

NICHOLAS APPLGATE CONVERTIBLE & INCOME FUND II  
Form N-Q  
January 23, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL  
OMB Number: 3235-0578  
Expires: April 30, 2010  
Estimated average burden  
hours per response..... 10.5

**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  
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas,  
New York, NY 10105  
(Address of principal executive offices) (Zip code)

Lawrence G. Altadonna  
1345 Avenue of the Americas,  
New York, NY 10105  
(Name and address of agent for service)

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

Date of fiscal year end: February 29, 2008

Date of reporting period: November 30, 2007

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 (§§ 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. § 3507.

**Item 1. Schedule of Investments****Nicholas-Applegate Convertible & Income Fund II Schedule of Investments**

November 30, 2007 (unaudited)

| Shares<br>(000)                          |   | Credit Rating<br>(Moody's/S&P) | Value*       |
|--|---|--------------------------------|--------------|
| <b>CONVERTIBLE PREFERRED STOCK-44.1%</b> |   |                                |              |
| <b>Agriculture-2.2%</b>                  |   |                                |              |
| Bunge Ltd.,                              |   |                                |              |
| 148                                      | 4.875%, 12/31/49  | Ba1/BB                         | \$20,474,825 |
| 8  | 5.125%, 12/10/10  | NR/BB                          | 8,520,000    |
|  |   |                                | 28,994,825   |
| <b>Automotive-2.3%</b>                   |   |                                |              |
| General Motors Corp.,                    |   |                                |              |
| 680                                      | 5.25%, 3/6/32, Ser. B   | Caa1/B-                        | 13,579,600   |
| 750                                      | 6.25%, 7/15/33, Ser. C  | Caa1/B-                        | 16,500,000   |
|  |   |                                | 30,079,600   |
| <b>Banking-2.1%</b>                      |   |                                |              |
| 215                                      | Washington Mutual Capital Trust, 5.375%, 5/1/41, Ser. UNIT          | A3/BBB                         | 7,295,280    |
| 162                                      | Wells Fargo Co., 8.00%, 6/1/08, Ser. AAPL (Apple, Inc.) (e)         | Aa1/AA+                        | 21,180,076   |
|  |   |                                | 28,475,356   |
| <b>Commercial Services-0.9%</b>          |   |                                |              |
| 287                                      | United Rentals, Inc., 6.50%, 8/1/28                                 | Caa1/B-                        | 12,584,359   |
| <b>Electric-4.1%</b>                     |   |                                |              |
| 367                                      | AES Trust III, 6.75%, 10/15/29                                      | B3/B-                          | 17,902,280   |
| 278                                      | Entergy Corp., 7.625%, 2/17/09                                      | NR/BBB                         | 19,927,040   |
| 48                                       | NRG Energy, Inc., 5.75%, 3/16/09                                    | B2/CCC+                        | 17,652,000   |
|  |   |                                | 55,481,320   |
| <b>Financial Services-14.0%</b>          |   |                                |              |
| 355                                      | Citigroup Funding, Inc., 4.583%, 9/27/08, Ser. GNW (d)              | Aa2/AA                         | 9,250,940    |
| 1,101                                    | Eksportfinans AS, 13.00%, 11/1/08, Ser. TWX (Time Warner, Inc.) (e) | Aaa/A+                         | 19,071,665   |
| Goldman Sachs Group, Inc.,               |   |                                |              |
| 616                                      | 12.00%, 12/12/07, Ser. CSCO (Cisco Systems, Inc.) (e)               | Aa3/NR                         | 15,678,313   |
| 454                                      | 20.00%, 3/6/08, Ser. DISH (EchoStar Communications Corp.) (e)       | Aa3/NR                         | 16,001,642   |
| 253                                      | Lazard Ltd., 6.625%, 5/15/08  | Ba1/NR                         | 10,553,959   |
| Lehman Brothers Holdings, Inc.,          |   |                                |              |
| 802                                      | 6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) (e)                 | A1/A+                          | 20,688,005   |
| 228                                      | 8.50%, 8/25/08, Ser. UTX (United Technologies Corp.) (e)            | A1/A+                          | 16,345,250   |
| 434                                      | 20.00%, 2/24/08, Ser. HPQ (Hewlett-Packard Co.) (e)                 | A1/A+                          | 18,315,358   |
| Morgan Stanley,                          |   |                                |              |
| 219                                      | 20.00%, 12/15/07, Ser. XOM (Exxon Mobil Corp.) (e)                  | Aa3/AA-                        | 15,905,188   |
| 497                                      | 20.00%, 1/31/08, Ser. T (AT&T, Inc.) (e)                            | Aa3/AA-                        | 16,278,397   |
| 32                                       | 20.00%, 3/8/08, Ser. GOOG (Google, Inc.) (e)                        | Aa3/NR                         | 14,952,924   |
| 496                                      | 20.00%, 3/24/08, Ser. DIS (The Walt Disney Co.) (e)                 | Aa3/NR                         | 14,485,099   |
|  |   |                                | 187,526,740  |
| <b>Hand/Machine Tools-1.2%</b>           |   |                                |              |
| 17                                       | Stanley Works, 7.145%, 5/17/12 (d)                                  | A2/A                           | 16,372,288   |
| <b>Insurance-5.7%</b>                    |   |                                |              |

