

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND  
Form N-Q  
January 27, 2005

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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

Registrant Name: NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND

Address of Principal Executive Offices: 1345 Avenue of the Americas New York,  
New York 10105

Name and Address of Agent for Service: Lawrence G. Altadonna - 1345 Avenue of  
the Americas New York, New York 10105

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

Date of Fiscal Year End: 2/28

Date of Reporting Period: 11/30

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 (ss.ss. 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. ss. 3507.

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## ITEM 1. SCHEDULE OF INVESTMENTS

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND  
 SCHEDULE OF INVESTMENTS  
 NOVEMBER 30, 2004  
 (UNAUDITED)

PRINCIPAL AMOUNT (000)		CREDIT RA (MOODY'S/
	CORPORATE BONDS & NOTES - 44.2%	
	ADVERTISING-0.8%	
\$10,000	RH Donnelley Financial Corp., 10.875%, 12/15/12 .....	B2/B
	APPAREL-0.4%	
3,260	Oxford Industries, Inc., 8.875%, 6/1/11 .....	B2/B
1,575	Phillips-Van Heusen Corp., 8.125%, 5/1/13 .....	B2/BB
580	Warnaco, Inc., 8.875%, 6/15/13 .....	B2/B
	AUTOMOTIVE-1.6%	
7,200	Collins & Aikman Products Corp., 10.75%, 12/31/11 .....	B2/B
9,620	Collins & Aikman Products Corp., 12.875%, 8/15/12 (a) .....	B3/B
9,473	HLI Operating Co., Inc., 10.50%, 6/15/10 .....	B1/B
	BUILDING & CONSTRUCTION-0.7%	
5,000	US Concrete Inc., 8.375%, 4/1/14 .....	B3/B
5,000	William Lyon Homes Inc., 10.75%, 4/1/13 .....	B2/B
	CHEMICALS-2.9%	
2,700	Huntsman LLC., 11.50%, 7/15/12 (a) .....	B3/CC
8,800	Huntsman LLC., 11.625%, 10/15/10 .....	B2/B
8,555	Lyondell Chemical Co., 9.625%, 5/1/07, Ser. A .....	B1/B
5,115	Lyondell Chemical Co., 10.875%, 5/1/09, Ser. A .....	B3/B
10,545	PolyOne Corp., 10.625%, 5/15/10 .....	B3/B
5,810	Rhodia SA., 10.25%, 6/1/10 .....	B3/CC
	COMMERCIAL SERVICES-1.7%	
14,490	Integrated Electrical Services Inc., 9.375%, 2/1/09, Ser. C ....	Caa1/
3,000	Memberworks Inc., 9.25%, 4/1/14 (a) .....	B2/B
11,000	Xerox Corp., 9.75%, 1/15/09 .....	Ba2/B
	CONTAINERS-0.0%	
170	Stone Container Corp., 8.375%, 7/1/12 .....	B2/B
	ELECTRONICS-2.0%	
7,000	Flextronics International Ltd., 6.25%, 11/15/14 .....	Ba2/B

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5,160	IMAX Corp., 9.625%, 12/1/10 .....	B3/B
9,015	Sanmina-SCI Corp., 10.375%, 1/15/10 .....	Ba2/B
4,500	Seitel Inc., 11.75%, 7/15/11 (a) .....	B3/B
3,415	Stoneridge, Inc., 11.50%, 5/01/12 .....	B1/B
	 ENERGY-0.8%	
11,000	Reliant Resources Inc., 9.50%, 7/15/13 .....	B1/B
	 ENTERTAINMENT-0.9%	
13,305	Alliance Atlantis Communications, Inc., 13.00%, 12/15/09 .....	WR/N
	 FINANCE-0.3%	
3,885	Metris Companies Inc., 10.125%, 7/15/06 .....	Caa2/
	 FINANCIAL SERVICES-0.4%	
5,750	Alamosa Delaware Inc., 11.00%, 7/31/10 .....	Caa1/
	 FOOD PRODUCTS-0.8%	
2,370	Pilgrim's Pride Corp., 9.25%, 11/15/13 .....	B2/B
8,820	Pilgrim's Pride Corp., 9.625%, 9/15/11 .....	B1/B
	 HEALTHCARE-1.0%	
2,316	Hanger Orthopedic Group, Inc., 11.25%, 6/15/09 .....	WR/CC

