

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND  
Form N-Q  
January 28, 2009

UNITED STATES

OMB APPROVAL

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act File Number: 811-21284

Nicholas-Applegate Convertible & Income Fund

(Registrant Name)

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, 2009

Date of Reporting Period: November 30, 2008

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 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****Nicholas-Applegate Convertible & Income Fund Schedule of Investments**

November 30, 2008 (unaudited)

| Principal<br>Amount<br>(000)             |   | Credit Rating<br>(Moody s/S&P) | Value*      |
|--|---|--------------------------------|-------------|
| <b>CORPORATE BONDS &amp; NOTES-42.0%</b> |   |                                |             |
| <b>Advertising - 0.9%</b>                |   |                                |             |
| \$11,450                                 | Affinion Group, Inc., 11.50%, 10/15/15                | B3/B-                          | \$6,755,500 |
| <b>Apparel - 1.5%</b>                    |   |                                |             |
| 12,295                                   | Levi Strauss & Co., 9.75%, 1/15/15                    | B2/B+                          | 7,438,475   |
| 6,090                                    | Oxford Industries, Inc., 8.875%, 6/1/11               | B2/B+                          | 4,354,350   |
|  |   |                                | 11,792,825  |
| <b>Automotive - 2.1%</b>                 |   |                                |             |
| 8,545                                    | Accuride Corp., 8.50%, 2/1/15                         | Caa1/CCC                       | 3,118,925   |
| 14,195                                   | Exide Technologies, 10.50%, 3/15/13, Ser. B           | B3/B-                          | 7,665,300   |
| 7,490                                    | General Motors Corp., 8.375%, 7/15/33                 | Caa3/CCC+                      | 1,685,250   |
| 10,225                                   | Tenneco, Inc., 8.625%, 11/15/14                       | B3/B                           | 3,834,375   |
|  |   |                                | 16,303,850  |
| <b>Chemicals - 0.2%</b>                  |   |                                |             |
| 4,890                                    | Momentive Performance Materials, Inc., 9.75%, 12/1/14 | B3/B                           | 1,919,325   |
| <b>Commercial Services - 1.5%</b>        |   |                                |             |
| 13,665                                   | Cenveo Corp., 7.875%, 12/1/13                         | B3/B                           | 6,917,906   |
| 11,810                                   | Hertz Corp., 10.50%, 1/1/16                           | B2/B                           | 4,783,050   |
|  |   |                                | 11,700,956  |
| <b>Computers - 0.5%</b>                  |   |                                |             |

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|        |  |           |            |
|--------|--|-----------|------------|
| 10,325 | Unisys Corp., 8.00%, 10/15/12                          | B2/B+     | 4,284,875  |
|        | <b>Electric - 0.6%</b>                                 |           |            |
| 7,475  | Energy Future Holdings Corp., 10.875%, 11/1/17 (a) (b) | B3/B-     | 4,858,750  |
|        | <b>Electronics - 1.2%</b>                              |           |            |
| 12,170 | Stoneridge, Inc., 11.50%, 5/1/12                       | B2/B+     | 9,279,625  |
|        | <b>Financial Services - 3.4%</b>                       |           |            |
| 12,725 | AMR Holdings Co., 10.00%, 2/15/15                      | B1/B      | 11,897,875 |
|        | Ford Motor Credit Co.,                                 |           |            |
| 10,795 | 7.00%, 10/1/13   | B3/CCC+   | 4,546,314  |
| 8,080  | 9.875%, 8/10/11  | B3/CCC+   | 3,799,483  |
| 8,070  | GMAC LLC, 6.75%, 12/1/14                               | C/CC      | 2,624,461  |
| 10,090 | KAR Holdings, Inc., 8.75%, 5/1/14                      | B3/CCC+   | 4,338,700  |
|        |  |           | 27,206,833 |
|        | <b>Healthcare - 2.5%</b>                               |           |            |
| 7,275  | Alliance Imaging, Inc., 7.25%, 12/15/12                | B3/B      | 6,092,813  |
| 8,515  | Hanger Orthopedic Group, Inc., 10.25%, 6/1/14          | Caa1/CCC+ | 7,280,325  |
| 4,000  | HCA, Inc., 9.25%, 11/15/16                             | B2/BB-    | 3,260,000  |
| 3,585  | Health Net, Inc., 6.375%, 6/1/17                       | Ba3/BB    | 1,953,825  |
| 1,350  | Psychiatric Solutions, Inc., 7.75%, 7/15/15            | B3/B-     | 985,500    |
|        |  |           | 19,572,463 |
|        | <b>Home Furnishings - 1.1%</b>                         |           |            |
| 13,090 | Jarden Corp., 7.50%, 5/1/17                            | B3/B      | 8,573,950  |
|        | <b>Hotels/Gaming - 0.3%</b>                            |           |            |
| 2,385  | Mandalay Resort Group, 3.954%, 3/21/33, FRN (c)        | Ba3/BB-   | 2,742,887  |
|        | <b>Manufacturing - 1.8%</b>                            |           |            |
| 13,610 | Harland Clarke Holdings Corp., 9.50%, 5/15/15          | Caa1/B-   | 6,056,450  |
| 2,155  | Park-Ohio Industries, Inc., 8.375%, 11/15/14           | B3/B-     | 894,325    |
| 9,710  | Polypore, Inc., 8.75%, 5/15/12                         | B3/B-     | 7,622,350  |



