

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND  
Form N-Q  
January 23, 2008

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

**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  
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas,  
New York, NY  
(Address of principal executive offices)

10105  
(Zip code)

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

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

Date of fiscal year end: February 29, 2008

Date of reporting period: November 30, 2007

Form N-Q is to be used by the registered management investment company, other than a small business investment company 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 30b 1-5 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, 2007 (unaudited)**

Shares (000)		Credit Rating (Moody's/S&P)	Value*
<b>CONVERTIBLE PREFERRED STOCK-43.7%</b>			
<b>Agriculture-2.0%</b>			
Bunge Ltd.,			
165	4.875%, 12/31/49	Ba1/BB	\$22,797,425
8	5.125%, 12/10/10	NR/BB	8,520,000
			31,317,425
<b>Automotive-2.0%</b>			
General Motors Corp.,			
785	5.25%, 3/6/32, Ser. B	Caa1/B-	15,676,450
700	6.25%, 7/15/33, Ser. C	Caa1/B-	15,400,000
			31,076,450
<b>Banking-2.1%</b>			
227	Washington Mutual Capital Trust, 5.375%, 5/1/41, Ser. UNIT	A3/BBB	7,710,555
181	Wells Fargo Co., 8.00%, 6/1/08, Ser. AAPL (Apple, Inc.) (e)	Aa1/AA+	23,634,980
			31,345,535
<b>Commercial Services-0.9%</b>			
305	United Rentals, Inc., 6.50%, 8/1/28	Caa1/B-	13,373,626
<b>Electric-4.7%</b>			
441	AES Trust III, 6.75%, 10/15/29	B3/B-	21,508,600
342	Entergy Corp., 7.625%, 2/17/09	NR/BBB	24,485,888
68	NRG Energy, Inc., 5.75%, 3/16/09	B2/CCC+	25,117,325
			71,111,813
<b>Financial Services-13.7%</b>			
366	Citigroup Funding, Inc., 4.583%, 9/27/08, Ser. GNW (d)	Aa2/AA	9,540,317
1,216	Eksportfinans AS, 13.00%, 11/1/08, Ser. TWX (Time Warner, Inc.) (e)	Aaa/A+	21,081,079
Goldman Sachs Group, Inc.,			
684	12.00%, 12/12/07, Ser. CSCO (Cisco Systems, Inc.) (e)	Aa3/NR	17,429,121
505	20.00%, 3/6/08, Ser. DISH (Echostar Communications Corp.) (e)	Aa3/NR	17,803,481
281	Lazard Ltd. 6.625%, 5/15/08	Ba1/NR	11,736,871
Lehman Brothers Holdings, Inc.,			
892	6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) (e)	A1/A+	23,012,196
255	8.50%, 8/25/08, Ser. UTX (United Technologies Corp.) (e)	A1/A+	18,254,906
483	20.00%, 2/24/08, Ser. HPQ (Hewlett-Packard Co.) (e)	A1/A+	20,378,879
Morgan Stanley,			
243	20.00%, 12/15/07, Ser. XOM (Exxon Mobil Corp.) (e)	Aa3/AA-	17,665,374
554	20.00%, 1/31/08, Ser. T (AT&T, Inc.) (e)	Aa3/AA-	18,114,596
36	20.00%, 3/8/08, Ser. GOOG (Google, Inc.) (e)	Aa3/NR	16,660,511
554	20.00%, 3/24/08, Ser. DIS (The Walt Disney Co.) (e)	Aa3/NR	16,181,329
			207,858,660
<b>Hand/Machine Tools-1.1%</b>			
18	Stanley Works, 7.145%, 5/17/12 (d)	A2/A	17,224,025
<b>Insurance-5.7%</b>			

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18	Fortis Insurance NV, 7.75%, 1/26/08 (a) (b)	Aa3/A+	29,278,116
629	Metlife, Inc., 6.375%, 8/15/08	NR/BBB+	20,473,728
687	Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09, Ser. A	NR/BB+	22,756,875
687	XL Capital Ltd., 7.00%, 2/15/09	A3/A-	14,720,895
			87,229,614
<b>Investment Companies-1.6%</b>			
356	Vale Capital Ltd., 5.50%, 6/15/10, Ser. RIO (Companhia Vale do Rio Doce) (e)	NR/NR	23,996,250
<b>Metals &amp; Mining-1.6%</b>			
169	Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10	NR/B+	24,601,000
<b>Oil &amp; Gas-1.6%</b>			
203	Chesapeake Energy Corp., 5.00%, 12/31/49	NR/B	23,893,625
<b>Packaging &amp; Containers-0.6%</b>			
193	Owens-Illinois, Inc., 4.75, 12/31/49	Caa1/B-	9,213,362
<b>Pharmaceuticals-1.2%</b>			
66	Schering-Plough Corp., 6.00%, 8/13/10	Baa3/BBB	17,780,062
<b>Real Estate (REIT)-1.0%</b>			
677	FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A	B2/B-	14,781,312

