

AGIC Convertible & Income Fund  
Form N-Q  
January 25, 2013

**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

**AGIC Convertible & Income Fund**

(Exact name of registrant as specified in charter)

1633 Broadway, New York, NY 10019

(Address of principal executive offices) (Zip code)

**Lawrence G. Altadonna**

**1633 Broadway,**

**New York, NY 10019**

(Name and address of agent for service)

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

**Date of fiscal year end: February 28, 2013**

**Date of reporting period: November 30, 2012**

**Item 1. Schedule of Investments****AGIC Convertible & Income Fund Schedule of Investments**

November 30, 2012 (unaudited)

| Principal<br>Amount<br>(000s)              |  | Value*       |
|--|--|--------------|
| <b>CORPORATE BONDS &amp; NOTES 45.3%</b>   |  |              |
| <b>Advertising 0.7%</b>                    |  |              |
| \$ 8,230                                   | Affinion Group, Inc., 11.50%, 10/15/15                               | \$ 6,707,450 |
| <b>Airlines 0.6%</b>                       |  |              |
| 6,250                                      | United Airlines, Inc., 12.00%, 11/1/13 (a)(b)                        | 6,351,562    |
| <b>Auto Manufacturers 0.8%</b>             |  |              |
| 7,410                                      | Chrysler Group LLC, 8.25%, 6/15/21                                   | 8,197,313    |
| <b>Banks 0.6%</b>                          |  |              |
| 5,700                                      | Capital One Capital V, 10.25%, 8/15/39                               | 5,757,000    |
| <b>Building Products 0.3%</b>              |  |              |
| 3,100                                      | Gibraltar Industries, Inc., 8.00%, 12/1/15                           | 3,159,287    |
| <b>Commercial Services 3.2%</b>            |  |              |
| 4,000                                      | Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 9.75%, 3/15/20 | 4,620,000    |
| 11,500                                     | Cenveo Corp., 11.50%, 5/15/17  | 9,559,375    |
| 5,705                                      | DynCorp International, Inc., 10.375%, 7/1/17                         | 5,063,187    |
| 11,000                                     | National Money Mart Co., 10.375%, 12/15/16                           | 12,237,500   |
|  |  | 31,480,062   |
| <b>Construction &amp; Engineering 1.0%</b> |  |              |
| 9,695                                      | MasTec, Inc., 7.625%, 2/1/17   | 10,034,325   |
| <b>Consumer Finance 0.5%</b>               |  |              |
| 5,775                                      | Springleaf Finance Corp., 6.90%, 12/15/17                            | 5,154,188    |
| <b>Diversified Consumer Services 0.5%</b>  |  |              |
| 6,815                                      | Cambium Learning Group, Inc., 9.75%, 2/15/17                         | 5,486,075    |
| <b>Diversified Financial Services 2.1%</b> |  |              |
| 10,085                                     | Community Choice Financial, Inc.,<br>10.75%, 5/1/19                  | 9,832,875    |
| 7,130                                      | 12.75%, 5/1/20 (a)(b)  | 7,236,950    |
| 3,995                                      | International Lease Finance Corp., 6.375%, 3/25/13                   | 4,054,925    |
|  |  | 21,124,750   |
| <b>Diversified Telecommunications 1.0%</b> |  |              |
| 10,275                                     | Cincinnati Bell, Inc., 8.75%, 3/15/18                                | 10,429,125   |