**Nicholas-Applegate Convertible & Income Fund Schedule of Investments**

November 30, 2008 (unaudited)

| Principal<br>Amount<br>(000)             |   | Credit Rating<br>(Moody s/S&P) | Value*      |
|--|---|--------------------------------|-------------|
| <b>Metals &amp; Mining - 1.0%</b>        |   |                                |             |
| \$12,735                                 | RathGibson, Inc., 11.25%, 2/15/14                         | B3/B                           | \$7,832,025 |
| <b>Multi-Media - 1.4%</b>                |   |                                |             |
| 12,640                                   | CCH I LLC, 11.00%, 10/1/15                                | Caa3/CCC                       | 3,412,800   |
| 9,330                                    | Mediacom LLC, 9.50%, 1/15/13                              | B3/B-                          | 7,697,250   |
|  |   |                                | 11,110,050  |
| <b>Office Furnishings - 1.3%</b>         |   |                                |             |
|  | Interface, Inc.,  |                                |             |
| 4,835                                    | 9.50%, 2/1/14   | B3/B-                          | 3,892,175   |
| 6,600                                    | 10.375%, 2/1/10   | B1/BB-                         | 6,402,000   |
|  |   |                                | 10,294,175  |
| <b>Oil &amp; Gas - 0.5%</b>              |   |                                |             |
| 5,760                                    | Chesapeake Energy Corp., 6.875%, 1/15/16                  | Ba3/BB                         | 4,089,600   |
| <b>Packaging &amp; Containers - 0.4%</b> |   |                                |             |
| 11,850                                   | Smurfit-Stone Container Enterprises, Inc., 8.375%, 7/1/12 | B3/B-                          | 3,377,250   |
| <b>Paper Products - 1.4%</b>             |   |                                |             |
| 11,705                                   | Neenah Paper, Inc., 7.375%, 11/15/14                      | B2/B+                          | 6,554,800   |
| 12,945                                   | NewPage Corp., 12.00%, 5/1/13                             | B3/CCC+                        | 4,530,750   |
|  |   |                                | 11,085,550  |
| <b>Pipelines - 0.8%</b>                  |   |                                |             |

