

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND II
Form N-Q
July 19, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

OMB APPROVAL
OMB Number: 3235-0578
Expires: April 30, 2013
Estimated average burden
hours per response: 5.6

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act File Number: 811-21338

Nicholas-Applegate Convertible & Income Fund II

(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, 2011

Date of Reporting Period: May 31, 2010

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 II Schedule of Investments

May 31, 2010 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|--|---|--------------------------------|-------------|
| CORPORATE BONDS & NOTES 47.5% | | | |
| | Advertising 1.0% | | |
| \$6,940 | Affinion Group, Inc., 11.50%, 10/15/15 | Caa1/B- | \$7,200,250 |
| | Aerospace & Defense 0.7% | | |
| 620 | BE Aerospace, Inc., 8.50%, 7/1/18 | Ba3/BB | 643,250 |
| 4,060 | DigitalGlobe, Inc., 10.50%, 5/1/14 (a)(b) | Ba3/BB | 4,364,500 |
| | | | 5,007,750 |
| | Airlines 0.7% | | |
| 4,750 | United Airlines, Inc., 12.00%, 11/1/13 (a)(b) | Caa2/CCC | 4,880,625 |
| | Auto Components 2.3% | | |
| 7,405 | Exide Technologies, 10.50%, 3/15/13, Ser. B | B3/B- | 7,386,487 |
| 9,700 | Stoneridge, Inc., 11.50%, 5/1/12 | B3/B+ | 9,748,500 |
| | | | 17,134,987 |
| | Banks 0.6% | | |
| 5,044 | Ally Financial, Inc., 6.75%, 12/1/14 | B3/B | 4,854,850 |
| | Commercial Services & Supplies 3.0% | | |
| 4,360 | Cenveo Corp., 7.875%, 12/1/13 | Caa1/B- | 4,251,000 |
| 10,040 | Hertz Corp., 10.50%, 1/1/16 | B3/CCC+ | 10,441,600 |
| 7,625 | National Money Mart Co., 10.375%, 12/15/16 (a)(b) | B2/B+ | 7,739,375 |
| | | | 22,431,975 |
| | Construction & Engineering 1.2% | | |
| 9,240 | MasTec, Inc., 7.625%, 2/1/17 | B1/B+ | 8,974,350 |
| | Consumer Finance 0.5% | | |
| 4,980 | American General Finance Corp., 6.90%, 12/15/17 | B2/B | 3,984,000 |
| | Distribution/Wholesale 0.7% | | |
| 5,580 | KAR Holdings, Inc., 8.75%, 5/1/14 | B3/CCC+ | 5,552,100 |
| | Diversified Financial Services 2.3% | | |
| 6,320 | CIT Group Funding Co. of Delaware LLC, 10.25%, 5/1/15 | B3/B+ | 6,493,800 |
| 4,740 | Ford Motor Credit Co. LLC, 7.00%, 10/1/13 | Ba3/B- | 4,784,532 |
| 2,720 | 9.875%, 8/10/11 | Ba3/B- | 2,837,267 |
| 3,005 | International Lease Finance Corp., 6.375%, 3/25/13 | B1/BB+ | 2,749,575 |
| | | | 16,865,174 |
| | Diversified Telecommunications 1.0% | | |
| 5,505 | Cincinnati Bell, Inc., 8.75%, 3/15/18 | B3/B- | 5,119,650 |

