

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND
Form N-Q
July 16, 2009

OMB
APPROVAL

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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: 811-21284

Nicholas-Applegate Convertible & Income Fund
(Registrant Name)

1345 Avenue of the Americas New York, New York
(Address of Principal Executive Offices)

10105
(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, 2010

Date of Reporting Period: May 31, 2009

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, 100 F Street, NE, Washington, DC 20549-2001. 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**

May 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|---|---|--------------------------------|-------------|
| CORPORATE BONDS & NOTES - 47.7% | | | |
| Advertising - 1.0% | | | |
| \$9,410 | Affinion Group, Inc., 11.50%, 10/15/15 | B3/B- | \$8,163,175 |
| Aerospace & Defense - 1.0% | | | |
| 1,730 | BE Aerospace, Inc., 8.50%, 7/1/18 | Ba3/BB+ | 1,639,175 |
| 6,305 | DigitalGlobe, Inc., 10.50%, 5/1/14 (a) (b) | Ba3/BB | 6,509,913 |
| | | | 8,149,088 |
| Apparel - 1.2% | | | |
| 10,695 | Levi Strauss & Co., 9.75%, 1/15/15 | B2/B+ | 10,374,150 |
| Auto Components - 3.0% | | | |
| 12,195 | Exide Technologies, 10.50%, 3/15/13, Ser. B | B3/B- | 10,304,775 |
| 11,305 | Stoneridge, Inc., 11.50%, 5/1/12 | B3/B+ | 9,665,775 |
| 8,093 | Tenneco, Inc., 8.625%, 11/15/14 | Caa2/CCC | 5,017,660 |
| | | | 24,988,210 |
| Banks - 0.6% | | | |
| 6,456 | GMAC LLC, 6.75%, 12/1/14 (a) (b) | NR/CCC | 5,396,629 |
| Chemicals - 0.2% | | | |
| 4,890 | Momentive Performance Materials, Inc., 9.75%, 12/1/14 (c) | Caa2/CC | 1,882,650 |
| Commercial Services & Supplies - 2.8% | | | |
| 13,665 | Cenveo Corp., 7.875%, 12/1/13 | Caa1/B- | 9,428,850 |
| 11,810 | Hertz Corp., 10.50%, 1/1/16 | B2/CCC+ | 10,333,750 |
| 4,835 | Interface, Inc., 9.50%, 2/1/14 | B3/B- | 3,710,862 |
| | | | 23,473,462 |
| Construction & Engineering - 1.3% | | | |
| 11,735 | MasTec, Inc., 7.625%, 2/1/17 | B1/B+ | 10,502,825 |
| Distribution/Wholesale - 0.6% | | | |
| 5,420 | KAR Holdings, Inc., 8.75%, 5/1/14 | B3/CCC+ | 4,661,200 |
| Diversified Financial Services - 1.9% | | | |
| | Ford Motor Credit Co. LLC | | |
| 10,795 | 7.00%, 10/1/13 | Caa1/CCC+ | 8,718,776 |
| 8,080 | 9.875%, 8/10/11 | Caa1/CCC+ | 7,379,811 |
| | | | 16,098,587 |
| Diversified Telecommunication - 1.0% | | | |
| 9,150 | Cincinnati Bell, Inc., 8.375%, 1/15/14 | B2/B- | 8,703,938 |
| Electric - 0.6% | | | |
| 7,475 | Energy Future Holdings Corp., 10.875%, 11/1/17 (c) | Caa1/B- | 5,344,625 |
| Electrical Components & Equipment - 1.3% | | | |
| 7,500 | Anixter, Inc., 10.00%, 3/15/14 | Ba2/BB+ | 7,462,500 |
| 3,430 | Baldor Electric Co., 8.625%, 2/15/17 | B3/B | 3,138,450 |
| | | | 10,600,950 |
| Entertainment - 1.6% | | | |
| 12,940 | AMC Entertainment, Inc., 11.00%, 2/1/16 | Caa1/CCC+ | 13,069,399 |
| Food & Staples Retailing - 0.8% | | | |

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9,655 Rite Aid Corp., 8.625%, 3/1/15