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|  |  |            |
|--|--|------------|
| <b>Electric 0.4%</b>   |  |            |
|  | Texas Competitive Electric Holdings Co. LLC,               |            |
| 750  | 11.50%, 10/1/20 (a)(b)                                     | 558,750    |
| 10,800   | 15.00%, 4/1/21   | 3,091,500  |
|  |  | 3,650,250  |
| <b>Electrical Components &amp; Equipment 1.5%</b>              |  |            |
| 13,585   | WireCo WorldGroup, Inc., 9.50%, 5/15/17                    | 14,400,100 |
| <b>Electronic Equipment, Instruments &amp; Components 0.8%</b> |  |            |
| 7,725  | Kemet Corp., 10.50%, 5/1/18                                | 7,725,000  |
| <b>Electronics 0.2%</b>  |  |            |
| 1,700  | NXP BV/NXP Funding LLC, 9.75%, 8/1/18 (a)(b)               | 1,976,250  |
| <b>Energy Equipment &amp; Services 1.1%</b>                    |  |            |
| 9,795  | Pioneer Drilling Co., 9.875%, 3/15/18                      | 10,652,063 |
| <b>Health Care Providers &amp; Services 1.0%</b>               |  |            |
| 8,875  | ExamWorks Group, Inc., 9.00%, 7/15/19                      | 9,451,875  |
| <b>Hotels, Restaurants &amp; Leisure 2.1%</b>                  |  |            |
| 9,120  | DineEquity, Inc., 9.50%, 10/30/18                          | 10,362,600 |
| 8,405  | MGM Resorts International, 11.375%, 3/1/18                 | 10,022,963 |
|  |  | 20,385,563 |
| <b>Household Durables 1.0%</b>                                 |  |            |
| 5,045  | Beazer Homes USA, Inc., 9.125%, 5/15/19                    | 5,246,800  |
| 3,950  | Jarden Corp., 7.50%, 5/1/17                                | 4,468,437  |
|  |  | 9,715,237  |
| <b>Household Products/Wares 0.8%</b>                           |  |            |
| 7,610  | Reynolds Group Issuer, Inc., 9.875%, 8/15/19               | 8,104,650  |
| <b>Internet Software &amp; Services 1.0%</b>                   |  |            |
| 9,060  | Earthlink, Inc., 8.875%, 5/15/19                           | 9,513,000  |
| <b>Iron/Steel 0.6%</b>   |  |            |
| 7,305  | AK Steel Corp., 8.375%, 4/1/22                             | 6,063,150  |
| <b>IT Services 0.3%</b>  |  |            |
| 2,615  | Stream Global Services, Inc., 11.25%, 10/1/14              | 2,758,825  |
| <b>Leisure Time 1.6%</b>                                       |  |            |
|  | NCL Corp. Ltd.,  |            |
| 1,000  | 9.50%, 11/15/18  | 1,108,750  |
| 9,900  | 11.75%, 11/15/16   | 11,286,000 |
| 8,855  | Travelport LLC, 11.875%, 9/1/16                            | 3,320,625  |
|  |  | 15,715,375 |
| <b>Lodging 0.9%</b>  |  |            |
| 12,385   | Caesars Entertainment Operating Co., Inc., 12.75%, 4/15/18 | 9,041,050  |
| <b>Machinery 0.1%</b>  |  |            |

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|---|---|------------|
| 1,000                                   | Navistar International Corp., 8.25%, 11/1/21    | 960,000    |
| <b>Media 1.5%</b>                       |   |            |
| 6,655                                   | McClatchy Co., 11.50%, 2/15/17                  | 7,370,412  |
| 6,750                                   | Media General, Inc., 11.75%, 2/15/17            | 7,779,375  |
|   |   | 15,149,787 |
| <b>Metals &amp; Mining 0.4%</b>         |   |            |
| 5,465                                   | Thompson Creek Metals Co., Inc., 7.375%, 6/1/18 | 4,221,713  |
| <b>Miscellaneous Manufacturing 0.9%</b> |   |            |
| 10,150                                  | Harland Clarke Holdings Corp., 9.50%, 5/15/15   | 9,084,250  |

**AGIC Convertible & Income Fund Schedule of Investments**

November 30, 2012 (unaudited) (continued)