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

November 30, 2007 (unaudited)

Shares (000)		Credit Rating (Moody's/S&P)	Val
<b>Sovereign-1.5%</b>			
511	Svensk Exportkredit AB, 10.00%, 10/20/08, Ser. TEVA (Teva Pharmaceutical Industries Ltd.) (e)	Aa1/AA+	\$22,6
<b>Telecommunications-1.3%</b>			
330	Crown Castle International Corp., 6.25%, 8/15/12	NR/NR	19,9
<b>Waste Disposal-1.1%</b>			
57	Allied Waste Industries, Inc., 6.25%, 3/1/08, Ser. D	B3/B	16,6
Total Convertible Preferred Stock (cost-\$639,092,264)			664,0
<b>CORPORATE BONDS &amp; NOTES-41.2%</b>			
Principal Amount (000)			
<b>Advertising-0.7%</b>			
\$10,700	Affinion Group, Inc., 11.50%, 10/15/15	Caa1/B-	10,7
<b>Apparel-0.3%</b>			
3,990	Levi Strauss & Co., 9.75%, 1/15/15	B2/B+	4,0
<b>Automotive-2.9%</b>			
6,470	Accuride Corp., 8.50%, 2/1/15	B3/B-	5,5
3,615	American Axle & Manufacturing, Inc., 7.875%, 3/1/17	Ba3/BB	3,3
13,215	Exide Technologies, 10.50%, 3/15/13, Ser. B	Caa1/CCC+	12,6
12,875	General Motors Corp., 8.375%, 7/15/33	Caa1/B-	10,7
10,890	Goodyear Tire & Rubber Co., 11.00%, 3/1/11	Ba3/B+	11,6
			44,0
<b>Chemicals-1.5%</b>			
13,210	Georgia Gulf Corp., 10.75%, 10/15/16	B3/CCC+	9,1
7,403	Huntsman LLC, 11.625%, 10/15/10	Ba1/BB+	7,8
6,165	Momentive Performance Materials, Inc., 9.75%, 12/1/14 (a) (b)	B3/B-	5,7
			22,7
<b>Coal-0.4%</b>			
6,280	James River Coal Co., 9.375%, 6/1/12	Ca/CC	5,5
<b>Commercial Services-1.5%</b>			
12,965	Cenveo Corp., 7.875%, 12/1/13	B3/B-	11,6
11,060	Hertz Corp., 10.50%, 1/1/16	B2/B	11,5
			23,1
<b>Computers-0.6%</b>			
10,325	Unisys Corp., 8.00%, 10/15/12	B2/B+	9,3
<b>Electric-2.6%</b>			
13,025	AES Corp., 9.50%, 6/1/09	B1/B	13,4
7,560	Energy Future Holdings Corp., 10.875%, 11/1/17 (a) (b)	B3/CCC+	7,4
12,630	PSEG Energy Holdings LLC, 10.00%, 10/1/09	Ba3/BB-	13,3
5,400	Texas Competitive Electric Holdings Co. LLC, 10.25%, 11/1/15 (a) (b)	B3/CCC	5,2

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<b>Electronics-0.8%</b>				39,5
12,170	Stoneridge, Inc., 11.50%, 5/1/12		B2/B	12,5
<b>Financial Services-2.7%</b>				
8,725	AMR Holdings Co., 10.00%, 2/15/15		B1/B-	9,3
11,230	E*Trade Financial Corp., 8.00%, 6/15/11		Ba3/B	8,6
10,795	Ford Motor Credit Co., 7.00%, 10/1/13		B1/B	9,4
9,990	KAR Holdings, Inc., 8.75%, 5/1/14 (a) (b)		B3/CCC	9,2
3,655	MedCath Holdings Corp., 9.875%, 7/15/12		Caa1/B-	3,8
				40,5
<b>Healthcare-1.1%</b>				
6,735	Alliance Imaging, Inc., 7.25%, 12/15/12		B3/B-	6,2
9,015	Hanger Orthopedic Group, Inc., 10.25%, 6/1/14		Caa1/CCC+	9,2
1,350	Psychiatric Solutions, Inc., 7.75%, 7/15/15		B3/B-	1,3
				16,9
<b>Home Furnishings-0.8%</b>				
11,370	Central Garden & Pet Co., 9.125%, 2/1/13		Caa1/B-	10,1
2,050	Jarden Corp., 7.50%, 5/1/17		B3/B-	1,8
				12,0