Caa3/CCC

6,565,400

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| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|--|---|--------------------------------|-------------|
| Health Care Providers & Services - 5.0% | | | |
| \$7,275 | Alliance Imaging, Inc., 7.25%, 12/15/12 | B3/B | \$7,165,875 |
| 12,725 | AMR Holdings Co., Inc., 10.00%, 2/15/15 | B1/B | 13,011,312 |
| 3,000 | Apria Healthcare Group, Inc., 11.25%, 11/1/14 (a) (b) | Ba2/BB+ | 2,932,500 |
| 7,515 | Hanger Orthopedic Group, Inc., 10.25%, 6/1/14 | Caa1/CCC+ | 7,815,600 |
| 8,065 | HCA, Inc., 9.25%, 11/15/16 | B2/BB- | 7,944,025 |
| 3,585 | Health Net, Inc., 6.375%, 6/1/17 | Ba3/BB | 2,706,675 |
| | | | 41,575,987 |
| Holding Companies-Diversified - 0.3% | | | |
| 2,000 | Kansas City Southern Railway, 13.00%, 12/15/13 | B2/B+ | 2,110,000 |
| Household Durables - 1.2% | | | |
| 2,250 | DR Horton, Inc., 6.50%, 4/15/16 | Ba3/BB- | 1,935,000 |
| 10,090 | Jarden Corp., 7.50%, 5/1/17 | B3/B- | 8,778,300 |
| | | | 10,713,300 |
| IT Services - 0.6% | | | |
| 10,325 | Unisys Corp., 8.00%, 10/15/12 | Caa1/CC | 4,930,188 |
| Leisure Time - 0.9% | | | |
| 14,560 | Travelport LLC, 11.875%, 9/1/16 | Caa1/CCC+ | 7,644,000 |
| Lodging - 0.3% | | | |
| 2,385 | Mandalay Resort Group, 1.977%, 3/21/33, FRN (e) (g) | Caa2/CCC+ | 2,575,929 |
| Machinery - 0.4% | | | |
| 9,875 | Accuride Corp., 8.50%, 2/1/15 | Ca/CC | 2,962,500 |
| Media - 1.0% | | | |
| 8,330 | Mediacom LLC, 9.50%, 1/15/13 | B3/B- | 7,996,800 |
| Metals & Mining - 0.9% | | | |
| 5,305 | RathGibson, Inc., 11.25%, 2/15/14 | Caa2/CCC+ | 1,883,275 |
| 6,000 | Steel Dynamics, Inc., 7.375%, 11/1/12 | Ba2/BB+ | 5,550,000 |
| | | | 7,433,275 |
| Miscellaneous Manufacturing - 2.3% | | | |
| 13,610 | Harland Clarke Holdings Corp., 9.50%, 5/15/15 | Caa1/B- | 10,207,500 |
| 2,155 | Park-Ohio Industries, Inc., 8.375%, 11/15/14 | B3/CCC+ | 961,669 |
| 9,710 | Polypore, Inc., 8.75%, 5/15/12 | B3/B- | 8,253,500 |
| | | | 19,422,669 |
| Oil, Gas & Consumable Fuels - 2.1% | | | |
| 6,510 | Chesapeake Energy Corp., 6.875%, 1/15/16 | Ba3/BB | 5,647,425 |
| 5,605 | OPTI Canada, Inc., 8.25%, 12/15/14 | B3/B | 3,895,475 |
| 8,750 | SandRidge Energy, Inc., 9.875%, 5/15/16 (a) (b) | B3/B- | 8,378,125 |
| | | | 17,921,025 |
| Paper & Forest Products - 1.2% | | | |
| 11,705 | Neenah Paper, Inc., 7.375%, 11/15/14 | B2/B+ | 6,145,125 |
| 12,945 | NewPage Corp., 12.00%, 5/1/13 | Caa1/CCC+ | 4,304,213 |
| | | | 10,449,338 |
| Pipelines - 0.8% | | | |
| 9,100 | Dynegy Holdings, Inc., 7.75%, 6/1/19 | B3/B | 6,665,750 |