| Principal Amount<br>(000s)                               |  | Value*        |
|--|--|---------------|
| <b>Oil &amp; Gas 2.1%</b>                                |  |               |
| \$9,050  | Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17                                 | \$ 10,249,125 |
| 9,280  | United Refining Co., 10.50%, 2/28/18   | 10,208,000    |
|  |  | 20,457,125    |
| <b>Oil, Gas &amp; Consumable Fuels 2.3%</b>              |  |               |
| 5,700  | Endeavour International Corp., 12.00%, 3/1/18 (a)(b)                         | 6,213,000     |
| 8,750  | SandRidge Energy, Inc., 9.875%, 5/15/16                                      | 9,493,750     |
| 6,260  | Western Refining, Inc., 11.25%, 6/15/17 (a)(b)                               | 6,901,650     |
|  |  | 22,608,400    |
| <b>Personal Products 0.1%</b>                            |  |               |
| 780  | Revlon Consumer Products Corp., 9.75%, 11/15/15                              | 824,850       |
| <b>Retail 1.5%</b>                                       |  |               |
| 11,630   | Neiman Marcus Group, Inc., 10.375%, 10/15/15                                 | 11,906,329    |
| 2,850  | Toys R Us, Inc., 10.375%, 8/15/17  | 2,931,937     |
|  |  | 14,838,266    |
| <b>Semiconductors &amp; Semiconductor Equipment 1.2%</b> |  |               |
| 2,030  | Advanced Micro Devices, Inc., 8.125%, 12/15/17                               | 1,903,125     |
|  | Freescale Semiconductor, Inc.,   |               |
| 5,035  | 10.125%, 3/15/18 (a)(b)  | 5,488,150     |
| 4,345  | 10.75%, 8/1/20   | 4,578,544     |
|  |  | 11,969,819    |
| <b>Software 1.2%</b>                                     |  |               |
|  | First Data Corp.,  |               |
| 8,440  | 9.875%, 9/24/15  | 8,672,100     |
| 2,850  | 12.625%, 1/15/21   | 3,013,875     |
|  |  | 11,685,975    |
| <b>Specialty Retail 0.4%</b>                             |  |               |
| 4,160  | Brown Shoe Co., Inc., 7.125%, 5/15/19  | 4,326,400     |
| <b>Telecommunications 3.9%</b>                           |  |               |
| 7,420  | Clearwire Communications LLC/Clearwire Finance, Inc., 12.00%, 12/1/15 (a)(b) | 7,865,200     |
| 5,665  | Consolidated Communications Finance Co., 10.875%, 6/1/20 (a)(b)              | 6,118,200     |
| 9,115  | ITC Deltacom, Inc., 10.50%, 4/1/16   | 9,798,625     |

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|         |  |             |
|---------|--|-------------|
| 5,090   | NII Capital Corp., 8.875%, 12/15/19                              | 3,664,800   |
| 10,480  | West Corp., 11.00%, 10/15/16                                     | 10,977,800  |
|         |  | 38,424,625  |
|         | <b>Textiles, Apparel &amp; Luxury Goods 0.8%</b>                 |             |
| 7,540   | Fifth & Pacific Co., Inc., 10.50%, 4/15/19 (a)(b)                | 8,388,250   |
|         | <b>Trading Companies &amp; Distribution 0.7%</b>                 |             |
| 6,075   | Aircastle Ltd., 9.75%, 8/1/18                                    | 6,895,125   |
|         | <b>Transportation 2.0%</b>                                       |             |
| 9,050   | Quality Distribution LLC, 9.875%, 11/1/18                        | 9,819,250   |
| 8,610   | Swift Services Holdings, Inc., 10.00%, 11/15/18                  | 9,514,050   |
|         |  | 19,333,300  |
|         | <b>Wireless Telecommunication Services 1.6%</b>                  |             |
| 6,050   | Crown Castle International Corp., 9.00%, 1/15/15                 | 6,450,813   |
| 6,705   | Sprint Nextel Corp., 11.50%, 11/15/21                            | 9,026,606   |
|         |  | 15,477,419  |
|         | Total Corporate Bonds & Notes (cost-\$446,726,450)               | 447,678,829 |
| Shares  |  |             |
|         | <b>CONVERTIBLE PREFERRED STOCK 28.0%</b>                         |             |
|         | <b>Aerospace &amp; Defense 0.7%</b>                              |             |
| 122,835 | United Technologies Corp., 7.50%, 8/1/15                         | 6,721,531   |
|         | <b>Airlines 1.1%</b>   |             |
| 313,435 | Continental Airlines Finance Trust II, 6.00%, 11/14/30           | 10,539,252  |
|         | <b>Auto Components 1.1%</b>                                      |             |
| 233,475 | Goodyear Tire & Rubber Co., 5.875%, 3/31/14                      | 10,492,367  |
|         | <b>Automobiles 1.4%</b>  |             |
| 350,845 | General Motors Co., 4.75%, 12/1/13, Ser. B                       | 14,198,697  |
|         | <b>Capital Markets 2.2%</b>                                      |             |
| 194,135 | AMG Capital Trust I, 5.10%, 4/15/36                              | 10,422,623  |
| 336,835 | The Goldman Sachs Group, Inc., 8.00%, 3/14/13 (NetApp, Inc.) (c) | 11,612,723  |
|         |  | 22,035,346  |
|         | <b>Commercial Banks 2.1%</b>                                     |             |
| 81,250  | Fifth Third Bancorp, 8.50%, 6/30/13, Ser. G (d)                  | 11,288,672  |
| 8,100   | Wells Fargo & Co., 7.50%, 3/15/13, Ser. L (d)                    | 10,011,600  |
|         |  | 21,300,272  |
|         | <b>Commercial Services &amp; Supplies 1.0%</b>                   |             |
| 179,490 | United Rentals, Inc., 6.50%, 8/1/28                              | 9,585,879   |
|         | <b>Diversified Financial Services 2.3%</b>                       |             |
| 15,075  | Bank of America Corp., 7.25%, 1/30/13, Ser. L (d)                | 16,778,475  |
| 62,330  | Citigroup, Inc., 7.50%, 12/15/12                                 | 6,254,815   |