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|                                  |  |           |            |
|----------------------------------|--|-----------|------------|
| 9,100                            | Dynergy Holdings, Inc., 7.75%, 6/1/19                            | B2/B      | 6,097,000  |
| <b>Retail - 4.7%</b>             |  |           |            |
| 7,550                            | Burlington Coat Factory Warehouse Corp., 11.125%, 4/15/14        | B3/CCC    | 1,925,250  |
| 8,405                            | El Pollo Loco Finance Corp., 11.75%, 11/15/13                    | Caa1/CCC+ | 6,261,725  |
| 1,000                            | Inergy L.P., 8.25%, 3/1/16                                       | B1/B+     | 740,000    |
| 12,825                           | Michaels Stores, Inc., 10.00%, 11/1/14                           | Caa1/CCC  | 4,104,000  |
| 13,355                           | Neiman-Marcus Group, Inc., 10.375%, 10/15/15                     | B3/B      | 5,074,900  |
| 3,309                            | R.H. Donnelley, Inc., 11.75%, 5/15/15 (a) (b)                    | B1/B+     | 893,430    |
| 12,785                           | Rite Aid Corp., 8.625%, 3/1/15                                   | Caa2/CCC  | 3,739,613  |
| 12,115                           | Sally Holdings LLC, 10.50%, 11/15/16                             | Caa1/CCC+ | 7,087,275  |
| 11,440                           | Star Gas Partners L.P., 10.25%, 2/15/13, Ser. B                  | Caa3/CCC  | 7,722,000  |
|                                  |  |           | 37,548,193 |
| <b>Semi-Conductors - 1.4%</b>    |  |           |            |
| 13,565                           | Amkor Technology, Inc., 9.25%, 6/1/16                            | B1/B+     | 8,003,350  |
| 12,405                           | Freescale Semiconductor, Inc., 10.125%, 12/15/16                 | B3/B-     | 3,163,275  |
|                                  |  |           | 11,166,625 |
| <b>Software - 0.9%</b>           |  |           |            |
| 12,395                           | First Data Corp., 9.875%, 9/24/15                                | B3/B      | 7,189,100  |
| <b>Telecommunications - 9.0%</b> |  |           |            |
| 14,705                           | Centennial Cellular Operating Co., 10.125%, 6/15/13              | B2/B      | 14,576,331 |
| 9,150                            | Cincinnati Bell, Inc., 8.375%, 1/15/14                           | B2/B-     | 6,805,313  |
| 10,365                           | Cricket Communications, Inc., 9.375%, 11/1/14                    | B3/B-     | 8,279,044  |
| 13,540                           | Hawaiian Telcom Communications, Inc., 12.50%, 5/1/15, Ser. B (e) | C/D       | 135,400    |
| 13,555                           | Level 3 Financing, Inc., 12.25%, 3/15/13                         | Caa1/CCC+ | 7,861,900  |
| 11,735                           | MasTec, Inc., 7.625%, 2/1/17                                     | B1/B+     | 8,859,925  |
| 14,200                           | Millicom International Cellular S.A., 10.00%, 12/1/13            | B1/BB     | 11,786,000 |
| 1,300                            | Nextel Communications, Inc., 7.375%, 8/1/15                      | Baa3/BB   | 520,244    |
| 12,680                           | Nortel Networks, Ltd., 10.75%, 7/15/16                           | B3/B-     | 3,740,600  |
| 5,385                            | Sprint Capital Corp., 8.75%, 3/15/32                             | Baa3/BB   | 2,804,427  |
| 14,220                           | West Corp., 11.00%, 10/15/16                                     | Caa1/B-   | 6,185,700  |

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71,554,884

**Theaters - 1.2%**

|        |   |         |           |
|--------|---|---------|-----------|
| 12,940 | AMC Entertainment, Inc., 11.00%, 2/1/16 | B2/CCC+ | 9,252,100 |
|--------|---|---------|-----------|

**Travel Services - 0.4%**

|        |                                 |           |           |
|--------|---------------------------------|-----------|-----------|
| 14,560 | Travelport LLC, 11.875%, 9/1/16 | Caa1/CCC+ | 3,567,200 |
|--------|---------------------------------|-----------|-----------|

|  |  |  |             |
|--|--|--|-------------|
|  | Total Corporate Bonds & Notes (cost-\$597,436,249) |  | 333,728,716 |
|--|--|--|-------------|

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**Nicholas-Applegate Convertible & Income Fund Schedule of Investments**