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May 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|--|--|--------------------------------|-------------|
| Retail - 3.2% | | | |
| \$2,880 | Burlington Coat Factory Warehouse Corp., 11.125%, 4/15/14 | Caa1/CCC | \$2,102,400 |
| 8,405 | El Pollo Loco Finance Corp., 11.75%, 11/15/13 | Caa2/CCC | 6,766,025 |
| 1,000 | Inergy L.P., 8.25%, 3/1/16 | B1/B+ | 982,500 |
| 8,310 | Michaels Stores, Inc., 10.00%, 11/1/14 | Caa2/CCC | 6,024,750 |
| 10,490 | Neiman Marcus Group, Inc., 10.375%, 10/15/15 | Caa3/CCC+ | 5,612,150 |
| 5,115 | Sally Holdings LLC, 10.50%, 11/15/16 | Caa1/B- | 5,153,363 |
| | | | 26,641,188 |
| Semiconductors & Semiconductor Equipment - 1.2% | | | |
| 11,565 | Amkor Technology, Inc., 9.25%, 6/1/16 | B2/B+ | 10,379,588 |
| Software - 1.0% | | | |
| 12,395 | First Data Corp., 9.875%, 9/24/15 | Caa1/B- | 8,490,575 |
| Telecommunications - 3.4% | | | |
| 7,680 | Centennial Cellular Operating Co., 10.125%, 6/15/13 | B2/B | 7,948,800 |
| 13,540 | Hawaiian Telcom Communications, Inc., 12.50%, 5/1/15, Ser. B (f) | WR/NR | 84,625 |
| 6,895 | Intelsat Jackson Holdings Ltd., 9.50%, 6/15/16 (a) (b) | B3/BB- | 6,895,000 |
| 8,220 | Nextel Communications, Inc., 7.375%, 8/1/15 | Ba2/BB | 6,555,450 |
| 5,385 | Sprint Capital Corp., 8.75%, 3/15/32 | Ba2/BB | 4,281,075 |
| 3,980 | West Corp., 11.00%, 10/15/16 | Caa1/B- | 3,402,900 |
| | | | 29,167,850 |
| Textiles, Apparel & Luxury Goods - 0.6% | | | |
| 5,340 | Oxford Industries, Inc., 8.875%, 6/1/11 | B2/B+ | 4,779,300 |
| Wireless Telecommunication Services - 2.4% | | | |
| 5,750 | Crown Castle International Corp., 9.00%, 1/15/15 | B2/B+ | 5,836,250 |
| 14,200 | Millicom International Cellular S.A., 10.00%, 12/1/13 | B1/NR | 14,554,999 |
| | | | 20,391,249 |
| | Total Corporate Bonds & Notes (cost-\$490,435,651) | | 400,224,799 |
| CONVERTIBLE BONDS & NOTES - 34.6% | | | |
| Aerospace & Defense - 0.8% | | | |
| 7,535 | Orbital Sciences Corp., 2.438%, 1/15/27 | NR/BB- | 6,831,231 |
| Banks - 0.9% | | | |
| 7,805 | National City Corp., 4.00%, 2/1/11 | A3/A | 7,463,531 |
| Commercial Services & Supplies - 1.0% | | | |
| 510 | Bowne & Co., Inc., 6.00%, 10/1/33 (c) | B3/CCC+ | 491,513 |
| 8,630 | Covanta Holding Corp., 1.00%, 2/1/27 | Ba3/B | 7,281,563 |
| | | | 7,773,076 |
| Computers - 0.9% | | | |
| 8,805 | Maxtor Corp., 2.375%, 8/15/12 | NR/B | 7,187,081 |
| Diversified Telecommunication - 1.2% | | | |
| 6,855 | QWest Communications International, 3.50%, 11/15/25 | B1/B+ | 6,932,119 |
| 3,935 | TW Telecom, Inc., 2.375%, 4/1/26 | B3/CCC+ | 3,492,313 |
| | | | 10,424,432 |
| Electrical Equipment - 4.2% | | | |

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| | | | |
|--------|---|--------|------------|
| 8,185 | Anixter International, Inc., 1.00%, 2/15/13 | NR/BB- | 6,998,175 |
| 10,240 | EnerSys, 3.375%, 6/1/38 (c) | B2/BB | 7,526,400 |
| 8,880 | General Cable Corp., 0.875%, 11/15/13 | B1/B+ | 8,313,900 |
| 18,700 | JA Solar Holdings Co., Ltd., 4.50%, 5/15/13 | NR/NR | 12,487,860 |
| | | | 35,326,335 |