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|                                |                          |  |            |
|--------------------------------|--------------------------|--|------------|
|                                |                          |  | 23,033,290 |
| <b>Electric Utilities 2.3%</b> |                          |  |            |
| NextEra Energy, Inc.,          |                          |  |            |
| 195,425                        | 5.599%, 6/1/15           |  | 10,162,100 |
| 25,000                         | 7.00%, 9/1/13            |  | 1,337,500  |
| 207,365                        | PPL Corp., 9.50%, 7/1/13 |  | 11,176,973 |
|                                |                          |  | 22,676,573 |



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**AGIC Convertible & Income Fund Schedule of Investments**

November 30, 2012 (unaudited) (continued)

| Shares   |  | Value*        |
|--|--|---------------|
| <b>Health Care Providers &amp; Services 1.2%</b> |  |               |
| 11,340   | HealthSouth Corp., 6.50%, 12/31/49, Ser. A (d)                           | \$ 11,867,310 |
| <b>Insurance 0.7%</b>                            |  |               |
| 163,650  | MetLife, Inc., 5.00%, 9/4/13   | 7,297,154     |
| <b>IT Services 0.9%</b>                          |  |               |
| 167,530  | Unisys Corp., 6.25%, 3/1/14  | 8,929,349     |
| <b>Machinery 0.6%</b>                            |  |               |
| 46,140   | Stanley Black & Decker, Inc., 4.75%, 11/17/15                            | 5,564,023     |
| <b>Metals &amp; Mining 0.3%</b>                  |  |               |
| 160,000  | Thompson Creek Metals Co., Inc., 6.50%, 5/12/15                          | 2,608,000     |
| <b>Multi-Utilities 1.2%</b>                      |  |               |
| 239,645  | AES Trust III, 6.75%, 10/15/29   | 11,958,285    |
| <b>Oil, Gas &amp; Consumable Fuels 2.3%</b>      |  |               |
| 220,325  | Apache Corp., 6.00%, 8/1/13  | 9,789,040     |
| 119,250  | Chesapeake Energy Corp., 5.00%, 12/31/49 (d)                             | 8,928,844     |
| 124,235  | PetroQuest Energy, Inc., 6.875%, 12/31/49 (d)                            | 4,157,996     |
|  |  | 22,875,880    |
| <b>Professional Services 0.9%</b>                |  |               |
| 170,790  | Nielsen Holdings NV, 6.25%, 2/1/13                                       | 9,057,199     |
| <b>Real Estate Investment Trust 4.1%</b>         |  |               |
| 439,700  | Alexandria Real Estate Equities, Inc., 7.00%, 4/20/13 (d)                | 11,630,065    |
| 707,605  | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A (d)                  | 16,911,759    |
| 208,680  | Health Care REIT, Inc., 6.50%, 4/20/18, Ser. I (d)                       | 11,727,816    |
|  |  | 40,269,640    |
| <b>Road &amp; Rail 1.6%</b>                      |  |               |
| 1,791,220  | 2010 Swift Mandatory Common Exchange Security Trust, 6.00%, 12/31/13 (b) | 15,865,731    |
|  | Total Convertible Preferred Stock (cost-\$272,806,334)                   | 276,875,778   |
| Principal Amount (000s)                          |  |               |
| <b>CONVERTIBLE BONDS &amp; NOTES 24.5%</b>       |  |               |
| <b>Aerospace &amp; Defense 1.2%</b>              |  |               |
| \$9,325  | GenCorp, Inc., 4.063%, 12/31/39  | 11,493,062    |

