

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND

Form N-Q

July 21, 2005

OMB APPROVAL

OMB Number: 3235-0578
Expires: February 28, 2006
Estimated average burden
hours per response: 20.0

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: 5/31

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.

ITEM 1. SCHEDULE OF INVESTMENTS

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND--SCHEDULE OF INVESTMENTS
May 31, 2005 (unaudited)

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

Principal Amount (000)		Credit Rating (Moody's/S&P)
CORPORATE BONDS & NOTES--47.5%		
	ADVERTISING--0.8%	
\$10,000	R.H. Donnelley Financial Corp., 10.875%, 12/15/12	B2/B+
	AIRLINES--0.1%	
3,980	Northwest Airlines Corp., 10.00%, 2/1/09	Caa1/CCC-
	APPAREL--0.2%	
2,000	Levi Strauss & Co., 9.75%, 1/15/15 (a)	Caa3/B-
1,085	Phillips-Van Heusen Corp., 8.125%, 5/1/13	B2/BB-
580	Warnaco, Inc., 8.875%, 6/15/13	B1/BB-
	AUTOMOTIVE--0.8%	
13,168	HLI Operating Co., Inc., 10.50%, 6/15/10	B3/B
	CHEMICALS--4.7%	
	Huntsman LLC.,	
1,781	11.50%, 7/15/12 (a)	B2/B
5,713	11.625%, 10/15/10	B1/BB-
13,590	IMC Global Inc., 11.25%, 6/1/11	Ba3/BB
	Lyondell Chemical Co.,	
3,120	9.625%, 5/1/07, Ser. A	B1/BB-
5,115	10.875%, 5/1/09	B3/B
5,435	11.125%, 7/15/12	B1/BB-
10,545	PolyOne Corp., 10.625%, 5/15/10	B3/B+
11,150	Resolution Performance Products LLC., 13.50%, 11/15/10	Caa2/B-
8,525	Rhodia SA., 10.25%, 6/1/10	B3/CCC+
	COMMERCIAL SERVICES--2.0%	
11,990	Integrated Electrical Services Inc., 9.375%, 2/1/09, Ser. C	Caa2/CCC
7,890	Vertrue Inc., 9.25%, 4/1/14	B2/B
11,000	Xerox Corp., 9.75%, 1/15/09	Ba2/BB-
	CONTAINERS--0.0%	
170	Stone Container Corp., 8.375%, 7/1/12	B2/B
	ELECTRICAL COMPONENTS & EQUIPMENT--0.6%	
7,250	Artesyn Technologies Inc., 5.50%, 8/15/10	NR/NR
	ELECTRONICS--2.5%	
8,010	IMAX Corp., 9.625%, 12/1/10	B3/B-
10,100	Sanmina-SCI Corp., 10.375%, 1/15/10	Ba2/BB-
5,000	Seitel Inc., 11.75%, 7/15/11	B3/NR
12,400	Stoneridge Inc., 11.50%, 5/1/12	B1/B+

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

9,080	ENERGY--0.7% Reliant Resources Inc., 9.50%, 7/15/13	B1/B+
5,980	ENGINEERING--0.4% URS Corp., 11.50%, 9/15/09	Ba3/B+
2,590	FINANCE--0.2% Metris Companies Inc., 10.125%, 7/15/06	B3/CCC
11,080 4,515	FINANCIAL SERVICES--1.1% Alamosa Delaware Inc., 11.00%, 7/31/10 AMR Holdings Co., Inc., 10.00%, 2/15/15 (a)	Caa1/CCC+ Caa1/B-
8,220	FOOD PRODUCTS--0.6% Pilgrim's Pride Corp., 9.625%, 9/15/11	Ba2/BB-