Nicholas-Applegate Convertible & Income Fund Schedule of Investments

May 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|---------------------------|--|--------------------------------|-------------|
| | Energy Equipment & Services - 0.3% | | |
| \$3,120 | Hornbeck Offshore Services, Inc., 1.625%, 11/15/26 (c) | NR/BB- | \$2,613,000 |
| | Entertainment - 0.8% | | |
| 6,450 | Macrovision Corp., 2.625%, 8/15/11 | NR/B | 6,441,938 |
| | Health Care Providers & Services - 1.3% | | |
| 4,625 | Inverness Medical Innovations, Inc., 3.00%, 5/15/16 | NR/B- | 4,399,531 |
| 9,880 | Omnicare, Inc., 3.25%, 12/15/35 | B3/B+ | 6,953,050 |
| | | | 11,352,581 |
| | Insurance - 0.6% | | |
| 5,325 | Prudential Financial, Inc., zero coupon, 12/15/37, FRN | Baa2/A | 5,340,975 |
| | Internet Software & Services - 2.3% | | |
| 8,495 | Alliance Data Systems Corp., 1.75%, 8/1/13 (a) (b) | NR/NR | 6,211,969 |
| 7,670 | Equinix, Inc., 2.50%, 4/15/12 | NR/B- | 7,315,262 |
| 6,715 | Nuance Communications, Inc., 2.75%, 8/15/27 | NR/B- | 5,850,444 |
| | | | 19,377,675 |
| | Life Sciences Tools & Services - 0.8% | | |
| 6,900 | Life Technologies Corp., 3.25%, 6/15/25 | NR/BB+ | 6,951,750 |
| | Machinery - 0.9% | | |
| 8,565 | AGCO Corp., 1.25%, 12/15/36 | NR/BB | 7,911,919 |
| | Media - 2.8% | | |
| 8,480 | Interpublic Group of Cos, Inc., 4.25%, 3/15/23 | Ba3/B+ | 7,515,400 |
| 8,080 | Liberty Media LLC, 3.125%, 3/30/23 | Ba2/BB+ | 6,918,500 |
| 9,220 | Regal Entertainment Group, 6.25%, 3/15/11 (a) (b) | NR/NR | 8,828,150 |
| | | | 23,262,050 |
| | Oil, Gas & Consumable Fuels - 2.7% | | |
| 10,155 | Nabors Industries, Inc., 0.94%, 5/15/11 | NR/BBB+ | 9,342,600 |
| 7,600 | Peabody Energy Corp., 4.75%, 12/15/41 | Ba3/B+ | 5,842,500 |
| 7,690 | Transocean, Inc., 1.625%, 12/15/37 | Baa2/BBB+ | 7,286,275 |
| | | | 22,471,375 |
| | Pharmaceuticals - 1.3% | | |
| 6,920 | Mylan, Inc., 1.25%, 3/15/12 | NR/B+ | 6,106,900 |
| 4,985 | Watson Pharmaceuticals, Inc., 1.75%, 3/15/23 | Ba2/BB+ | 4,860,375 |
| | | | 10,967,275 |
| | Real Estate Investment Trusts (REIT) - 5.5% | | |
| 8,150 | Boston Properties LP, 3.75%, 5/15/36 | NR/A- | 7,202,563 |
| 9,390 | Developers Diversified Realty Corp., 3.00%, 3/15/12 | NR/BB+ | 6,526,050 |
| 8,365 | Digital Realty Trust LP, 5.50%, 4/15/29 (a) (b) | NR/NR | 8,211,921 |
| 6,900 | Health Care REIT, Inc., 4.75%, 12/1/26 | Baa2/BBB- | 6,779,250 |
| 7,685 | ProLogis, 2.25%, 4/1/37 | NR/BBB- | 6,013,512 |
| 12,325 | Vornado Realty Trust, 3.625%, 11/15/26 | Baa2/BBB | 11,000,062 |
| | | | 45,733,358 |
| | Semiconductors & Semiconductor Equipment - 2.1% | | |
| 10,140 | Advanced Micro Devices, Inc., 5.75%, 8/15/12 | NR/CCC+ | 6,350,175 |
| 4,500 | Micron Technology, Inc., 4.25%, 10/15/13 | NR/NR | 5,293,125 |
| 6,010 | ON Semiconductor Corp., zero coupon, 4/15/24 | NR/B+ | 5,739,550 |