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| <b>Biotechnology 0.2%</b>                                      |  |            |
| 1,135  | Cubist Pharmaceuticals, Inc., 2.50%, 11/1/17   | 1,733,712  |
| <b>Capital Markets 2.4%</b>                                    |  |            |
| 10,755   | Ares Capital Corp., 5.75%, 2/1/16              | 11,608,678 |
| 13,195   | BGC Partners, Inc., 4.50%, 7/15/16             | 12,023,944 |
|  |  | 23,632,622 |
| <b>Coal 0.8%</b>   |  |            |
| 8,405  | Alpha Appalachia Holdings, Inc., 3.25%, 8/1/15 | 7,990,003  |
| <b>Commercial Services 1.0%</b>                                |  |            |
| 11,415   | Cenveo Corp., 7.00%, 5/15/17 (a)(b)            | 10,209,291 |
| <b>Construction Materials 0.8%</b>                             |  |            |
| 7,645  | Cemex SAB de CV, 4.875%, 3/15/15               | 7,874,350  |
| <b>Diversified Telecommunication Services 1.0%</b>             |  |            |
| 9,080  | Level 3 Communications, Inc., 15.00%, 1/15/13  | 9,477,250  |
| <b>Electrical Equipment 1.0%</b>                               |  |            |
| 9,100  | EnerSys, 3.375%, 6/1/38 (e)                    | 10,317,125 |
| <b>Electronic Equipment, Instruments &amp; Components 0.7%</b> |  |            |
| 5,920  | Anixter International, Inc., 1.00%, 2/15/13    | 6,541,600  |
| <b>Health Care Equipment &amp; Supplies 0.5%</b>               |  |            |
| 6,125  | NuVasive, Inc., 2.75%, 7/1/17                  | 5,256,016  |
| <b>Hotels, Restaurants &amp; Leisure 2.0%</b>                  |  |            |
| 9,075  | MGM Resorts International, 4.25%, 4/15/15      | 9,262,172  |
| 11,940   | Morgans Hotel Group Co., 2.375%, 10/15/14      | 11,044,500 |
|  |  | 20,306,672 |
| <b>Household Durables 0.1%</b>                                 |  |            |
| 440  | Ryland Group, Inc., 1.625%, 5/15/18            | 568,150    |
| <b>Iron/Steel 0.1%</b>   |  |            |
| 565  | AK Steel Corp., 5.00%, 11/15/19                | 583,363    |
| <b>IT Services 1.1%</b>  |  |            |
| 6,175  | Alliance Data Systems Corp., 1.75%, 8/1/13     | 11,246,219 |
| <b>Machinery 3.9%</b>  |  |            |
| 11,535   | Greenbrier Cos, Inc., 3.50%, 4/1/18            | 11,015,925 |
| 12,480   | Meritor, Inc.,<br>4.625%, 3/1/26 (e)           | 11,824,800 |
| 5,655  | 7.875%, 3/1/26 (a)(b)                          | 5,125,692  |
| 11,335   | Navistar International Corp., 3.00%, 10/15/14  | 10,428,200 |
|  |  | 38,394,617 |
| <b>Marine 0.4%</b>   |  |            |
| 4,805  | DryShips, Inc., 5.00%, 12/1/14                 | 3,756,909  |

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| <b>Media 1.2%</b>                           |  |            |
| 8,540                                       | Liberty Interactive LLC, 3.125%, 3/30/23       | 12,297,600 |
| <b>Oil, Gas &amp; Consumable Fuels 1.8%</b> |  |            |
| 565   | Alpha Natural Resources, Inc., 2.375%, 4/15/15 | 509,207    |
| 8,175                                       | Endeavour International Corp., 5.50%, 7/15/16  | 7,112,250  |
| 3,685                                       | PDC Energy, Inc., 3.25%, 5/15/16 (a)(b)        | 4,131,806  |
| 6,635                                       | Peabody Energy Corp., 4.75%, 12/15/41          | 6,066,878  |
|   |  | 17,820,141 |
| <b>Pharmaceuticals 0.2%</b>                 |  |            |
| 1,000                                       | Akorn, Inc., 3.50%, 6/1/16                     | 1,691,250  |