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND--SCHEDULE OF INVESTMENTS
May 31, 2005 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)
\$4,241 1,000	HEALTHCARE--0.3% Hanger Orthopedic Group Inc., 11.25%, 6/15/09 Medcath Holdings Corp., 9.875%, 7/15/12	NR/CCC+ Caa1/B-
12,325 3,865 6,050	HOME BUILDERS--1.6% Ryland Group Inc., 9.125%, 6/15/11 Standard-Pacific Corp., 9.50%, 9/15/10 William Lyon Homes Inc., 10.75%, 4/1/13	Ba2/BB+ Ba2/BB B2/B
2,750 10,290 8,785	HOME FURNISHINGS--1.7% American Greetings Corp., 7.00%, 7/15/06 Central Garden & Pet Co., 9.125%, 2/1/13 Jarden Corp., 9.75%, 5/1/12	Ba2/BB+ B1/B+ B3/B-
10,500	HOTELS/GAMING--0.8% Mandalay Resort Group, Inc., 10.25%, 8/1/07, Ser. B	Ba3/B+
6,734 7,295	LEISURE--0.9% Bally Total Fitness Holdings Corp., 9.875%, 10/15/07, Ser. D Equinox Holdings Inc., 9.00%, 12/15/09	Ca/CCC- B3/B-

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

	MACHINERY--1.1%	
15,690	Case New Holland Inc., 9.25%, 8/1/11 (a)	Ba3/BB-
	MANUFACTURING--0.4%	
5,650	Jacuzzi Brands Inc., 9.625%, 7/1/10	B3/B
	METALS & MINING--2.2%	
10,715	AK Steel Corp., 7.875%, 2/15/09	B1/B+
6,040	Oregon Steel Mills Inc., 10.00%, 7/15/09	B1/B+
14,170	United States Steel LLC, 10.75%, 8/1/08	Ba2/BB
	MISCELLANEOUS--2.3%	
35,170	Dow Jones CDX North American High Yield CDS Index, 10.50%, 12/29/09 (a) (b)	NR/NR
	MULTI-MEDIA--3.5%	
2,715	CSC Holdings Inc., 10.50%, 5/15/16	B2/B+
11,165	Charter Communications Holdings Inc., 10.75%, 10/1/09	Ca/CCC-
8,330	Echostar DBS Corp., 9.125%, 1/15/09	Ba3/BB-
5,430	Lodgenet Entertainment Corp., 9.50%, 6/15/13	B3/B-
3,970	Salem Communications Holding Corp., 9.00%, 7/1/11	B2/B-
10,000	Spanish Broadcasting System, Inc., 9.625%, 11/01/09	NR/CCC+
10,580	XM Satellite Radio Inc., 12.00%, 6/15/10	Caa1/CCC+
	OFFICE FURNISHINGS--1.2%	
	Interface, Inc.,	
5,375	9.50%, 2/1/14	Caa3/CCC
6,490	10.375%, 2/1/10	Caa1/B-
4,791	Tempur-Pedic Inc., 10.25%, 8/15/10	B2/B
	OIL & GAS-- 1.9%	
3,730	Dynegy Holdings Inc., 10.125%, 7/15/13 (a)	B3/B-
10,500	Petroleum Geo-Services ASA., 10.00%, 11/5/10	Ba3/B+
13,330	Sonat, Inc., 7.625%, 7/15/11	Caa1/CCC+
	PAPER PRODUCTS--1.4%	
6,272	Buckeye Technologies, Inc., 9.25%, 9/15/08	Caa1/B
12,650	Georgia-Pacific Corp., 9.375%, 2/1/13	Ba2/BB+
	PHARMACEUTICALS--0.5%	
7,515	Leiner Health Products Corp., 11.00%, 6/1/12	B3/CCC+

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND--SCHEDULE OF INVESTMENTS
May 31, 2005 (unaudited)