Nicholas-Applegate Convertible & Income Fund Schedule of Investments

May 31, 2009 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody's/S&P) | Value* |
|---------------------------|--|--------------------------------|--------------|
| | Specialty Retail - 2.4% | | |
| \$19,932 | Sonic Automotive, Inc., 6.00%, 5/15/12 (e) | Caa2/NR | \$19,932,433 |
| | Telecommunications - 1.1% | | |
| 9,455 | Nextel Communications, Inc., 5.25%, 1/15/10 | Ba2/BB | 9,384,087 |
| | Textiles, Apparel & Luxury Goods - 0.7% | | |
| 6,225 | Iconix Brand Group, Inc., 1.875%, 6/30/12 | B3/B | 5,509,125 |
| | Total Convertible Bonds & Notes (cost-\$273,453,724) | | 289,638,077 |
| Shares (000) | | | |
| | CONVERTIBLE PREFERRED STOCK - 12.8% | | |
| | Capital Markets - 0.6% | | |
| | Lehman Brothers Holdings, Inc. (d) (e) (f), | | |
| 892 | 6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) | WR/NR | 2,869,882 |
| 139 | 28.00%, 3/6/09, Ser. RIG (Transocean, Inc.) | WR/NR | 1,889,980 |
| | | | 4,759,862 |
| | Chemicals - 0.4% | | |
| 123 | Celanese Corp., 4.25%, 12/31/49 | NR/NR | 3,517,749 |
| | Commercial Banks - 1.6% | | |
| 43 | Fifth Third Bancorp, 8.50%, 12/31/49 | Baa3/BBB- | 3,766,010 |
| 13 | Wells Fargo & Co., 7.50%, 12/31/49 | Ba3/A | 9,722,250 |
| | | | 13,488,260 |
| | Commercial Services & Supplies - 0.1% | | |
| 82 | United Rentals Trust I, 6.50%, 8/1/28 | Caa1/B1 | 1,170,219 |
| | Diversified Financial Services - 2.0% | | |
| 14 | Bank of America Corp., 7.25%, 12/31/49, Ser. L | B3/B | 10,579,199 |
| 172 | Citigroup, Inc., 6.50%, 12/31/49, Ser. T | Ca/C | 6,648,850 |
| | | | 17,228,049 |
| | Electric - 1.1% | | |
| 243 | AES Trust III, 6.75%, 10/15/29 | B3/B | 9,405,284 |
| | Food Products - 0.7% | | |
| 69 | Bunge Ltd., 4.875%, 12/31/49 | Ba1/BB | 5,725,103 |
| | Household Durables - 0.9% | | |
| 12 | Stanley Works, 5.125%, 5/17/12, FRN | A3/BBB+ | 7,293,038 |
| | Insurance - 0.7% | | |
| 334 | XL Capital Ltd., 10.75%, 8/15/11 | Baa2/BBB- | 5,859,595 |
| | Metals & Mining - 1.0% | | |
| 102 | Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10 | NR/BB | 8,631,744 |
| | Oil, Gas & Consumable Fuels - 1.0% | | |
| 119 | Chesapeake Energy Corp., 5.00%, 12/31/49 | NR/B | 8,407,125 |
| | Pharmaceuticals - 0.7% | | |
| 26 | Schering-Plough Corp., 6.00%, 8/13/10 | Baa3/BBB | 5,756,807 |
| | Real Estate Investment Trusts (REIT) - 0.5% | | |
| 414 | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A | Caa2/C | 2,424,532 |
| 37 | Simon Property Group, Inc., 6.00%, 12/31/49 | Baa1/BBB | 1,761,800 |