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND  
SCHEDULE OF INVESTMENTS  
NOVEMBER 30, 2004  
(UNAUDITED) (CONTINUED)

PRINCIPAL AMOUNT (000)		CREDIT RA (MOODY'S/
-----		
	CORPORATE BONDS & NOTES (CONTINUED)	
	HEALTHCARE (CONTINUED)	
\$1,000	Medcath Holdings Corp., 9.875%, 7/15/12 .....	Caa1/
2,250	National Mentor Inc., 9.625%, 12/1/12 (a) .....	B3/B
7,005	Select Medical Corp., 9.50%, 6/15/09 .....	B2/B
2,365	Vicar Operating, Inc., 9.875%, 12/1/09 .....	B2/B
	 HOME BUILDERS-1.1%	
12,325	Ryland Group, Inc., 9.125%, 6/15/11 .....	Ba2/B
3,865	Standard-Pacific Corp., 9.50%, 9/15/10 .....	Ba2/B

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	HOME FURNISHINGS-1.1%	
10,290	Central Garden & Pet Co., 9.125%, 2/1/13 .....	B2/B
5,340	Jarden Corp., 9.75%, 5/1/12 .....	B2/B
	HOTELS/GAMING-2.8%	
10,500	Mandalay Resort Group, Inc., 10.25%, 8/1/07 .....	Ba3/B
17,910	Penn National Gaming, Inc., 8.875%-11.125%, 3/1/08-3/15/10 .....	B2/B
4,350	Venetian Casino Corp., 11.00%, 6/15/10 .....	B2/B
7,311	Wynn Resorts Ltd., 12.00%, 11/1/10 .....	B3/B
	LEISURE-1.6%	
11,624	Bally Total Fitness Holdings Corp., 9.875%, 10/15/07, Ser. D ...	Caa2/
8,000	Equinox Holding Inc., 9.00%, 12/15/09 .....	B3/B
6,320	Royal Caribbean Cruises, Inc., 8.75%, 02/2/11 .....	Ba2/B
	MACHINERY-0.9%	
12,970	Case New Holland Inc., 9.25%, 8/1/11 (a) .....	Ba3/B
	MANUFACTURING-0.4%	
5,650	Jacuzzi Brands Inc., 9.625%, 7/1/10 .....	B3/B
	METALS & MINING-0.9%	
11,800	AK Steel Corp., 7.875%, 2/15/09 .....	B3/B
2,540	Oregon Steel Mills Inc., 10.00%, 7/15/09 .....	B2/B
	MISCELLANEOUS-2.9%	
46,020	Dow Jones CDX High Yield, 10.50%, 12/29/09 (a) (b) .....	NR/N
	MULTI-MEDIA-2.9%	
12,250	Charter Communications, Inc., 10.75%, 10/1/09 .....	Ca/CC
8,330	Echostar DBS Corp., 9.125%-10.375%, 10/1/07-1/15/09 .....	Ba3/B
5,430	Lodgenet Entertainment Corp., 9.50%, 6/15/13 .....	B3/B
1,800	Salem Communications Holding Corp., 9.00%, 7/1/11, Ser. B .....	B2/B
10,000	Spanish Broadcasting System, 9.625%, 11/1/09 .....	Caa1/
6,581	XM Satellite Radio Inc., 12.00%, 6/15/10 .....	Caa1/
	OFFICE FURNISHINGS-0.6%	
5,375	Interface Inc., 9.50%, 2/1/14 (a) .....	Caa3/
3,246	Tempur-Pedic Inc., 10.25%, 8/15/10 .....	B2/B
	OIL & GAS-1.6%	
330	Energy Partners Ltd., 8.75%, 8/1/10 .....	B2/B
10,000	Petroleum Geo-Services ASA, 10.00%, 11/5/10 .....	NR/N
13,330	Sonat, Inc., 7.625%, 7/15/11 .....	Caa1/