**AGIC Convertible & Income Fund Schedule of Investments**

November 30, 2012 (unaudited) (continued)

Principal

Amount

| (000s)  |   | Value*                |
|---------|---|-----------------------|
|         | <b>Real Estate Investment Trust 0.9%</b>  |                       |
| \$8,150 | Boston Properties LP, 3.75%, 5/15/36  | \$ 8,847,844          |
|         | <b>Semiconductors &amp; Semiconductor Equipment 0.9%</b>                            |                       |
| 9,920   | SunPower Corp., 4.75%, 4/15/14  | 9,399,200             |
|         | <b>Software 1.6%</b>  |                       |
| 6,335   | Nuance Communications, Inc., 2.75%, 8/15/27   | 8,441,387             |
| 7,490   | TeleCommunication Systems, Inc., 4.50%, 11/1/14 (a)(b)                              | 7,040,600             |
|         |   | 15,481,987            |
|         | <b>Tobacco 0.6%</b>   |                       |
| 5,950   | Vector Group Ltd., 2.50%, 1/15/19 (f)   | 6,492,938             |
|         | <b>Trading Companies &amp; Distributors 0.1%</b>                                    |                       |
| 1,500   | Titan Machinery, Inc., 3.75%, 5/1/19 (a)(b)   | 1,369,687             |
|         | <b>Total Convertible Bonds &amp; Notes (cost- \$218,074,622)</b>                    | <b>242,781,608</b>    |
|         | <b>SHORT-TERM INVESTMENT 2.2%</b>   |                       |
|         | <b>Time Deposit 2.2%</b>  |                       |
| 21,396  | The Bank of New York Mellon Corp.-Grand Cayman, 0.03%, 12/3/12 (cost- \$21,395,874) | 21,395,874            |
|         | <b>Total Investments (cost- \$959,003,280) (g) 100.0%</b>                           | <b>\$ 988,732,089</b> |

**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. 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. 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.

The Board of Trustees (the Board) has adopted procedures for valuing portfolio securities and other financial derivative instruments in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation method to the Investment Manager and Allianz Global Investors Capital LLC (AGIC) (the Sub-Adviser), an affiliate of the Investment Manager. The Fund's Valuation Committee was established to oversee the implementation of the Fund's valuation methods and to make fair value determinations on behalf of the Board, as instructed. The Sub-Adviser monitors the continual appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter.

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and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

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 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 ( NAV ) 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 value of \$84,975,038, representing 8.6% 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) 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 (synthetic convertible securities). Such entity is identified in the parenthetical.
- (d) Perpetual maturity. The date shown is the next call date.
- (e) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (f) In addition to the coupon rate shown, the issuer is expected to pay additional interest based on the actual dividends paid on its common stock.
- (g) At November 30, 2012, the cost basis of portfolio securities for federal income tax purposes was \$961,713,748. Gross unrealized appreciation was \$80,431,481, gross unrealized depreciation was \$53,413,140 and net unrealized appreciation was \$27,018,341. The difference between book and tax cost basis was attributable to the differing treatment of bond premium amortization and wash sale loss deferrals.

### 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 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, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risk and default rates or other market corroborated inputs.

Level 3 valuations based on significant unobservable inputs (including the Sub-Adviser's or Valuation Committees' own assumptions and single broker quotes in determining the fair value of investments)

## Edgar Filing: AGIC Convertible & Income Fund - Form N-Q

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

## Edgar Filing: AGIC Convertible & Income Fund - Form N-Q

**Equity Securities (Common and Preferred Stock)** Equity securities traded in inactive markets are valued using inputs which include broker-dealer quotes, recently executed transactions adjusted for changes in the benchmark index, or evaluated price quotes received from independent pricing services that take into account the integrity of the market sector and issuer, the individual characteristics of the security, and information received from broker-dealers and other market sources pertaining to the issuer or security. To the extent that these inputs are observable, the values of equity securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

**Convertible Bonds & Notes** Convertible bonds & notes are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector-specific trends. To the extent that these inputs are observable, the values of convertible bonds and notes are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