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May 31, 2009 (unaudited)

| Shares (000) | | Credit Rating (Moody's/S&P) | Value* |
|--|---|--------------------------------|----------------------|
| | Sovereign - 1.5% | | |
| 93 | Eksportfinans A/S, 10.00%, 6/13/09, Ser. AAPL (Apple, Inc.) (d) | Aa1/AA+ | \$12,246,131 |
| | Total Convertible Preferred Stock (cost-\$168,243,241) | | 107,675,298 |
| U.S. GOVERNMENT SECURITIES - 3.1% | | | |
| | Principal Amount (000) | | |
| \$25,715 | United States Treasury Notes, 12.50%, 8/15/14 (cost-\$28,248,108) | | 26,355,869 |
| COMMON STOCK - 0.3% | | | |
| | Shares (000) | | |
| | Retail-Automobile - 0.3% | | |
| 235 | Sonic Automotive, Inc. Cl. A (g) (cost-\$1,075,565) | | 2,230,399 |
| SHORT-TERM INVESTMENTS - 1.5% | | | |
| | Principal Amount (000) | | |
| | Time Deposit - 1.5% | | |
| \$12,896 | Citibank-Nassau, 0.060%, 6/1/09 (cost-\$12,895,573) | | 12,895,573 |
| | Total Investments (cost-\$974,351,862) -100.0% | | \$839,020,015 |

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 independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available or for which 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. 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. Synthetic convertible securities are valued based on quotations obtained from unaffiliated brokers who are the principal market-makers in such securities. Such valuations are derived by the brokers from proprietary models which are generally based on readily available market information including valuations of the common stock underlying the synthetic security and the volatility observed in the market on such common stocks. Short-term securities maturing in 60 days or less are valued at amortized cost which approximates fair value, 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 daily 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.

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May 31, 2009 (unaudited)

- (a) 144A Security □ Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically 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 \$53,364,207, representing 6.4% of total investments.
- (c) Step Bond □ Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (d) Securities exchangeable or convertible into securities of an entity different than the issuer or structured by the issuer to provide exposure to securities of an entity different than the issuer. Such entity is identified in the parenthetical.
- (e) Fair-Valued □ Securities with an aggregate value of \$27,268,224 representing 3.3%, of total investments.
- (f) In default.
- (g) Non-income producing

Glossary:

FRN □ Floating Rate Note. The interest rate disclosed reflects the rate in effect on May 31, 2009.

NR □ Not Rated

WR □ Withdrawn Rating

Fair Value Measurements □ The Fund has adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No.157, "Fair Value Measurements" (SFAS 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. Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. "exit price") in an orderly transaction between market participants. The three levels of the fair value hierarchy under SFAS 157 are described below:

- Level 1 □ quoted prices in active markets for identical investments that the Fund has the ability to access.
- Level 2 □ valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.) or quotes from inactive exchanges.
- Level 3 □ valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

An investment asset or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement.

The valuation techniques used by the Fund to measure fair value during the three months ended May 31, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs.

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

Nicholas-Applegate Convertible & Income Fund Schedule of Investments

May 31, 2009 (unaudited)

The following is a summary of the inputs used at May 31, 2009 in valuing the Fund's investments carried at value:

| Valuation Inputs | Investments in Securities |
|---|----------------------------------|
| Level 1 □ Quoted Prices | \$91,137,904 |
| Level 2 □ Other Significant Observable Inputs | 720,613,887 |
| Level 3 □ Significant Unobservable Inputs | 27,268,224 |
| Total | \$839,020,015 |

A roll forward of fair value measurement using significant unobservable inputs (Level 3) at May 31, 2009, was as follows:

| | Investments in Securities |
|---|----------------------------------|
| Beginning balance, February 28, 2009 | \$22,566,591 |
| Net purchases (sales) and settlements | (1,075,566) |
| Accrued discounts (premiums) | 40,999 |
| Total realized gain (loss) | - |
| Total change in unrealized appreciation/depreciation | 5,736,200 |
| Transfers in and/or out of Level 3 | - |
| Ending balance, May 31, 2009 | \$27,268,224 |
| Net change in unrealized appreciation/ depreciation on investments held at May 31, 2009 | \$ - |

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

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: July 16, 2009

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

Date: July 16, 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: July 16, 2009

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

Date: July 16, 2009
