

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND II
Form N-Q
November 18, 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: 811-21338

Registrant Name: Nicholas-Applegate & Convertible Income Fund II

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: 6/30/06

Date of Reporting Period: 9/30/05

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

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

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND II SCHEDULE OF INVESTMENTS
 SEPTEMBER 30, 2005 (UNAUDITED)

Principal Amount (000)		Credit Rating (Moody's/S&P)
CORPORATE BONDS & NOTES-41.2%		
APPAREL-0.7%		
\$ 2,000	Levi Strauss & Co. 9.75%, 1/15/15	Caa2/B-
5,945	12.25%, 12/15/12	Caa2/B-
915	Phillips-Van Heusen Corp., 8.125%, 5/1/13	B1/BB
AUTO PARTS & EQUIPMENT-0.2%		
2,815	Goodyear Tire & Rubber Co., 11.00%, 3/1/11, Ser. AI	B3/NR
AUTOMOTIVE-0.7%		
11,405	HLI Operating Co., Inc., 10.50%, 6/15/10	Caa3/B-
CHEMICALS-4.2%		
4,988	Huntsman LLC, 11.625%, 10/15/10	Ba3/BB-
11,410	IMC Global, Inc., 11.25%, 6/1/11	Ba3/BB
	Lyondell Chemical Co.,	
4,435	9.625%, 5/1/07, Ser. A	B1/BB-
4,315	10.875%, 5/1/09	B3/B
4,565	11.125%, 7/15/12	B1/BB-
5,680	PolyOne Corp., 10.625%, 5/15/10	B3/B+
10,950	Resolution Performance Products LLC, 13.50%, 11/15/10	Caa2/B-
6,475	Rhodia S.A., 10.25%, 6/1/10	B3/CCC+
COMMERCIAL SERVICES-1.2%		
11,190	Integrated Electrical Services, Inc., 9.375%, 2/1/09, Ser. C	Caa3/CCC
6,810	Vertrue, Inc., 9.25%, 4/1/14	B2/B
ELECTRIC-2.9%		
12,000	AES Corp., 9.50%, 6/1/09	B1/B-
10,250	Mission Energy Holdings Co., 13.50%, 7/15/08	B2/CCC+
9,820	PSEG Energy Holdings LLC, 10.00%, 10/1/09	Ba3/BB-
3,050	Reliant Resources, Inc., 9.50%, 7/15/13	B1/B+
ELECTRONICS-2.1%		
6,295	Imax Corp., 9.625%, 12/1/10	B3/B-
9,425	Sanmina-SCI Corp., 10.375%, 1/15/10	Ba2/BB-
10,335	Stoneridge, Inc., 11.50%, 5/1/12	B1/B+

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

9,060	ENVIRONMENTAL CONTROL-0.8% Imco Recycling, Inc., 10.375%, 10/15/10	B2/B
9,400	FINANCIAL SERVICES-1.3% Alamosa Delaware, Inc., 11.00%, 7/31/10	Caa1/CCC+
5,065	AMR Holdings Co., Inc., 10.00%, 2/15/15 (a)	Caa1/B-
1,000	MedCath Holdings Corp., 9.875%, 7/15/12	Caa1/B-
9,815	FOOD SERVICES-0.8% Pilgrim's Pride Corp., 9.625%, 9/15/11	Ba2/BB-

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND II SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2005 (UNAUDITED)

Principal Amount (000)		Credit Rating (Moody's/S&P)
\$ 3,550	HEALTHCARE-0.3% Hanger Orthopedic Group, Inc., 11.25%, 6/15/09	NR/CCC+
11,500	HOME BUILDERS-1.7% Ryland Group, Inc., 9.125%, 6/15/11	Ba2/BB+
9,800	William Lyon Homes, Inc., 10.75%, 4/1/13	B2/B
8,750	HOUSEHOLD PRODUCTS-1.5% Central Garden & Pet Co., 9.125%, 2/1/13	B1/B+
10,635	Jarden Corp., 9.75%, 5/1/12	B3/B-
6,020	LEISURE-0.5% Equinox Holdings, Inc., 9.00%, 12/15/09	B3/B-
11,080	LODGING-0.9% Mandalay Resort Group, Inc., 10.25%, 8/1/07, Ser. B	Ba3/B+
12,480	MACHINERY-1.0% Case New Holland, Inc., 9.25%, 8/1/11	Ba3/BB-