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

| | | | |
|-------|---|-----------|------------|
| 2,155 | ITC Deltacom, Inc., 10.50%, 4/1/16 (a)(b) | B3/B- | 2,079,575 |
| | | | 7,199,225 |
| | Electric 1.1% | | |
| 4,170 | Edison Mission Energy, 7.00%, 5/15/17 | B2/B- | 2,840,812 |
| 7,245 | Energy Future Holdings Corp., 10.875%, 11/1/17 (c) | Caa3/B- | 5,361,300 |
| | | | 8,202,112 |
| | Electrical Equipment 0.3% | | |
| 2,570 | Baldor Electric Co., 8.625%, 2/15/17 | B3/B | 2,627,825 |
| | Electronics 0.7% | | |
| 5,815 | Kemet Corp., 10.50%, 5/1/18 (a)(b) | B1/B | 5,516,981 |
| | Energy Equipment & Services 0.6% | | |
| 4,505 | Pioneer Drilling Co., 9.875%, 3/15/18 (a)(b) | B3/B | 4,482,475 |
| | Entertainment 1.2% | | |
| 8,700 | AMC Entertainment, Inc., 11.00%, 2/1/16 | Caa1/CCC+ | 8,961,000 |
| | Food & Staples Retailing 0.8% | | |
| 7,090 | Rite Aid Corp., 8.625%, 3/1/15 | Caa3/CCC | 5,778,350 |
| | Health Care Providers & Services 2.4% | | |
| 4,435 | Alliance HealthCare Services, Inc., 8.00%, 12/1/16 (a)(b) | B3/B | 4,080,200 |
| 2,200 | Apria Healthcare Group, Inc., 11.25%, 11/1/14 (a)(b) | Ba2/BB+ | 2,326,500 |
| 5,985 | Hanger Orthopedic Group, Inc., 10.25%, 6/1/14 | B3/B- | 6,314,175 |
| 5,685 | HCA, Inc., 9.25%, 11/15/16 | B2/BB- | 5,969,250 |
| | | | 18,690,125 |
| | Home Builders 1.1% | | |
| | K Hovnanian Enterprises, Inc. | | |
| 3,420 | 7.50%, 5/15/16 | Caa2/CCC- | 2,582,100 |
| 6,100 | 10.625%, 10/15/16 | B1/CCC+ | 6,267,750 |
| | | | 8,849,850 |
| | Hotels, Restaurants & Leisure 1.2% | | |
| 2,143 | Mandalay Resort Group, 1.021%, 3/21/33, FRN (d)(f) | Caa1/CCC+ | 2,314,523 |
| 7,195 | MGM Mirage, 11.375%, 3/1/18 (a)(b) | Caa1/CCC+ | 6,691,350 |
| | | | 9,005,873 |
| | Household Durables 0.2% | | |
| 1,390 | Jarden Corp., 7.50%, 5/1/17 | B3/B | 1,369,150 |
| | Internet Software & Services 0.8% | | |
| 5,500 | Terremark Worldwide, Inc., 12.25%, 6/15/17 (a)(b)(c) | B1/B- | 6,270,000 |
| | IT Services 1.4% | | |
| 2,505 | Stream Global Services, Inc., 11.25%, 10/1/14 | B1/B+ | 2,523,788 |
| | Unisys Corp., (a)(b) | | |
| 4,057 | 12.75%, 10/15/14 | Ba3/BB- | 4,665,550 |
| 2,975 | 14.25%, 9/15/15 | Ba3/BB- | 3,495,625 |
| | | | 10,684,963 |
| | Leisure Time 2.2% | | |
| 7,570 | NCL Corp., Ltd., 11.75%, 11/15/16 (a)(b) | B3/B+ | 8,137,750 |