November 30, 2008 (unaudited)

| Shares<br>(000)                          |  | Credit Rating<br>(Moody's/S&P) | Value*      |
|--|--|--------------------------------|-------------|
| <b>CONVERTIBLE PREFERRED STOCK-31.8%</b> |  |                                |             |
| <b>Agriculture - 1.3%</b>                |  |                                |             |
| Bunge Ltd.,                              |  |                                |             |
| 126                                      | 4.875%, 12/31/49                                     | Ba1/BB                         | \$6,745,625 |
| 8  | 5.125%, 12/1/10                                      | NR/BB                          | 3,304,000   |
|  |  |                                | 10,049,625  |
| <b>Banking - 5.9%</b>                    |  |                                |             |
| Bank of America Corp.,                   |  |                                |             |
| 22                                       | 7.25%, 12/31/49, Ser. L                              | A1/A                           | 13,150,307  |
| 229                                      | 10.00%, 5/11/09, Ser. JNJ (Johnson & Johnson) (d)    | Aa2/AA                         | 13,052,949  |
| Wachovia Corp.,                          |  |                                |             |
| 546                                      | 13.15%, 3/30/09, Ser. GE (General Electric Co.) (d)  | A1/AA-                         | 9,005,756   |
| 390                                      | 14.10%, 4/1/09, Ser. JPM (JP Morgan Chase & Co.) (d) | A1/AA-                         | 11,640,763  |
|  |  |                                | 46,849,775  |
| <b>Commercial Services - 0.5%</b>        |  |                                |             |
| 280                                      | United Rentals, Inc., 6.50%, 8/1/28                  | B3/B-                          | 3,934,856   |
| <b>Electric - 4.6%</b>                   |  |                                |             |
| 375                                      | AES Trust III, 6.75%, 10/15/29                       | B3/B-                          | 12,871,396  |
| 250                                      | Entergy Corp., 7.625%, 2/17/09                       | NR/BBB                         | 12,497,500  |
| 54                                       | NRG Energy, Inc., 5.75%, 3/16/09                     | B2/CCC+                        | 11,378,700  |
|  |  |                                | 36,747,596  |
| <b>Financial Services - 9.7%</b>         |  |                                |             |
| 419                                      | Citigroup, Inc., 6.50%, 12/31/49, Ser. T             | A2/A                           | 10,765,730  |

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|     |  |          |             |
|-----|--|----------|-------------|
|     | Credit Suisse Group,   |          |             |
| 531 | 11.00%, 3/16/09, Ser. MSFT ( Microsoft Corp.) (d)                                | A1/AA-   | 11,509,587  |
| 274 | 11.00%, 4/25/09, Ser. KO (Coca-Cola Corp.) (d)                                   | A1/AA-   | 13,660,144  |
|     | Eksporthfinans A/S,  |          |             |
| 419 | 10.00%, 3/12/09, Ser. HPQ (Hewlett Packard Co.) (d)                              | Aaa/AA+  | 15,826,915  |
| 121 | 10.00%, 6/13/09, Ser. AAPL (Apple, Inc.) (d)                                     | Aaa/AA+  | 17,225,540  |
|     | Lehman Brothers Holdings, Inc.   |          |             |
| 892 | 6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) (c) (d) (e)                      | B3/NR    | 2,869,882   |
| 139 | 28.00%, 3/6/09, Ser. RIG (Transocean, Inc.) (c) (d) (e)                          | B3/NR    | 1,889,980   |
| 129 | Vale Capital Ltd., 5.50%, 6/15/10, Ser. RIO (Companhia Vale do Rio Doce ADR) (d) | NR/NR    | 3,150,700   |
|     |  |          | 76,898,478  |
|     | <b>Hand/Machine Tools - 1.6%</b>   |          |             |
| 22  | Stanley Works, 3.774%, 5/17/12, FRN  | A2/A     | 13,074,037  |
|     | <b>Insurance - 2.6%</b>  |          |             |
| 985 | MetLife, Inc., 6.375%, 2/15/09   | NR/BBB+  | 7,729,110   |
| 496 | Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09, Ser. A                      | NR/BB+   | 12,964,778  |
|     |  |          | 20,693,888  |
|     | <b>Metals &amp; Mining - 0.6%</b>  |          |             |
| 106 | Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10                              | NR/BB    | 4,410,943   |
|     | <b>Oil &amp; Gas - 1.0%</b>  |          |             |
| 119 | Chesapeake Energy Corp., 5.00%, 12/31/49   | NR/B     | 7,834,725   |
|     | <b>Pharmaceuticals - 1.9%</b>  |          |             |
| 99  | Schering-Plough Corp., 6.00%, 8/13/10  | Baa3/BBB | 15,338,813  |
|     | <b>Real Estate (REIT) - 0.4%</b>   |          |             |
| 662 | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A                              | B2/CCC+  | 3,476,288   |
|     | <b>Sovereign - 1.7%</b>  |          |             |
| 191 | Svensk Exportkredit AB, 12.50%, 12/12/08, Ser. XOM (Exxon Mobil Corp.) (d)       | Aa1/AA+  | 13,467,213  |
|     | Total Convertible Preferred Stock (cost-\$425,198,130)                           |          | 252,776,237 |