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

	METALS & MINING-2.7%	
9,835	Freeport-McMoRan Copper & Gold, Inc., 10.125%, 2/1/10	B1/B+
6,490	AK Steel Corp., 7.875%, 2/15/09	B1/B+
5,710	Oregon Steel Mills, Inc., 10.00%, 7/15/09	Ba3/B+
11,580	United States Steel LLC, 10.75%, 8/1/08	Ba2/BB
	MISCELLANEOUS-2.0%	
27,830	Dow Jones CDX High Yield, 10.50%, 12/29/09 (a) (b)	NR/NR
	MULTI-MEDIA-3.4%	
9,547	CCH I LLC, 11.00%, 10/1/15 Ser. AI	Caa3/CCC-
2,285	CSC Holdings Inc., 10.50%, 5/15/16	B2/B+
1,690	Echostar DBS Corp., 9.125%, 1/15/09	Ba3/BB-
2,700	Lodgenet Entertainment Corp., 9.50%, 6/15/13	B3/B-
7,860	Mediacom Broadband LLC, 11.00%, 7/15/13	B2/B
5,735	Salem Communications Holding Corp., 9.00%, 7/1/11, Ser. B	B2/B-
6,860	Sirius Satellite Radio, Inc., 9.625%, 8/1/13 (a)	Caa1/CCC
7,318	XM Satellite Radio, Inc., 12.00%, 6/15/10	Caa1/CCC+
	OFFICE/BUSINESS EQUIPMENT-0.5%	
5,935	Xerox Corp., 9.75%, 1/15/09	Ba2/BB-
	OFFICE FURNISHINGS-1.1%	
	Interface, Inc.,	
4,625	9.50%, 2/1/14	Caa3/CCC
5,625	10.375%, 2/1/10	Caa1/B-
3,199	Tempur-Pedic, Inc., 10.25%, 8/15/10	B2/B
	OIL & GAS-1.3%	
10,800	Petroleum Geo-Services ASA, 10.00%, 11/5/10	Ba3/B+
5,000	Seitel, Inc., 11.75%, 7/15/11	B3/NR

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND II SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2005 (UNAUDITED)

Principal Amount (000)		Credit Rating (Moody's/S&P)
	PAPER PRODUCTS-1.0%	
\$ 4,013	Buckeye Technologies, Inc., 9.25%, 9/15/08	Caa1/B
8,965	Georgia-Pacific Corp., 9.375%, 2/1/13	Ba1/BB+

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

9,310	PHARMACEUTICALS-0.6% Leiner Health Products, Inc., 11.00%, 6/1/12	Caa1/CCC+
4,025 12,240	PIPELINES-1.3% Dynegy Holdings, Inc., 10.125%, 7/15/13 (a) Sonat, Inc., 7.625%, 7/15/11	B3/B- Caa1/B-
10,000	PRINTING/PUBLISHING-0.8% R.H. Donnelley Financial Corp., 10.875%, 12/15/12	B2/B+
2,285	REAL ESTATE-0.2% Host Marriot L.P., 9.50%, 1/15/07 Ser. I REIT	Ba3/B+
5,500 3,345 2,745 4,000 4,315	RETAIL-1.5% GSC Holdings Corp., 8.00%, 10/1/12 (a) Mothers Work, Inc., 11.25%, 8/1/10 Neiman-Marcus Group, Inc., 10.375%, 10/15/15 (a) School Specialty, Inc., 10.00%, 10/1/13 (a) United Auto Group, Inc., 9.625%, 3/15/12	Ba3/B+ Caa1/B- B3/B- B3/CCC+ B3/B
6,340	SEMI-CONDUCTORS-0.4% Amkor Technology, Inc., 10.50%, 5/1/09	Caa3/CCC
8,570 5,990 11,760 1,525 10,040 7,510	TELECOMMUNICATIONS-3.6% Dobson Communications Corp., 10.875%, 7/1/10 Hawaiian Telcom Communications, Inc., 12.50%, 5/1/15 (a) Millicom International Cellular S.A., 10.00%, 12/1/13 Primus Telecommunications Group, Inc., 12.75%, 10/15/09 Qwest Services Corp., 14.00%, 12/15/14 Time Warner Telecom, Inc., 10.125%, 2/1/11	NR/CCC Caa1/B- B3/B- Caa3/CCC- Caa1/B B3/CCC+

Total Corporate Bonds & Notes (cost-\$555,911,138)

CONVERTIBLE BONDS & NOTES-31.6%

1,000	AEROSPACE-0.1% GenCorp, Inc., 4.00%, 1/16/24	Caa2/B
16,300	AIRLINES-1.0% Continental Airlines, Inc., 4.50%, 2/1/07	Caa2/CCC+
11,700	AUTO PARTS & EQUIPMENT-1.3% Goodyear Tire & Rubber Co., 4.00%, 6/15/34 (a)	B3/B-