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

| | | | |
|--------|--|-----------|------------|
| 8,145 | Travelport LLC, 11.875%, 9/1/16 | Caa1/CCC | 8,246,812 |
| | | | 16,384,562 |
| | Lodging 1.0% | | |
| 7,755 | Harrah's Operating Co., Inc., 12.75%, 4/15/18 (a)(b) | Ca/CCC | 7,212,150 |
| | Media 2.2% | | |
| 7,905 | McClatchy Co., 11.50%, 2/15/17 (a)(b) | B1/B- | 7,984,050 |
| 6,200 | Media General, Inc., 11.75%, 2/15/17 (a)(b) | B2/B | 6,014,000 |
| 2,045 | Sirius XM Radio, Inc., 8.75%, 4/1/15 (a)(b) | Caa1/B | 1,993,875 |
| | | | 15,991,925 |
| | Miscellaneous Manufacturing 1.4% | | |
| 7,715 | Harland Clarke Holdings Corp., 9.50%, 5/15/15 | Caa1/B- | 6,924,213 |
| 3,480 | Polypore, Inc., 8.75%, 5/15/12 | B3/B- | 3,488,700 |
| | | | 10,412,913 |
| | Oil, Gas & Consumable Fuels 1.8% | | |
| 395 | Chesapeake Energy Corp., 6.875%, 1/15/16 | Ba3/BB | 403,888 |
| 7,470 | OPTI Canada, Inc., 8.25%, 12/15/14 | Caa3/B | 6,424,200 |
| 6,250 | SandRidge Energy, Inc., 9.875%, 5/15/16 (a)(b) | B3/B+ | 6,187,500 |
| | | | 13,015,588 |
| | Paper & Forest Products 1.9% | | |
| 1,509 | Louisiana-Pacific Corp., 13.00%, 3/15/17 | Ba3/BBB- | 1,618,403 |
| 10,030 | Neenah Paper, Inc., 7.375%, 11/15/14 | B1/BB- | 9,854,475 |
| | NewPage Corp., | | |
| 1,925 | 11.375%, 12/31/14 | B2/CCC+ | 1,809,500 |
| 6,470 | 12.00%, 5/1/13 | Caa3/CCC- | 1,649,850 |
| | | | 14,932,228 |
| | Pipelines 0.5% | | |
| 4,945 | Dynegy Holdings, Inc., 7.75%, 6/1/19 | B3/B- | 3,597,487 |
| | Real Estate 0.3% | | |
| 1,750 | CB Richard Ellis Services, Inc., 11.625%, 6/15/17 | Ba3/B+ | 1,960,000 |
| | Retail 1.2% | | |
| 2,125 | El Pollo Loco, Inc., 11.75%, 11/15/13 | Caa2/CC | 1,646,875 |
| 6,665 | Neiman Marcus Group, Inc., 10.375%, 10/15/15 | Caa3/CCC+ | 6,598,350 |
| 885 | Sally Holdings LLC, 10.50%, 11/15/16 | Caa1/B | 942,525 |
| | | | 9,187,750 |
| | Semiconductors & Semiconductor Equipment 1.5% | | |
| 6,570 | Amkor Technology, Inc., 9.25%, 6/1/16 | Ba3/B+ | 6,923,137 |
| 4,305 | Freescale Semiconductor, Inc., 10.125%, 3/15/18 (a)(b) | B2/B- | 4,487,963 |
| | | | 11,411,100 |
| | Software 0.9% | | |
| 8,105 | First Data Corp., 9.875%, 9/24/15 | Caa1/B- | 6,646,100 |
| | Telecommunications 4.2% | | |
| 11,640 | Hawaiian Telcom Communications, Inc., 12.50%, 5/1/15, Ser. B (d) | WR/NR | 1,164 |
| 6,500 | Hughes Network Systems LLC, 9.50%, 4/15/14 | B1/B | 6,500,000 |

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

| | | | |
|--------|---|---------|--------------------|
| 5,255 | Intelsat Jackson Holdings Ltd., 9.50%, 6/15/16 | B3/B+ | 5,438,925 |
| 6,130 | Nextel Communications, Inc., 7.375%, 8/1/15 | Ba2/BB- | 5,808,175 |
| 3,860 | NII Capital Corp., 8.875%, 12/15/19 | B1/BB- | 3,946,850 |
| 3,620 | West Corp., 11.00%, 10/15/16 | Caa1/B- | 3,674,300 |
| 6,035 | WireCo WorldGroup, 9.50%, 5/15/17 (a)(b) | B3/B | 5,921,844 |
| | | | 31,291,258 |
| | Textiles Apparel & Luxury Goods 0.7% | | |
| 4,535 | Oxford Industries, Inc., 11.375%, 7/15/15 | B1/BB- | 4,965,825 |
| | Wireless Telecommunication Services 1.9% | | |
| 3,320 | Crown Castle International Corp., 9.00%, 1/15/15 | B1/B- | 3,506,750 |
| 10,160 | Millicom International Cellular S.A., 10.00%, 12/1/13 | B1/NR | 10,541,000 |
| | | | 14,047,750 |
| | Total Corporate Bonds & Notes (cost-\$365,936,402) | | 355,580,626 |