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	PAPER PRODUCTS-1.4%	
7,840	Buckeye Technologies, Inc., 9.25%, 9/15/08 .....	Caa1/
12,650	Georgia-Pacific Corp., 9.375%, 2/1/13 .....	Ba2/B
	PHARMACEUTICALS-0.3%	
4,185	Leiner Health Products Corp., 11.00%, 6/1/12 .....	B3/CC
	REAL ESTATE-0.0%	
470	La Quinta Properties Inc., 8.875%, 3/15/11 .....	Ba3/B
	RECYCLING-0.5%	
6,700	Imco Recycling Inc., 10.375%, 10/15/10 .....	B2/B

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 SCHEDULE OF INVESTMENTS  
 NOVEMBER 30, 2004  
 (UNAUDITED) (CONTINUED)

PRINCIPAL AMOUNT (000)		CREDIT RA (MOODY'S/
-----		
	CORPORATE BONDS & NOTES (CONCLUDED)	
	RETAIL-2.8%	
\$8,620	Friendly's Ice Cream Corp., 8.375%, 6/15/12 .....	B2/B
9,110	Michaels Stores, Inc., 9.25%, 7/1/09 .....	Ba1/B
4,240	Mothers Work Inc., 11.25%, 8/1/10 .....	B3/B
15,445	Rite Aid Corp., 11.25%, 7/1/08 .....	Caa1/
4,000	United Auto Group, Inc., 9.625%, 3/15/12 .....	B3/B
	SEMI-CONDUCTORS-0.8%	
5,725	Amkor Technology, Inc., 10.50%, 5/1/09 .....	Caa1/
7,195	Fairchild Semiconductor International, Inc., 10.50%, 2/1/09 ....	B2/B
	TELECOMMUNICATIONS-5.4%	
6,427	American Tower Corp., 7.125%-9.375%, 2/1/09-10/15/12 .....	B3/CC
15,395	Crown Castle International, Inc., 9.00%-10.75%, 5/15/11-8/1/11 .	B3/CC
13,255	Millicom International Cellular S.A., 10.00%, 12/1/13 (a) .....	B3/B
6,395	Primus Telecommunications Group, 8.00%, 1/15/14 .....	B3/CC
11,500	Primus Telecommunications Group, 12.75%, 10/15/09 .....	Caa2/
13,500	SBA Communications Corp., 10.25%, 2/1/09 .....	WR/CC
10,170	Time Warner Telecom, Inc., 10.125%, 2/1/11 .....	B3/CC
11,065	Triton PCS, Inc., 9.375%, 2/1/11 .....	Ca/CC
	TEXTILES-0.5%	
6,490	Interface, Inc., 10.375%, 2/01/10 .....	Caa1/

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	UTILITIES-0.9%		
13,025	AES Corp., 9.50%, 6/1/09 .....		B2/B
	WASTE DISPOSAL-0.5%		
7,194	Allied Waste, Inc., 10.00%, 8/1/09, Ser. B .....		Caa2/
	Total Corporate Bonds & Notes (cost-\$681,208,461)		
	CONVERTIBLE BONDS & NOTES - 30.2%		
	AEROSPACE-1.1%		
16,568	GenCorp, Inc., 5.75%, 4/15/07 .....		Caa2/
	AIRLINES-1.9%		
20,572	Continental Airlines, Inc., 4.50%, 2/1/07 .....		Caa2/
16,465	Northwest Airlines Corp., 6.625%-10.00%, 2/1/09-5/15/23 .....		Caa1/C
	CHEMICALS-0.9%		
6,500	Millennium Chemicals Inc., 4.00%, 11/15/23 .....		B1/B
	COMMERCIAL SERVICES-2.8%		
11,150	Acxiom Corp., 3.75%, 2/15/09 .....		Ba3/B
8,100	Bowne & Co., Inc., 5.00%, 10/1/33 .....		B2/B
2,850	Memberworks Inc., 5.00%, 10/1/10 .....		NR/B
16,564	Quebecor World Color Press, Inc., 6.00%, 10/1/07 .....		Ba1/B
	ELECTRONICS-1.5%		
8,500	Agilent Technologies, Inc., 3.00%, 12/1/21 .....		Ba2/B
15,923	Cymer, Inc., 3.50%, 2/15/09 .....		NR/B
	FINANCIAL SERVICES-0.3%		
136	Genworth Financial Inc., 6.00%, 5/16/07 .....		A2/A
	FINANCING-1.3%		
17,200	GATX Corp., 7.50%, 2/1/07 .....		Baa3/
	HEALTHCARE-0.1%		
1,600	Matria Healthcare Inc., 4.875%, 5/1/24 .....		NR/B
	INTERNET-1.2%		
18,800	E*Trade Group, Inc., 6.00%, 2/1/07 .....		NR/B