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

15,335	AUTOMOTIVE-1.1% Sonic Automotive, Inc., 5.25%, 5/7/09	B3/B
--------	--	------

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND II SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2005 (UNAUDITED)

Principal Amount (000)		Credit Rating (Moody's/S&P)
\$ 5,950	CHEMICALS-1.0% Millennium Chemicals, Inc., 4.00%, 11/15/23	B1/BB-
14,785 11,000	COMMERCIAL SERVICES-2.0% Quebecor World USA, Inc., 6.00%, 10/1/07 Vertrue, Inc., 5.50%, 10/1/10	Ba3/BB- NR/B-
15,400	COMPUTERS-1.1% Maxtor Corp., 6.80%, 4/30/10	B2/NR
7,050	CONSUMER PRODUCTS-1.0% American Greetings Corp., 7.00%, 7/15/06	Ba2/BB+
15,758	DIVERSIFIED FINANCIAL SERVICES-1.2% E*Trade Financial Corp., 6.00%, 2/1/07	NR/B-
5,425	ELECTRIC-1.2% PG&E Corp., 9.50%, 6/30/10	NR/NR
8,150	ELECTRONICS-0.8% Artesyn Technologies, Inc., 5.50%, 8/15/10	NR/NR
11,200	METALS & MINING-1.4% Freeport-McMoRan Copper & Gold, Inc., 7.00%, 2/11/11	NR/B+
14,250	MULTI-MEDIA-1.1% EchoStar Communications Corp., 5.75%, 5/15/08	B2/B
12,500 3,685	OIL & GAS-1.9% Devon Energy Corp., 4.95%, 8/15/08 St. Mary Land & Exploration Corp., 6.25%, 3/15/22 (c)	Baa2/BBB NR/NR

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

	PHARMACEUTICALS-2.0%	
8,490	Ligand Pharmaceuticals, Inc., 6.00%, 11/16/07	NR/NR
15,250	Sepracor, Inc., 5.00%, 2/15/07	NR/CCC+
	PRINTING/PUBLISHING-0.8%	
10,125	Bowne & Co., Inc., 5.00%, 10/1/33	B2/B-
	REAL ESTATE-0.9%	
4,000	Affordable Residential Communities, 7.50%, 8/15/25 REIT (a)	NR/NR
6,700	Capital Automotive, 6.00%, 5/15/24 REIT	NR/NR
	RETAIL-0.6%	
5,200	Guitar Center, Inc., 4.00%, 7/15/13	B1/BB-
	SEMI-CONDUCTORS-2.4%	
14,100	Advanced Micro Devices, Inc., 4.75%, 2/1/22 (c)	B3/B-
14,300	Amkor Technology, Inc. 5.00%, 3/15/07	Caa3/CCC
3,000	5.75%, 6/1/06	Caa3/CCC

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND II SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2005 (UNAUDITED)

Principal Amount (000)		Credit Rating (Moody's/S&P)
	TELECOMMUNICATIONS-6.3%	
\$16,250	American Tower Corp., 5.00%, 2/15/10	B1/BB-
13,600	CenturyTel, Inc., 4.75%, 8/1/32	Baa2/BBB+
9,500	Crown Castle International, Inc., 4.00%, 7/15/10	NR/NR
2,000	Lucent Technologies, Inc., 8.00%, 8/1/31	B3/CCC+
16,000	Nextel Communications, Inc., 5.25%, 1/15/10	Baa2/A-
1,396	NII Holdings, Inc., 3.50%, 9/15/33	NR/NR
9,940	Nortel Networks Corp., 4.25%, 9/1/08	B3/B-
	TRANSPORTATION-0.9%	
8,100	Yellow Roadway Corp., 5.00%, 8/8/23	Ba1/BBB-
	TRUCKING/LEASING-1.5%	

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

15,900	GATX Corp., 7.50%, 2/1/07	Baa3/BBB-
--------	---------------------------	-----------

Total Convertible Bonds & Notes (cost-\$406,735,295)