Nicholas-Applegate Convertible & Income Fund II Schedule of Investments

May 31, 2010 (unaudited)

| Principal Amount (000) | | Credit Rating (Moody s/S&P) | Value* |
|--|---|--------------------------------|------------|
| CONVERTIBLE BONDS & NOTES 25.1% | | | |
| Aerospace & Defense 0.9% | | | |
| \$430 | AAR Corp., 1.75%, 2/1/26 | NR/BB | \$395,600 |
| 5,975 | Orbital Sciences Corp., 2.438%, 1/15/27 | NR/BB- | 5,668,781 |
| | | | 6,064,381 |
| Banks 0.5% | | | |
| 4,030 | National City Corp., 4.00%, 2/1/11 | A3/A | 4,080,375 |
| Commercial Services & Supplies 0.9% | | | |
| 6,855 | Covanta Holding Corp., 1.00%, 2/1/27 | Ba3/B | 6,409,425 |
| Computers 0.9% | | | |
| 6,570 | Maxtor Corp., 2.375%, 8/15/12 | NR/B | 6,873,862 |
| Diversified Telecommunication Services 0.5% | | | |
| 3,305 | tw telecom, Inc., 2.375%, 4/1/26 | B3/B- | 3,643,762 |
| Electrical Equipment 1.7% | | | |
| 7,555 | EnerSys, 3.375%, 6/1/38 (c) | B2/BB | 6,846,719 |
| 7,055 | JA Solar Holdings Co., Ltd., 4.50%, 5/15/13 | NR/NR | 5,979,113 |
| | | | 12,825,832 |
| Electronic Equipment, Instruments & Components 0.7% | | | |
| 5,620 | Anixter International, Inc., 1.00%, 2/15/13 | NR/BB- | 5,416,275 |
| Energy Equipment & Services 1.7% | | | |
| 6,900 | Nabors Industries, Inc., 0.94%, 5/15/11 | NR/BBB+ | 6,865,500 |
| 6,070 | Transocean, Inc., 1.625%, 12/15/37 | Baa2/BBB+ | 5,933,425 |
| | | | 12,798,925 |
| Health Care Equipment & Supplies 0.5% | | | |
| 3,795 | Inverness Medical Innovations, Inc., 3.00%, 5/15/16 | NR/B- | 3,837,694 |
| Hotels, Restaurants & Leisure 0.3% | | | |
| 2,595 | MGM Mirage, 4.25%, 4/15/15 (a)(b) | Caa1/CCC+ | 2,393,888 |
| Household Durables 1.3% | | | |
| 1,000 | Lennar Corp., 2.00%, 12/1/20 (a)(b) | B3/BB- | 940,500 |
| 8,600 | Stanley Black & Decker, Inc., 0.00%, 5/17/12, FRN | Baa1/A- | 9,123,740 |
| | | | 10,064,240 |
| Internet Software & Services 0.9% | | | |
| 6,130 | Equinix, Inc., 2.50%, 4/15/12 | NR/B- | 6,405,850 |
| IT Services 1.0% | | | |