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

Principal Amount (000)		Credit Rating (Moody's/S&P)
\$10,495	RECYCLING--0.8% Imco Recycling Inc., 10.375%, 10/15/10	B2/B
545	RETAIL--2.7% Brown Shoe Co., Inc., 8.75%, 5/1/12 (a)	B1/BB-
9,110	Michaels Stores, Inc., 9.25%, 7/1/09	Ba1/BB+
4,240	Mothers Work Inc., 11.25%, 8/1/10	Caa1/B
13,815	Rite Aid Corp., 11.25%, 7/1/08	Caa1/B-
7,500	12.50%, 9/15/06	NR/B+
4,000	United Auto Group, Inc., 9.625%, 3/15/12	B3/B
13,085	SEMI-CONDUCTORS--0.7% Amkor Technology, Inc., 10.50%, 5/1/09	Caa1/CCC
2,000	TELECOMMUNICATIONS--4.7% Crown Castle International, Inc., 9.00%, 5/15/11	NR/CCC+
13,395	10.75%, 8/1/11	NR/CCC+
11,710	Hawaiian Telcom Communications, Inc., 12.50%, 5/1/15 (a)	Caa1/B-
13,800	Millicom International Cellular S.A., 10.00%, 12/1/13	B3/B-
12,500	Primus Telecommunications Group, Inc., 12.75%, 10/15/09	Caa3/CCC
11,960	Qwest Services Corp., 14.00%, 12/15/14 (a)	Caa1/B
8,860	Time Warner Telecom, Inc., 10.125%, 2/1/11	B3/CCC+
9,150	TRANSPORTATION--1.0% Yellow Roadway Corp., 5.00%, 8/8/23	Ba1/BBB-
13,025	UTILITIES--3.1% AES Corp., 9.50%, 6/1/09	B1/B-
12,750	Mission Energy Holdings International Inc., 13.50%, 7/15/08	B2/CCC+
6,075	PG&E Corp., 9.50%, 6/30/10	NR/NR
	Total Corporate Bonds & Notes (cost-\$727,243,740)	
	CONVERTIBLE BONDS & NOTES--26.2%	
2,000	AEROSPACE--0.2% GenCorp, Inc., 4.00%, 1/16/24	Caa2/B
20,572	AIRLINES--1.5% Continental Airlines, Inc., 4.50%, 2/1/07	Caa2/CCC+
9,485	Northwest Airlines Corp., 6.625%, 5/15/23	Caa1/CCC-
7,020	CHEMICALS--0.9% Millennium Chemicals Inc., 4.00%, 11/15/23	B1/BB-

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

	COMMERCIAL SERVICES--2.8%	
9,100	Bowne & Co., Inc., 5.00%, 10/1/33	B2/B-
13,450	Memberworks Inc., 5.50%, 10/1/10	NR/B-
17,314	World Color Press, Inc., 6.00%, 10/1/07	Ba1/BB+
	COMPUTERS--1.0%	
17,400	Maxtor Corp., 6.80%, 4/30/10	B2/NR
	FINANCING--1.4%	
18,500	GATX Corp., 7.50%, 2/1/07	Baa3/BBB-
	HEALTHCARE--0.4%	
3,700	Matria Healthcare Inc., 4.875%, 5/1/24	NR/B-
	INTERNET--1.3%	
18,800	E*Trade Group, Inc., 6.00%, 2/1/07	NR/B-

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND--SCHEDULE OF INVESTMENTS
May 31, 2005 (unaudited)

Principal Amount (000)		Credit Rating (Moody's/S&P)
	MANUFACTURING--1.2%	
\$12,900	Goodyear Tire & Rubber Co., 4.00%, 6/15/34 (a)	B3/B-
	METALS & MINING--1.1%	
12,600	Freeport-McMoRan Copper & Gold Inc., 7.00%, 2/11/11	NR/B+
	MULTI-MEDIA--1.1%	
16,995	EchoStar Communications Corp., 5.75%, 5/15/08	B2/B
	OIL & GAS--2.1%	
14,100	Devon Energy Corp., 4.95%, 8/15/08	Baa2/BBB
7,604	St. Mary Land & Exploration Corp., 5.75%, 3/15/22	NR/NR
	PHARMACEUTICALS--1.9%	
9,650	Ligand Pharmaceuticals Inc., 6.00%, 11/16/07	NR/NR
17,750	Sepracor, Inc., 5.00%, 2/15/07	NR/CCC+
	RETAIL--1.8%	
6,105	Guitar Center, Inc., 4.00%, 7/15/13	B1/BB-
17,708	Sonic Automotive, Inc., 5.25%, 5/7/09	B3/B
	SEMI-CONDUCTORS--2.2%	

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

15,900	Advanced Micro Devices, Inc., 4.75%, 2/1/22	B3/B-
	Amkor Technology, Inc.,	
2,363	5.00%, 3/15/07	Caa1/CCC
17,379	5.75%, 6/1/06	Caa1/CCC

TELECOMMUNICATIONS--5.3%

19,000	American Tower Corp., 5.00%, 2/15/10	B3/CCC+
15,900	CenturyTel, Inc., 4.75%, 8/1/32	Baa2/BBB+
8,740	Crown Castle International, Inc., 4.00%, 7/15/10	NR/CCC+
17,000	Nextel Communications, Inc., 5.25%, 1/15/10	Ba3/BB
12,345	Nortel Networks Corp., 4.25%, 9/1/08	B3/B-