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

November 30, 2007 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
<b>Manufacturing-1.9%</b>			
\$13,310	Harland Clarke Holdings Corp., 9.50%, 5/15/15	Caa1/B-	\$11,513,150
5,390	Polypore, Inc., 8.75%, 5/15/12	Caa1/CCC+	5,295,675
11,865	Sally Holdings LLC, 10.50%, 11/15/16	Caa1/CCC+	11,865,000
			28,673,825
<b>Metals &amp; Mining-1.4%</b>			
8,310	PNA Group, Inc., 10.75%, 9/1/16	B3/B-	8,019,150
12,735	RathGibson, Inc., 11.25%, 2/15/14	B3/B-	13,117,050
			21,136,200
<b>Miscellaneous-0.6%</b>			
9,477	Dow Jones CDX High Yield, 10.50%, 12/29/09 (a) (b) (c)	NR/NR	9,950,851
<b>Multi-Media-2.1%</b>			
14,370	CCH I LLC, 11.00%, 10/1/15	Caa2/CCC	12,573,750
1,900	Idearc, Inc., 8.00%, 11/15/16	B2/B+	1,786,000
8,220	Mediacom LLC, 9.50%, 1/15/13	B3/B	7,685,700
10,835	Sirius Satellite Radio, Inc., 9.625%, 8/1/13	Caa2/CCC	10,537,038
			32,582,488
<b>Office Furnishings-0.8%</b>			
	Interface, Inc.,		
5,375	9.50%, 2/1/14	B3/B-	5,616,875
6,600	10.375%, 2/1/10	B1/B+	6,946,500
			12,563,375
<b>Paper Products-1.2%</b>			
5,525	Neenah Paper, Inc., 7.375%, 11/15/14	B2/B+	5,165,875
12,945	NewPage Corp., 12.00%, 5/1/13	B3/CCC+	13,592,250
			18,758,125
<b>Pharmaceuticals-0.5%</b>			
8,530	Leiner Health Products, Inc., 11.00%, 6/1/12	Ca/CCC-	6,781,350
<b>Pipelines-0.5%</b>			
8,100	Dynegy Holdings, Inc., 7.75%, 6/1/19	B2/B-	7,330,500
<b>Retail-6.1%</b>			
13,640	Bon-Ton Stores, Inc., 10.25%, 3/15/14	B3/CCC+	10,980,200
13,480	Burlington Coat Factory Warehouse Corp., 11.125%, 4/15/14	B3/CCC+	11,997,200
13,475	Claire's Stores, Inc., 10.50%, 6/1/17 (a) (b)	Caa2/CCC+	8,624,000
8,405	El Pollo Loco Finance Corp., 11.75%, 11/15/13	Caa1/CCC	8,194,875
12,825	Michaels Stores, Inc., 10.00%, 11/1/14	B2/CCC	12,696,750
13,355	Neiman-Marcus Group, Inc., 10.375%, 10/15/15	B3/B	14,256,462
4,695	R.H. Donnelley, Inc., 8.875%, 1/15/16	B3/B	4,460,250
12,840	Rite Aid Corp., 8.625%, 3/1/15	Caa1/CCC+	10,914,000
10,900	Star Gas Partners L.P., 10.25%, 2/15/13, Ser. B	Caa3/CCC	11,390,500

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			93,514,237
<b>Semi-Conductors-0.7%</b>			
12,405	Freescale Semiconductor, Inc., 10.125%, 12/15/16	B2/B-	10,699,312
<b>Software-0.8%</b>			
12,395	First Data Corp., 9.875%, 9/24/15 (a) (b)	B3/B-	11,542,844
<b>Telecommunications-6.8%</b>			
9,705	Centennial Cellular Operating Co., 10.125%, 6/15/13	B2/CCC+	10,190,250
5,195	Centennial Communications Corp., 10.00%, 1/1/13	Caa1/CCC+	5,428,775
2,695	Cricket Communications, Inc., 9.375%, 11/1/14	Caa1/CCC	2,519,825
13,560	Hawaiian Telcom Communications, Inc., 12.50%, 5/1/15, Ser. B	Caa1/CCC	14,034,600
12,400	Intelsat Bermuda Ltd., 11.25%, 6/15/16	Caa1/B-	12,896,000
13,555	Level 3 Financing, Inc., 12.25%, 3/15/13	Caa1/CCC+	13,588,888
15,700	Millicom International Cellular S.A., 10.00%, 12/1/13	B1/B+	16,838,250
12,680	Nortel Networks Ltd., 10.75%, 7/15/16 (a) (b)	B3/B-	13,282,300
14,220	West Corp., 11.00%, 10/15/16	Caa1/B-	14,291,100
			103,069,988
<b>Theaters-0.9%</b>			
12,940	AMC Entertainment, Inc., 11.00%, 2/1/16	B2/CCC+	13,619,350
<b>Travel Services-1.0%</b>			
14,560	Travelport LLC, 11.875%, 9/1/16	Caa1/CCC+	15,506,400
	Total Corporate Bonds & Notes (cost-\$652,363,618)		626,968,788