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

| | | | |
|--------|--|-----------|-------------|
| 6,780 | Alliance Data Systems Corp., 1.75%, 8/1/13 | NR/NR | 7,127,475 |
| | Machinery 0.9% | | |
| 6,830 | AGCO Corp., 1.25%, 12/15/36 | NR/BB+ | 6,693,400 |
| 155 | Titan International, Inc., 5.625%, 1/15/17 (a)(b) | NR/NR | 193,363 |
| | | | 6,886,763 |
| | Media 2.6% | | |
| 5,920 | Interpublic Group of Cos, Inc., 4.25%, 3/15/23 | Ba2/BB | 6,201,200 |
| 6,420 | Liberty Media LLC, 3.125%, 3/30/23 | B1/BB- | 6,813,225 |
| 6,920 | Regal Entertainment Group, 6.25%, 3/15/11 (a)(b) | NR/NR | 7,084,350 |
| | | | 20,098,775 |
| | Oil, Gas & Consumable Fuels 0.9% | | |
| 6,325 | Peabody Energy Corp., 4.75%, 12/15/41 | Ba3/B+ | 6,372,438 |
| | Pharmaceuticals 0.8% | | |
| 5,595 | Mylan, Inc., 1.25%, 3/15/12 | NR/BB- | 5,846,775 |
| | Real Estate Investment Trust 3.7% | | |
| 4,550 | Boston Properties LP, 3.75%, 5/15/36 | NR/A- | 4,743,375 |
| 6,275 | Developers Diversified Realty Corp., 3.00%, 3/15/12 | NR/BB | 6,008,312 |
| 3,700 | Digital Realty Trust LP, 5.50%, 4/15/29 (a)(b) | NR/NR | 5,175,375 |
| 5,480 | Health Care REIT, Inc., 4.75%, 12/1/26 | Baa2/BBB- | 5,870,450 |
| 6,065 | ProLogis, 2.25%, 4/1/37 | NR/BBB- | 5,723,844 |
| | | | 27,521,356 |
| | Semiconductors & Semiconductor Equipment 2.3% | | |
| 12,500 | Advanced Micro Devices, Inc., 5.75%, 8/15/12 | NR/B- | 12,484,375 |
| 4,790 | ON Semiconductor Corp., zero coupon, 4/15/24 | NR/B+ | 4,682,225 |
| | | | 17,166,600 |
| | Software 1.7% | | |
| 5,175 | Macrovision Corp., 2.625%, 8/15/11 | NR/BB- | 7,096,219 |
| 5,285 | Nuance Communications, Inc., 2.75%, 8/15/27 | NR/B- | 5,787,075 |
| | | | 12,883,294 |
| | Thriffs & Mortgage Finance 0.4% | | |
| 2,800 | MGIC Investment Corp., 5.00%, 5/1/17 | NR/CCC+ | 2,908,500 |
| | Total Convertible Bonds & Notes (cost-\$158,998,685) | | 187,626,485 |

Nicholas-Applegate Convertible & Income Fund II Schedule of Investments

May 31, 2010 (unaudited)

| Shares (000) | | Credit Rating (Moody s/S&P) | Value* |
|--|--|--------------------------------|-------------|
| CONVERTIBLE PREFERRED STOCK 24.8% | | | |
| Airlines 0.3% | | | |
| 83 | Continental Airlines Finance Trust II, 6.00%, 11/15/30 | Caa1/CCC | \$2,497,362 |
| Banks 0.9% | | | |
| 120 | Barclays Bank PLC, 10.00%, 3/15/11, (Teva Pharmaceuticals Industries Ltd.) (e) | A1/A+ | 6,752,920 |
| Capital Markets 0.6% | | | |
| 802 | Lehman Brothers Holdings, Inc. (d)(e)(f), 6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) | WR/NR | 2,580,029 |
| 123 | 28.00%, 3/6/09, Ser. RIG (Transocean, Inc.) | WR/NR | 1,672,561 |
| | | | 4,252,590 |
| Commercial Banks 1.9% | | | |
| 33 | Fifth Third Bancorp, 8.50%, 6/30/13, Ser. G (g) | Ba1/BB | 4,356,000 |
| 10 | Wells Fargo & Co., 7.50%, 3/15/13, Ser. L (g) | Ba1/A- | 9,729,000 |
| | | | 14,085,000 |
| Commercial Services & Supplies 1.3% | | | |
| 190 | Avery Dennison Corp., 7.875%, 11/15/20 | NR/BB+ | 7,297,939 |
| 79 | United Rentals, Inc., 6.50%, 8/1/28 | Caa2/CCC | 2,566,356 |
| | | | 9,864,295 |
| Consumer Finance 0.9% | | | |
| 11 | SLM Corp., 7.25%, 12/15/10 | Ba3/BB- | 6,600,365 |
| Diversified Financial Services 8.5% | | | |
| 44 | AMG Capital Trust I, 5.10%, 4/15/36 | NR/BB | 1,909,650 |
| 9 | Bank of America Corp., 7.25%, 1/30/13, Ser. L (g) | Ba3/BB | 8,445,341 |
| 157 | 10.00%, 2/3/11 (Gilead Sciences Inc.) (e) | A2/A | 6,086,127 |
| 111 | 10.00%, 2/24/11 (Schlumberger Ltd.) (e) | A2/A | 6,548,256 |
| 60 | Citigroup, Inc., 7.50%, 12/15/12 | NR/NR | 7,228,050 |
| 287 | Credit Suisse Securities USA LLC (e), 10.00%, 9/1/10 (Bristol-Myers Squibb Co.) | A2/A | 6,145,415 |
| 210 | 10.00%, 9/9/10 (Merck & Co., Inc.) | A2/A | 6,462,743 |
| 664 | 10.00%, 1/22/11 (Ford Motor Co.) | A2/A | 7,408,368 |
| 438 | JP Morgan Chase & Co. (e), 10.00%, 1/14/11 (EMC Corp.) | Aa3/A+ | 7,645,630 |
| 384 | 10.00%, 1/20/11 (Systematic Corp.) | Aa3/A+ | 5,935,195 |
| | | | 63,814,775 |
| Electric Utilities 0.6% | | | |
| 87 | FPL Group, Inc., 8.375%, 6/1/12 | NR/NR | 4,328,870 |
| Food Products 1.6% | | | |

