STOCK 28.9%		
Shares (000)			
	Automotive 1.3%		
145	Ford Motor Co., Capital Trust II, 6.50%, 1/15/32	Caa1/CCC+	4,935,800
785	General Motors Corp., 5.25%, 3/6/32	Caa1/B-	14,836,500
			19,772,300
	Banking 1.0%		
289	Washington Mutual Capital Trust, 5.375%, 5/3/41		15,702,022
	Commercial Services 1.3%		

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463	United Rentals, Inc., 6.50%, 8/1/28 Electric 3.1%	Caa1/B-	20,350,000
447	AES Trust III, 6.75%, 10/15/29	B3/B	21,781,500
96	NRG Energy, Inc., 5.75%, 3/16/09	B3/CCC+	24,664,063
			46,445,563

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Nicholas-Applegate Convertible & Income Fund Schedule of Investments

August 31, 2006 (unaudited)

Shares (000)		Credit Rating (Moody's/S&P)*	Value
	Financial Services 8.9%		
230	Citigroup Funding, Inc., 5.02%, 9/27/08 (c)	Aa1/AA-	\$ 7,560,100
410	E*Trade Financial Corp., 6.125%, 11/18/08	Ba3/NA	12,658,750
	Lehman Brothers Holdings, Inc.,		
735	6.25%, 10/15/07	A1/A+	19,690,650
505	20.00%, 3/17/07	A1/A+	16,589,250
261	20.00%, 8/15/07	A1/A+	16,015,449
	Morgan Stanley,		
215	20.00%, 12/14/06	Aa3/A+	14,993,025
280	20.00%, 12/22/06	Aa3/A+	16,304,632
590	20.00%, 3/9/07	Aa/A+3	16,275,150
540	20.00%, 6/2/07	Aa3/A+	15,408,900
			135,495,906
	Food 0.7%		
442	Albertson's, Inc., 7.25%, 5/16/07	B2 /B	11,095,392
	Insurance 5.7%		
425	Genworth Financial, Inc., 6.00%, 5/16/07	A2/A	15,818,500
714	Metlife, Inc., 6.375%, 8/15/08	NR/BBB+	20,657,372
540	Platinum Underwriters Holdings Ltd, 6.00%, 2/15/09	NR/BB+	15,997,500
678	PMI Group, Inc., 5.875%, 11/15/06	A1/A	17,127,075
785	XL Capital Ltd, 6.50%, 5/15/07	A3/A-	17,136,550
			86,736,997
	Oil & Gas 2.1%		
153	Chesapeake Energy Corp., 5.00%, 12/31/49	NR/B	16,350,944
133	Hess Corp., 7.00%, 12/01/06	Ba3/BB	15,378,125
			31,729,069
	Pharmaceuticals 1.7%		
464	Schering-Plough Corp., 6.00%, 9/14/07	Baa3/BBB	25,037,964
	Real Estate 1.1%		
677	FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A, REIT	B2/CCC+	16,750,800
	Telecommunications 1.1%		
305	Crown Castle International Corp., 6.25%, 8/15/12	NR/NR	17,003,750
	Waste Disposal 0.9%		
45	Allied Waste Industries, Inc., 6.25%, 3/1/08	Caa3/B	12,928,500
	Total Convertible Preferred Stock (cost-\$428,136,352)		439,048,263

CONVERTIBLE BONDS & NOTES 24.0%

Principal
Amount
(000)

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	Airlines 1.3%		
\$ 20,572	Continental Airlines, Inc., 4.50%, 2/1/07	Caa2/CCC+	20,443,425
	Banks 0.6%		
9,300	UBS AG Jersey Branch, 22.00%, 8/15/07 (a)	NR/NR	9,265,125

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Nicholas-Applegate Convertible & Income Fund Schedule of Investments