**Corporate Bonds & Notes** Corporate bonds & notes are generally comprised of two main categories: investment grade bonds and high yield bonds. Investment grade bonds are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations, live trading levels, recently executed transactions in securities of the issuer or comparable issuers, and option adjusted spread models that include base curve and spread curve inputs. Adjustments to individual bonds can be applied to recognize trading differences compared to other bonds issued by the same issuer. High yield bonds are valued by independent pricing services based primarily on broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector-specific trends. To the extent that these inputs are observable, the values of corporate bonds & notes are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

The valuation techniques used by the Fund to measure fair value during the nine months ended November 30, 2012 were intended to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Fund's policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in 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 techniques used. Assets categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

A summary of the inputs used at November 30, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for more detailed information on Investments in Securities):

|   | Level 1<br>Quoted Prices | Level 2<br>Other Significant<br>Observable<br>Inputs | Level 3<br>Significant<br>Unobservable<br>Inputs | Value at<br>11/30/2012 |
|---|--------------------------|--|--|------------------------|
| <b>Investments in Securities Assets</b> |                          |  |  |                        |
| Corporate Bonds & Notes                 |                          | \$ 447,678,829                                       |  | \$ 447,678,829         |
| Convertible Preferred Stock:            |                          |  |  |                        |
| Airlines                                |                          | 10,539,252   |  | 10,539,252             |
| Capital Markets                         |                          | 10,422,623   | \$ 11,612,723                                    | 22,035,346             |
| Commercial Banks                        | \$ 10,011,600            | 11,288,672   |  | 21,300,272             |
| Commercial Services & Supplies          |                          | 9,585,879  |  | 9,585,879              |
| Health Care Providers & Services        |                          | 11,867,310   |  | 11,867,310             |
| Oil, Gas & Consumable Fuels             | 9,789,040                | 13,086,840   |  | 22,875,880             |
| Professional Services                   |                          | 9,057,199  |  | 9,057,199              |
| Road & Rail                             |                          | 15,865,731   |  | 15,865,731             |
| All Other                               | 153,748,909              |  |  | 153,748,909            |
| Convertible Bonds & Notes               |                          | 242,781,608  |  | 242,781,608            |
| Short-Term Investment                   |                          | 21,395,874   |  | 21,395,874             |
| <b>Totals</b>                           | <b>\$ 173,549,549</b>    | <b>\$ 803,569,817</b>                                | <b>\$ 11,612,723</b>                             | <b>\$ 988,732,089</b>  |

At November 30, 2012, there were no transfers between Levels 1 and 2.

## Edgar Filing: AGIC Convertible & Income Fund - Form N-Q

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the nine months ended November 30, 2012, was as follows:

|                          | Beginning<br>Balance<br>2/29/12 | Purchases     | Sales          | Accrued<br>Discounts<br>(Premiums) | Net<br>Realized<br>Gain<br>(Loss) | Net<br>Change in<br>Unrealized<br>Appreciation/<br>Depreciation | Transfers<br>into<br>Level<br>3 | Transfers<br>out<br>of<br>Level<br>3 | Ending<br>Balance<br>11/30/12 |
|--------------------------|---------------------------------|---------------|----------------|------------------------------------|-----------------------------------|---|---------------------------------|--------------------------------------|-------------------------------|
| <b>Investments in</b>    |                                 |               |                |                                    |                                   |   |                                 |                                      |                               |
| <b>Securities Assets</b> |                                 |               |                |                                    |                                   |   |                                 |                                      |                               |
| Convertible Preferred    |                                 |               |                |                                    |                                   |   |                                 |                                      |                               |
| Stock:                   |                                 |               |                |                                    |                                   |   |                                 |                                      |                               |
| Capital Markets          | \$ 10,038,528                   | \$ 14,162,877 | \$ (9,978,814) |                                    | \$ (1,446,688)                    | \$ (1,163,180)  |                                 |                                      | \$ 11,612,723                 |

The net change in unrealized appreciation/depreciation of Level 3 investments which the Fund held at November 30, 2012 was \$(2,550,154).



**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))) 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 control over financial reporting (as defined in Rule 30a-3(d) under the Act (17CFR 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: AGIC Convertible & Income Fund

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

Date: January 25, 2013

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

Date: January 25, 2013

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: January 25, 2013

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

Date: January 25, 2013