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

November 30, 2007 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)	Value*
<b>CONVERTIBLE BONDS &amp; NOTES-11.4%</b>			
<b>Automotive-1.1%</b>			
\$15,930	Ford Motor Co., 4.25%, 12/15/36	Caa1/CCC+	\$17,104,838
<b>Commercial Services-1.7%</b>			
9,100	Bowne & Co., Inc., 5.00%, 10/1/33	B2/B-	9,615,060
13,440	Memberworks, Inc., 5.50%, 10/1/10	NR/B-	16,715,328
			26,330,388
<b>Computers-1.3%</b>			
17,355	Maxtor Corp., 6.80%, 4/30/10	Ba1/NR	19,480,987
<b>Electric-1.3%</b>			
6,075	PG&E Corp., 9.50%, 6/30/10	NR/NR	19,895,625
<b>Hotels/Gaming-0.2%</b>			
2,365	Mandalay Resort Group, Inc., 5.9875%, 3/21/33 (d)	Ba2/BB	3,346,475
<b>Oil &amp; Gas-1.4%</b>			
12,755	Devon Energy Corp., 4.95%, 8/15/08	Baa1/BBB	20,981,975
<b>Retail-1.4%</b>			
21,008	Sonic Automotive, Inc., 5.25%, 5/7/09	B2/B	20,692,880
<b>Telecommunications-3.0%</b>			
20,550	Level 3 Communications, Inc., 6.00%, 3/15/10	Caa3/CCC	18,906,000
20,500	Nextel Communications, Inc., 5.25%, 1/15/10	Baa3/BBB	20,474,375
5,567	Nortel Networks Corp., 4.25%, 9/1/08	B3/B-	5,504,371
			44,884,746
	Total Convertible Bonds & Notes (cost-\$161,557,860)		172,717,914
<b>U.S. GOVERNMENT SECURITIES-2.6%</b>			
	United States Treasury Notes,		
25,435	12.00%, 8/15/13		26,915,419
10,775	13.25%, 5/15/14		12,305,395
	Total U.S. Government Securities (cost-\$41,897,897)		39,220,814
<b>SHORT-TERM INVESTMENT-1.1%</b>			
<b>Time Deposit-1.1%</b>			
17,514	Bank of America□London, 3.96%, 12/3/07 (cost-\$17,514,049)		17,514,049
	<b>Total Investments (cost-\$1,512,425,688)□100.0%</b>		<b>\$1,520,484,158</b>



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

November 30, 2007 (unaudited)

### Notes to Schedule of Investments:

- \* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities that 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 by persons acting at their discretion pursuant to guidelines established by the Board of Trustees. The Fund's investments are valued at market quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the bid and ask market is the primary market or for listed securities in which there were no sales. Independent pricing services use information provided relating to investments or securities with similar characteristics. Short-term securities maturing in 60 days or less are valued at 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 for securities were sold. The Fund's net asset value is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern Standard Time, 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 the future to 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 less than \$100,000.
- (c) Credit-linked trust certificate.
- (d) Variable rate security. Interest rate disclosed reflects the rate in effect on November 30, 2007.
- (e) Securities exchangeable or convertible into securities of an entity different than the issuer. Such entity is identified in the parentheses.

### Glossary:

NR □ Not Rated

REIT □ Real Estate Investment Trust

### Other Investments:

Interest rate cap agreement outstanding at November 30, 2007:

Counterparty	Notional Amount	Termination Date	Premium	Payment received by Fund	Unrealized Depreciation
UBS AG	\$525,000,000	1/15/2008	\$919,187	1 month LIBOR-BBA over 3% strike price	\$(13,439,250)

**Item 2. Controls and Procedures**

(a) The registrant's President and Chief Executive Officer and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Act (17CFR270.30a-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 CFR270.30a-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 23, 2008

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

Date: January 23, 2008

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 dated indicated.

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

Date: January 23, 2008

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

Date: January 23, 2008

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