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

| | | | |
|-----|---|-----------|-------------|
| 148 | Archer-Daniels-Midland Co., 6.25%, 6/1/11 | NR/BBB+ | 5,402,569 |
| | Bunge Ltd. | | |
| 70 | 4.875%, 12/1/11 (g) | Ba1/BB | 5,578,400 |
| 2 | 5.125%, 12/1/10 | NR/BB | 824,500 |
| | | | 11,805,469 |
| | Household Durables 0.9% | | |
| 201 | Newell Financial Trust I, 5.25%, 12/1/27 (g) | WR/BB | 6,778,688 |
| | Insurance 2.2% | | |
| 781 | American International Group, Inc., 8.50%, 8/1/11 | Ba2/NR | 7,274,726 |
| 28 | Assured Guaranty Ltd., 8.50%, 6/1/12 | NR/NR | 2,013,560 |
| 261 | XL Capital Ltd., 10.75%, 8/15/11 | Baa2/BBB- | 7,041,507 |
| | | | 16,329,793 |
| | Multi-Utilities 1.1% | | |
| 187 | AES Trust III, 6.75%, 10/15/29 | B3/BB | 8,022,080 |
| | Oil, Gas & Consumable Fuels 1.3% | | |
| 35 | ATP Oil & Gas Corp., 8.00%, 10/1/14 (a)(b)(g) | NR/NR | 2,578,900 |
| 93 | Chesapeake Energy Corp., 5.00%, 11/15/10 (g) | NR/B | 7,316,306 |
| | | | 9,895,206 |
| | Pharmaceuticals 0.9% | | |
| 17 | Merck & Co., Inc., 6.00%, 8/13/10 | A2/A- | 4,177,115 |
| 2 | Mylan, Inc., 6.50%, 11/15/10 | NR/B | 2,826,696 |
| | | | 7,003,811 |
| | Real Estate Investment Trust 1.8% | | |
| 395 | Alexandria Real Estate Equities, Inc., 7.00%, 4/20/13 (g) | NR/NR | 8,888,048 |
| 246 | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A (h) | Caa3/C | 5,039,925 |
| | | | 13,927,973 |
| | Total Convertible Preferred Stock (cost-\$218,645,007) | | 185,959,197 |

Principal
Amount
(000)