**Nicholas-Applegate Convertible & Income Fund Schedule of Investments**

November 30, 2008 (unaudited)

| Principal<br>Amount<br>(000)                        |   | Credit Rating<br>(Moody's/S&P) | Value*      |
|---|---|--------------------------------|-------------|
| <b>CONVERTIBLE BONDS &amp; NOTES-19.2%</b>          |   |                                |             |
| <b>Automotive - 0.6%</b>                            |   |                                |             |
| \$15,930  | Ford Motor Co., 4.25%, 12/15/36                   | Caa2/CCC-                      | \$4,978,125 |
| <b>Commercial Services - 0.1%</b>                   |   |                                |             |
| 510   | Bowne & Co., Inc., 5.00%, 10/1/33                 | B2/B                           | 485,775     |
| <b>Computers - 1.5%</b>                             |   |                                |             |
| 13,855  | Maxtor Corp., 6.80%, 4/30/10                      | Ba1/NR                         | 12,105,806  |
| <b>Electrical Components &amp; Equipment - 0.8%</b> |   |                                |             |
| 21,200  | JA Solar Holdings Co. Ltd., 4.50%, 5/15/13        | NR/NR                          | 5,978,400   |
| <b>Entertainment - 1.7%</b>                         |   |                                |             |
| 18,700  | Regal Entertainment Group, 6.25%, 3/15/11 (a) (b) | NR/NR                          | 13,838,000  |
| <b>Financial Services - 1.9%</b>                    |   |                                |             |
| 17,250  | Prudential Financial, Inc., 1.189%, 12/15/37, FRN | A3/A+                          | 15,262,800  |
| <b>Oil &amp; Gas - 2.6%</b>                         |   |                                |             |
| 12,100  | Nabors Industries, Inc., 0.94%, 5/15/11           | NR/BBB+                        | 9,831,250   |
| 13,000  | Transocean, Inc., 1.625%, 12/15/37                | Baa2/BBB+                      | 11,066,250  |
|   |   |                                | 20,897,500  |
| <b>Pharmaceuticals - 1.4%</b>                       |   |                                |             |
| 12,700  | Watson Pharmaceuticals, Inc., 1.75%, 3/15/23      | Ba2/BB+                        | 11,382,375  |
| <b>Real Estate (REIT) - 2.9%</b>                    |   |                                |             |

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|        |  |          |             |
|--------|--|----------|-------------|
| 4,300  | Boston Properties L.P., 3.75%, 5/15/36                         | NR/A-    | 3,155,125   |
| 20,040 | Developers Diversified Realty Corp., 3.00%, 3/15/12            | NR/BBB-  | 7,865,700   |
| 16,900 | Vornado Realty Trust, 3.625%, 11/15/26                         | Baa2/BBB | 11,745,500  |
|        |  |          | 22,766,325  |
|        | <b>Retail - 2.4%</b>   |          |             |
| 21,008 | Sonic Automotive, Inc., 5.25%, 5/7/09                          | B2/B     | 19,222,320  |
|        | <b>Telecommunications - 3.3%</b>                               |          |             |
| 16,982 | Level 3 Communications, Inc., 6.00%, 3/15/10                   | Caa3/C   | 11,887,400  |
| 13,450 | Nextel Communications, Inc., 5.25%, 1/15/10                    | Baa3/BB  | 11,264,375  |
| 16,305 | Nortel Networks Corp., 2.125%, 4/15/14                         | B3/B-    | 2,771,850   |
|        |  |          | 25,923,625  |
|        | Total Convertible Corporate Bonds & Notes (cost-\$210,811,629) |          | 152,841,051 |