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 SCHEDULE OF INVESTMENTS  
 NOVEMBER 30, 2004  
 (UNAUDITED) (CONTINUED)

PRINCIPAL AMOUNT (000)		CREDIT RA (MOODY'S/
-----		
	CONVERTIBLE BONDS & NOTES (CONTINUED)	
	MANUFACTURING-2.6%	
\$14,400	The Goodyear Tire & Rubber Co., 4.00%, 6/15/34 (a) .....	B3/B
2,500	The Goodyear Tire & Rubber Co., 7.857%, 8/15/11 .....	B3/B
12,300	Tyco International Group S.A., 3.125%, 1/15/23 .....	Baa3/
	MULTI-MEDIA-2.4%	
3,989	Charter Communications, Inc., 5.75%, 10/15/05 .....	Ca/N
16,995	Echostar Communications Corp., 5.75%, 5/15/08 .....	B2/B
17,546	Liberty Media Corp., 3.25%, 3/15/31 .....	Baa3/
	OIL & GAS-1.6%	
11,200	Kerr-McGee Corp., 5.25%, 2/15/10 .....	Ba1/B
7,339	St. Mary Land & Exploration Corp., 5.75%, 3/15/22 .....	NR/N
	PHARMACEUTICALS-0.3%	
2,350	Ligand Pharmaceutical Inc., 6.00%, 11/16/07 .....	NR/N
	RETAIL-3.3%	
14,259	Gap, Inc., 5.75%, 3/15/09 .....	Ba1/B
6,355	Guitar Center, Inc., 4.00%, 7/15/13 .....	B1/B
15,708	Sonic Automotive, Inc., 5.25%, 5/7/09 .....	B3/B
7,300	The Pep Boys Inc., 4.25%, 6/1/07 .....	B1/BB
	SEMICONDUCTORS-2.3%	
15,300	Advanced Micro Devices., 4.50%-4.75%, 12/1/07-2/1/22 .....	B3/B
17,742	Amkor Technology, Inc., 5.00%-5.75%, 6/1/06-3/15/07 .....	Caa1/
	SOFTWARE-1.1%	
14,500	Computer Associates International, Inc., 5.00%, 3/15/07 .....	Ba1/B
	TELECOMMUNICATIONS-5.5%	
19,000	American Tower Corp., 5.00%, 2/15/10 .....	B3/CC
15,900	CenturyTel, Inc., 9.00%, 12/15/09 .....	Baa2/
13,240	Crown Castle International, Inc., 4.00%, 7/15/10 .....	NR/CC
10,200	NII Holdings Inc., 3.50%, 9/15/33 .....	NR/N
9,245	Nortel Networks Corp., 4.25%, 9/1/08 .....	B3/B

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Total Convertible Bonds & Notes (cost-\$458,992,445)