Total Convertible Bonds & Notes (cost-\$404,088,594)

CONVERTIBLE PREFERRED STOCK--23.3%

Shares (000)		

AUTOMOTIVE--1.6%		
284	Ford Motor Co. Capital Trust II, 6.50%, 1/15/32	Ba1/B+
562	General Motors Corp., 6.25%, 7/15/33, Ser.C	Baa3/BB

BANKING--1.1%		
322	Washington Mutual, Inc., 5.375%, 5/3/41	Baa1/BBB

COMMERCIAL SERVICES--1.8%		
530	United Rentals, Inc., 6.50%, 8/1/28	B3/B
45	Xerox Corp., 6.25%, 7/1/06	B1/B-

FINANCIAL SERVICES--1.2%		
540	Genworth Financial Inc., 6.00%, 5/16/07	A2/A

INSURANCE--3.4%		
537	Platinum Underwriters Holdings, Ltd., 7.00%, 11/16/05	NR/BBB
765	PMI Group Inc., 5.875, 11/15/06	A1/A
705	XL Capital Ltd., 6.50%, 5/15/07	A2/A

METALS & MINING--2.1%		
138	Arch Coal Inc., 5.00%, 12/31/49	B3/B
113	U.S. Steel Corp., 7.00%, 6/15/06, Ser. B	NR/B

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

Shares (000)		Credit Rating (Moody's/S&P)	
	OIL & GAS--5.8%		
190	Amerada Hess Corp., 7.00%, 12/01/06	Ba3/BB	\$
129	Chesapeake Energy Corp., 5.00%, 12/31/49	B3/B-	
550	ONEOK, Inc., 8.50%, 2/16/06	Baa1/BBB+	
267	Public Service Enterprise Group Inc., 10.25%, 11/16/05	Baa3/BBB-	
178	Williams Cos., Inc., 5.50%, 6/1/33	NR/B-	
	PHARMACEUTICALS--1.5%		
441	Schering-Plough Corp., 6.00%, 9/14/07	Baa3/BBB	
	RETAIL--1.1%		
725	Albertson's Inc., 7.25%, 5/16/07	Baa2/BBB	
	TELECOMMUNICATIONS--1.5%		
28	Corning, Inc., 7.00%, 8/16/05	B1/BB+	
	UTILITIES--2.2%		
370	AES Trust III, 6.75%, 10/15/29	B3/CCC+	
255	FPL Group, Inc., 8.00%, 2/16/06	NR/A-	
	Total Convertible Preferred Stock (cost-\$324,716,241)		
	Principal Amount (000)		
	TIME DEPOSIT--1.8%		
\$26,378	Bank of America, 2.52%, 6/01/05 (cost-\$26,378,272)		
	U.S. GOVERNMENT SECURITIES--1.2%		
18,000	United States Treasury Notes, 10.75%, 8/15/05, (cost-\$18,336,378)	Aaa/AAA	
	TOTAL INVESTMENTS (cost-\$1,500,763,225)--100%		\$ 1

NOTES TO SCHEDULE OF INVESTMENTS

* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. 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 or for listed securities in which there were no sales. Prices

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

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 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 original term to maturity exceeded 60 days. Interest rate cap agreements are marked to market daily by the Sub-Adviser based upon quotations provided from market makers. 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, may be fair-valued, in good faith, pursuant to procedures established by the Board of Trustees. 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 qualified institutional investors.
- (b) Credit-linked trust certificate

GLOSSARY:

NR - Not Rated

INTEREST RATE CAP AGREEMENTS OUTSTANDING AT MAY 31, 2005:

Counterparty	Notional Amount	Termination Date	Premium	Payment received by Fund	U Ap
UBS AG	\$525,000,000	1/15/2006	\$5,131,875	1 month LIBOR-BBA over 2% strike price	

--LIBOR--London Interbank Offered Rate

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 99.302 Cert. - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Edgar Filing: NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND - Form N-Q

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: July 21, 2005

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

Date: July 21, 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 dated indicated.

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

Date: July 21, 2005

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

Date: July 21, 2005