 CONVERTIBLE PREFERRED STOCK-23.4%

Shares		

	AUTOMOTIVE-2.1%	
249,200	Ford Motor Co., Capital Trust II, 6.50%, 1/15/32	Ba2/B+
	General Motors Corp.	
315,000	5.25%, 3/6/32, Ser.B	Ba2/BB-
691,435	6.25%, 7/15/33, Ser.C	Ba2/BB-
	BANKING-1.1%	
275,000	Washington Mutual, Inc., 5.375%, 5/3/41	Baa1/BBB
	COMMERCIAL SERVICES-1.4%	
468,500	United Rentals, Inc., 6.50%, 8/1/28	Caa2/B
	ELECTRIC-3.5%	
324,400	AES Trust III, 6.75%, 10/15/29	B3/CCC+
226,050	FPL Group, Inc., 8.00%, 2/16/06	NR/A-
191,500	Public Service Enterprise Group, Inc., 10.25%, 11/16/05	Baa3/BBB-
	FINANCIAL SERVICES-1.4%	
100,000	Citigroup Funding, Inc., 9/27/08, Ser. GNW (c)	Aa1/AA-
665,000	PMI Group, Inc., 5.875, 11/15/06	A1/A
	FOOD-1.3%	
680,600	Albertson's, Inc., 7.25%, 5/16/07	Baa3/BBB-
	HOLDING COMPANIES-1.4%	
162,500	Williams Holdings of Delaware, Inc., 5.50%, 6/1/33	NR/B-
	INSURANCE-3.6%	
477,500	Genworth Financial, Inc., 6.00%, 5/16/07	A2/A
121,500	Metlife, Inc., 6.375%, 8/15/08, Ser. B	NR/BBB+
506,600	Platinum Underwriters Holdings Ltd., 7.00%, 11/16/05	NR/BBB
570,000	XL Capital Ltd., 6.50%, 5/15/07	A2/A

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

NICHOLAS-APPLGATE CONVERTIBLE & INCOME FUND II SCHEDULE OF INVESTMENTS
 SEPTEMBER 30, 2005 (UNAUDITED)

Shares		Credit Rating (Moody's/S&P)
42,650	METALS & MINING-0.4% U.S. Steel Corp., 7.00%, 6/15/06, Ser. B	NR/B
123,000	OFFICE/BUSINESS EQUIPMENT-1.1% Xerox Corp., 6.25%, 7/1/06	B1/B-
170,000	OIL & GAS-4.3% Amerada Hess Corp., 7.00%, 12/01/06	Ba3/BB
89,900	Chesapeake Energy Corp., 5.00%, 12/31/49	B2/B
380,000	ONEOK, Inc., 8.50%, 2/16/06	Baa2/BBB+
402,400	PHARMACEUTICALS-1.6% Schering-Plough Corp., 6.00%, 9/14/07	Baa3/BBB
45,000	TELECOMMUNICATIONS-0.2% Crown Castle International Corp., 6.25%, 8/15/12	NR/NR
Total Convertible Preferred Stock (cost-\$280,645,715)		

U.S. GOVERNMENT SECURITIES-2.4%

Principal Amount (000)		
\$13,725	United States Treasury Notes, 10.375%, 11/15/12	
13,725	12.00%, 8/15/13	
Total U.S. Government Securities (cost-\$32,250,304)		

SHORT-TERM INVESTMENTS-1.4%

11,460	Corporate Bonds & Notes-0.9% Retail-0.9% Rite Aid Corp., 12.50%, 9/15/06 (cost-\$12,257,086)
--------	---

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

7,219 Time Deposit-0.5%
Wachovia Bank-Grand Cayman, 3.31%, due 10/3/05
(cost-\$7,219,181)

Total Short-Term Investments (cost-\$19,476,267)

TOTAL INVESTMENTS (cost-\$1,295,018,719)-100%

Valuation of Investments

* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities 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 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 or for listed securities in which there were no sales. Prices 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 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. 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 buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (b) Credit-linked trust certificate.
- (c) Variable rate security. Interest rate disclosed reflects the rate in effect on September 30, 2005.

Glossary:

NR - Not Rated
REIT - Real Estate Investment Trust

OTHER INVESTMENTS:

INTEREST RATE CAP AGREEMENTS OUTSTANDING AT SEPTEMBER 30, 2005:

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

Swap Counterparty	Notional Amount	Termination Date	Premium	Payment received by Fund	Unrealized Appreciation (Depreciation)
UBS AG	\$ 505,000,000	1/15/06	\$ 4,936,375	1 month LIBOR-BBA over 2% strike price	\$ (1,000,000)
UBS AG	505,000,000	1/15/08	14,468,250	3 month LIBOR-BBA over 3% strike price	1,000,000

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 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: November 18, 2005

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

Date: November 18, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the

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

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: November 18, 2005

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

Date: November 18, 2005