### U.S. GOVERNMENT SECURITIES-5.0%

|        |  |  |            |
|--------|--|--|------------|
|        | United States Treasury Notes                         |  |            |
| 25,715 | 12.50%, 8/15/14                                      |  | 27,719,973 |
| 10,775 | 13.25%, 5/15/14                                      |  | 11,368,476 |
|        | Total U.S. Government Securities (cost-\$40,560,228) |  | 39,088,449 |

### SHORT-TERM INVESTMENTS-2.0%

|        |   |  |                      |
|--------|---|--|----------------------|
|        | <b>Time Deposit-0.2%</b>                                      |  |                      |
| 1,448  | Citibank London, 0.25%, 12/1/08                               |  |                      |
|        | (cost-\$1,448,337)  |  | 1,448,337            |
|        | <b>United States Treasury Notes 1.8%</b>                      |  |                      |
| 14,000 | 6.00%, 8/15/09  |  |                      |
|        | (cost-\$14,566,563)   |  | 14,508,606           |
|        | Total Short-Term Investments (cost-\$16,014,900)              |  | 15,956,943           |
|        | <b>Total Investments</b> (cost-\$1,290,021,136) <b>100.0%</b> |  | <b>\$794,391,396</b> |

## Nicholas-Applegate Convertible & Income Fund Schedule of Investments

November 30, 2008 (unaudited)

### Notes to Schedule of Investments:

- \* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees, or persons acting at their discretion pursuant to procedures established by the Board of Trustees. The Fund's investments are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Prices obtained from independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold and these differences could be material. The Fund's net asset value is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ( NYSE ) on each day the NYSE is open for business.

- (a) 144A Security - Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (b) Private Placement. - Restricted as to resale and may not have a readily available market. Securities with an aggregate market value of \$19,590,180, representing 2.5% of total investments.
- (c) Fair-Valued - Securities with an aggregate value of \$7,502,749 representing 0.9% of total investments.
- (d) Securities exchangeable or convertible into securities of an entity different than the issuer. Such entity is identified in the parenthetical.
- (e) Issuer in default.

### Glossary:

ADR American Depositary Receipt

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on November 30, 2008.

NR Not Rated

REIT Real Estate Investment Trust

**Nicholas-Applegate Convertible & Income Fund Schedule of Investments**

November 30, 2008 (unaudited)

**Fair Value Measurements** Effective March 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( FAS 157 ). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. The three levels of the fair value hierarchy under FAS 157 are described below:

- Level 1 quoted prices in active markets for identical investments
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The valuation techniques used by the Fund to measure fair value during the nine months ended November 30, 2008 maximized the use of observable inputs and minimized the use of unobservable inputs. The Fund utilized multi-dimensional pricing model fair value techniques.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used at November 30, 2008 in valuing the Fund's investments carried at value:

| <b>Valuation Inputs</b>                     | <b>Investments in Securities</b> |
|---|----------------------------------|
| Level 1 Quoted Prices                       | \$131,488,784                    |
| Level 2 Other Significant Observable Inputs | 630,230,132                      |
| Level 3 Significant Unobservable Inputs     | 32,672,480                       |
| <b>Total</b>                                | <b>\$794,391,396</b>             |

A roll forward of fair value measurement using significant unobservable inputs (Level 3) at November 30, 2008, was as follows:

|   | <b>Investments in Securities</b> |
|---|----------------------------------|
| Beginning balance, February 29, 2008      | \$3,346,475                      |
| Net purchases (sales) and settlements     | 31,442,705                       |
| Accrued discounts (premiums)              | 20,119                           |
| Total realized and unrealized gain (loss) | (6,896,681)                      |
| Transfers in and/or out of Level 3        | 4,759,862                        |
| <b>Ending balance, November 30, 2008</b>  | <b>\$32,672,480</b>              |

**Item 2. Controls and Procedures**

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a -3(c))), as amended are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a -3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

(a) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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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: Nicholas-Applegate Convertible & Income Fund

By /s/ Brian S. Shlissel  
President & Chief Executive Officer

Date: January 28, 2009

By /s/ Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

Date: January 28, 2009

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 /s/ Brian S. Shlissel  
President & Chief Executive Officer

Date: January 28, 2009

By /s/ Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer

Date: January 28, 2009

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