August 31, 2006 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
	Commercial Services 3.1%		
\$ 9,100	Bowne & Co., Inc., 5.00%, 10/1/33	B2/B-	\$ 9,941,750
13,440	Memberworks, Inc., 5.50%, 10/1/10	NR/B-	16,212,000
20,614	Quebecor World USA, Inc., 6.00%, 10/1/07	B2 /B	20,433,627
			46,587,377
	Computers 1.2%		
16,400	Maxtor Corp., 6.80%, 4/30/10	Ba1/NR	18,183,500
	Electric 1.2%		
6,075	PG&E Corp., 9.50%, 6/30/10	NR/NR	18,581,906
	Electrical Components & Equipment 0.7%		
7,250	Artesyn Technologies, Inc., 5.50%, 8/15/10	NR/NR	9,925,975
	Metals & Mining 1.0%		
7,490	Freeport-McMoRan Copper & Gold, Inc., 7.00%, 2/11/11	NR/B+	14,792,750
	Multi-Media 1.4%		
20,995	EchoStar Communications Corp., 5.75%, 5/15/08	B2/B	21,099,975
	Oil & Gas 1.2%		
14,100	Devon Energy Corp., 4.95%, 8/15/08	Baa2/BBB	17,713,125
	Pharmaceuticals 1.4%		
20,950	Sepracor, Inc., 5.00%, 2/15/07	NR/B-	20,950,000
	Retail 1.3%		
21,008	Sonic Automotive, Inc., 5.25%, 5/7/09	B/B3	19,931,340
	Semi-Conductors 1.2%		
2,363	Amkor Technology, Inc., 5.00%, 3/15/07	Ca/CC	2,274,388
16,750	Fairchild Semiconductor Corp., 5.00%, 11/1/08	NR/B	16,645,313
			18,919,701
	Telecommunications 7.1%		
19,000	American Tower Corp., 5.00%, 2/15/10	B1/BB-	19,023,750
15,900	CenturyTel, Inc., 4.75%, 8/1/32	Baa2/BBB	16,734,750
3,200	Ciena Corp., 3.75%, 2/1/08	B2 /B	3,100,000
20,550	Level 3 Communications, Inc., 6.00%, 3/15/10	Ca/CCC-	17,647,313
19,800	Lucent Technologies, Inc., 8.00%, 8/1/31	B3/CCC+	19,948,500
20,500	Nextel Communications, Inc., 5.25%, 1/15/10	Baa3/BBB+	20,423,125
12,345	Nortel Networks Corp., 4.25%, 9/1/08	B3/B-	11,743,181
			108,620,619
	Trucking/Leasing 1.3%		
17,500	GATX Corp., 7.50%, 2/1/07	Baa3/BBB	19,906,250
	Total Convertible Bonds & Notes (cost-\$358,487,213)		364,921,068
	U.S. GOVERNMENT SECURITIES 2.0%		
10,785	United States Treasury Notes, 10.375%, 11/15/12		11,469,599

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16,275	12.00%, 8/15/13	18,463,239
	Total U.S. Government Securities (cost-\$32,088,019)	29,932,838

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Nicholas-Applegate Convertible & Income Fund Schedule of Investments

August 31, 2006 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
SHORT-TERM INVESTMENTS 4.4%			
Corporate Bonds & Notes 1.9%			
Chemicals 0.1%			
\$ 965	Lyondell Chemical Co., 9.625%, 5/1/07, Ser. A	Ba3/BB	\$ 984,300
Hotels/Gaming 0.7%			
10,500	Mandalay Resort Group, Inc., 10.25%, 8/1/07, Ser. B	Ba3/B+	10,867,500
Real Estate 0.2%			
2,715	Host Marriot L.P., 9.50%, 1/15/07, Ser. I, REIT	Ba2/BB	2,745,544
Retail 0.9%			
13,575	Rite Aid Corp., 12.50%, 9/15/06	NR/B+	13,575,000
	Total Corporate Bonds & Notes (cost-\$28,139,149)		28,172,344
Time Deposit 2.5%			
38,719	Wachovia Bank [Grand Cayman, 4.61%, 9/1/06 (cost-\$38,718,833)		38,718,833
	Total Short-Term Investments (cost-\$66,857,982)		66,891,177
	Total Investments (cost-\$1,501,979,937) 100.0%		\$ 1,520,476,478

Nicholas-Applegate Convertible & Income Fund II Schedule of Investments

August 31, 2006 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value
CORPORATE BONDS & NOTES 39.6%			
Advertising 0.7%			
\$ 9,150	Affinion Group, Inc., 11.50%, 10/15/15 (a)	Caa1/B-	\$ 9,241,500
Apparel 1.0%			
2,000	Levi Strauss & Co., 9.75%, 1/15/15	B3/B-	2,080,000
8,705	12.25%, 12/15/12	B3/B-	9,749,600
1,225	Oxford Industries, Inc., 8.875%, 6/1/11	B1/B	1,237,250
			13,066,850
Automotive 1.6%			
6,430	General Motors Corp., 8.375%, 7/15/33	Caa1/B-	5,385,125
9,260	Goodyear Tire & Rubber Co., 11.25%, 3/1/11	B3/B-	10,232,300
7,265	HLI Operating Co., Inc., 10.50%, 6/15/10	Caa3/CCC	5,594,050
			21,211,475
Chemicals 2.6%			
3,998	Huntsman LLC, 11.625%, 10/15/10	Ba3/BB-	4,437,780
4,315	Lyondell Chemical Co., 10.875%, 5/1/09	B2/B	4,401,300
4,565	11.125%, 7/15/12	Ba3/BB	4,975,850
11,410	Mosaic Global Holdings, Inc., 11.25%, 6/1/11	Ba3/BB	12,051,812
4,765	PolyOne Corp., 10.625%, 5/15/10	B3/B+	5,110,463
3,609	Rhodia S.A., 10.25%, 6/1/10	B2 /B-	3,978,923
			34,956,128
Coal 0.9%			
3,405	International Coal Group, Inc., 10.25%, 7/15/14 (a)	B3/CCC+	3,515,662
8,915	James River Coal Co., 9.375%, 6/1/12	Caa2/CCC-	8,268,662
			11,784,324
Commercial Services 1.7%			
3,250	Cenveo Corp., 7.875%, 12/1/13	B3/B-	3,071,250
4,600	Hertz Corp., 10.50%, 1/1/16 (a)	B3/B	4,956,500
3,795	Rent-Way, Inc., 11.875%, 6/15/10	B3NR-	4,240,912
10,585	Vertrue, Inc., 9.25%, 4/1/14	B2/B	10,955,475
			23,224,137
Computers 0.5%			
		&n	