SHARES (000)		CREDIT RATI (MOODY'S/S&
-----		
	CONVERTIBLE PREFERRED STOCK- 24.4%	
	AUTOMOTIVE-2.2%	
326	Ford Motor Co Capital Trust II., 6.50%, 1/15/32 .....	Baa2/
698	General Motors Corp., Ser. C, 6.25%, 7/15/33 .....	Baa2/
	BANKING-1.1%	
322	Washington Mutual, Inc., 5.375%, 5/3/41 .....	Baa1/
	COMMERCIAL SERVICES-1.2%	
442	United Rentals, Inc., 6.50%, 8/1/28 .....	B3/B
	FINANCIAL SERVICES-1.2%	
367	Capital One Financial Corp., 6.25%, 5/17/05 .....	Baa3/
	INSURANCE-3.2%	
537	Platinum Underwriters Holdings, Ltd., 7.00%, 11/16/05 .....	NR/N
660	The PMI Group Inc., 5.875%, 11/15/06 .....	A1/A
745	XL Capital Ltd., 6.50%, 5/15/07 .....	A2/A

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND  
SCHEDULE OF INVESTMENTS  
NOVEMBER 30, 2004  
(UNAUDITED) (CONTINUED)

SHARES		CREDIT RATI (MOODY'S/S&
-----		
	CONVERTIBLE PREFERRED STOCK-(CONTINUED)	
	METALS & MINING-3.0%	
\$218	Arch Coal, 5.00%, 12/31/49 .....	B2/B
153	U.S. Steel Corp., 7.00%, 6/15/06, Ser. B .....	NR/B
	MULTI-MEDIA-0.0%	
0	Radio One, Inc., 6.50%, 7/15/05 .....	B3/CC



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	OIL & GAS-4.0%	
248	Amerada Hess, 7.00%, 12/1/06 .....	Ba3/B
252	Chesapeake Energy Corp., 6.00%, 12/31/49 .....	B3/B
550	Oneok Inc., 8.50%, 2/16/06 .....	Baa1/
23	Williams Cos Inc., 5.50%, 6/1/33 .....	NR/B
	PHARMACEUTICALS-1.1%	
335	Schering-Plough Corp., 6.00%, 9/14/07 .....	Baa3/
	RETAIL-1.1%	
689	Albertson's Inc., 7.25%, 5/16/07 .....	Baa2/
	TELECOMMUNICATIONS-2.2%	
28	Corning, Inc., 7.00%, 8/16/05 Ser. C .....	B1/BB
17,000	Nextel Communications Corp., 5.25%, 1/15/10 .....	Ba3/B
	UTILITIES-4.1%	
109	AES Trust III, 6.75%, 10/15/29 .....	Caa2/
538	FPL Group, Inc., 8.00%, 02/16/06 .....	NR/A
492	PSEG Inc., 10.25%, 11/16/05 .....	Baa3/

Total Convertible Preferred Stock (cost-\$342,248,479)

Principal	
Amount	U.S. GOVERNMENT SECURITIES-1.2%
(000)	United States Treasury Notes,
-----	10.75%, 8/15/05, (cost-\$19,144,345) .....
\$18,000	

TOTAL INVESTMENTS (cost-\$1,501,593,730) - 100%

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 and other financial instruments for which market quotations are not readily available or if a development/event occurs that may impact the value of the security may be fair valued in good faith pursuant to guidelines established by the Board of Trustees. The Fund's investments are valued daily by an independent pricing service, dealer quotations, or are valued at the last sale price on the exchange that is the primary market for such securities, or the last quoted bid price for those securities for which the over-the-counter market is the primary market for listed securities in which there were no sales. Prices obtained from an independent pricing service use information provided by market makers or estimates of market value obtained from yield data relating to investments or securities with similar characteristics. Short-term investments maturing in 60 days or less are valued at amortized cost, if their original maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the

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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. The Fund's net asset value is determined daily at the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange.

- (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 investors.
- (b) Credit-linked trust certificate

### GLOSSARY:

NR - Not Rated

WR- Withdrawal Rating

### 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 Investment Company Act of 1940, 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 or in factors that could affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

### ITEM 3. EXHIBITS

(a) Exhibit 99 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-APPLGATE CONVERTIBLE & INCOME FUND

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

Date: January 27, 2005

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

Date: January 27, 2005

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

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dated indicated.

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

Date: January 27, 2005

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

Date: January 27, 2005