SHORT-TERM INVESTMENT 2.6%

| | | | |
|----------|--|--|----------------------|
| | Time Deposit 2.6% | | |
| \$19,217 | Citibank - London, 0.03%, 06/01/10 (cost-\$19,217,287) | | 19,217,287 |
| | Total Investments (cost-\$762,797,381) 100.0% | | \$748,383,595 |

Nicholas-Applegate Convertible & Income Fund II Schedule of Investments

May 31, 2010 (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, on the basis of 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 procedures 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 mean between the last quoted bid and ask 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. Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days less 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) Private Placement. Restricted as to resale and may not have a readily available market. Securities with an aggregate market value of \$122,898,264, representing 16.4% of total investments.
- (b) 144A 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.
- (c) Step Bond: Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (d) In default.
- (e) 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.
- (f) Fair-Valued Securities with an aggregate value of \$6,567,113, representing 0.9% of total investments.
- (g) Perpetual maturity. Maturity date shown is the first call date.
- (h) Non-income producing.

Glossary:

FRN Floating Rate Note. The interest rate disclosed reflects the rate in effect on May 31, 2010.

NR Not Rated

WR Withdrawn rating

Nicholas-Applegate Convertible & Income Fund II Schedule of Investments

May 31, 2010 (unaudited)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy under 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's 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 objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation technique used.

The valuation techniques used by the Fund to measure fair value during the three months ended May 31, 2010 maximized the use of observable inputs and minimized the use of unobservable inputs. When fair-valuing securities, the Fund utilized multi-dimensional relational pricing models.

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

The Fund's policy is to recognize transfers between levels at the end of the reporting period.

A summary of the inputs used at May 31, 2010 in valuing the Fund's assets and liabilities is listed below:

| | Level 1- Quoted Prices | Level 2- Other Significant Observable Inputs | Level 3- Significant Observable Inputs | Value at 5/31/2010 |
|---|---------------------------|--|---|-----------------------|
| Investments in Securities - Assets | | | | |
| Corporate Bonds & Notes: | | | | |
| Hotels, Restaurants & Leisure | | \$ 6,691,350 | \$ 2,314,523 | \$ 9,005,873 |
| All Other | | 346,574,753 | | 346,574,753 |
| Convertible Bonds & Notes | | 187,626,485 | | 187,626,485 |
| Convertible Preferred Stock: | | | | |
| Banks | | 6,752,920 | | 6,752,920 |
| Capital Markets | | | 4,252,590 | 4,252,590 |
| Diversified Financial Services | 17,583,041 | 46,231,734 | | 63,814,775 |
| All Other | 111,138,912 | | | 111,138,912 |
| Short-Term Investments | | 19,217,287 | | 19,217,287 |
| Total Investments in Securities - Assets | \$ 128,721,953 | \$ 613,094,529 | \$ 6,567,113 | \$ 748,383,595 |

There were no significant transfers into and out of Levels 1 and 2 during the three months ended May 31, 2010.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the three months ended May 31, 2010, were as follows:

| Beginning Balance 2/28/2010 | Net Purchases (Sales) and Settlements | Accrued Discounts | Net Realized Gain (Loss) | Net Change in Unrealized Appreciation/ Depreciation | Transfers Into Level 3 | Transfers Out of Level 3 | Ending Balance 5/31/2010 |
|-----------------------------------|---|----------------------|-----------------------------------|---|------------------------------|--------------------------------|--------------------------------|
|-----------------------------------|---|----------------------|-----------------------------------|---|------------------------------|--------------------------------|--------------------------------|

Investments in Securities - Assets

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

| | | |
|-------------------------------|--------------------|--------------------|
| Corporate Bonds & Notes: | | |
| Hotels, Restaurants & Leisure | \$2,314,523 | \$2,314,523 |
| Convertible Preferred Stock: | | |
| Capital Markets | 4,252,590 | 4,252,590 |
| Total Investments | \$6,567,113 | \$6,567,113 |

There was no change in net unrealized appreciation/depreciation of investments which the Fund held at May 31, 2010.

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 II

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

Date: July 19, 2010

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

Date: July 19, 2010

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 19, 2010

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

Date: July 19, 2010