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|  |  |          |            |
|--|--|----------|------------|
| 16                                     | Fortis Insurance NV, 7.75%, 1/26/08 (a) (b)                                  | Aa3/A+   | 26,299,728 |
| 526                                    | Metlife, Inc., 6.375%, 8/15/08   | NR/BBB+  | 17,110,280 |
| 598                                    | Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09, Ser. A                  | NR/BB+   | 19,808,750 |
| 635                                    | XL Capital Ltd., 7.00%, 2/15/09  | A3/A-    | 13,601,700 |
|  |  |          | 76,820,458 |
| <b>Investment Companies-1.6%</b>       |  |          |            |
| 314                                    | Vale Capital Ltd., 5.50%, 6/15/10, Ser. RIO (Companhia Vale do Rio Doce) (e) | NR/NR    | 21,211,875 |
| <b>Metals &amp; Mining-1.7%</b>        |  |          |            |
| 152                                    | Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10                          | NR/B+    | 22,126,300 |
| <b>Oil &amp; Gas-1.6%</b>              |  |          |            |
| 179                                    | Chesapeake Energy Corp., 5.00%, 12/31/49                                     | NR/B     | 20,973,750 |
| <b>Packaging &amp; Containers-0.5%</b> |  |          |            |
| 140                                    | Owens-Illinois, Inc., 4.75, 12/31/49   | Caa1/B-  | 6,704,100  |
| <b>Pharmaceuticals-1.2%</b>            |  |          |            |
| 59                                     | Schering-Plough Corp., 6.00%, 8/13/10  | Baa3/BBB | 15,885,687 |
| <b>Real Estate (REIT)-1.0%</b>         |  |          |            |
| 606                                    | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A                          | B2/B-    | 13,224,120 |

**Nicholas-Applegate Convertible & Income Fund II Schedule of Investments**

November 30, 2007 (unaudited)

| Shares<br>(000)  |   | Credit Rating<br>(Moody's/S&P) | Value*     |
|--|---|--------------------------------|------------|
| <b>Sovereign-1.5%</b>                                  |   |                                |            |
| 459  | Svensk Exportkredit AB, 10.00%, 10/20/08, Ser. TEVA (Teva Pharmaceutical Industries Ltd.) (e) | Aa1/AA+                        | \$20,349,2 |
| <b>Telecommunications-1.4%</b>                         |   |                                |            |
| 310  | Crown Castle International Corp., 6.25%, 8/15/12  | NR/NR                          | 18,755,0   |
| <b>Waste Disposal-1.1%</b>                             |   |                                |            |
| 51   | Allied Waste Industries, Inc., 6.25%, 3/1/08, Ser. D  | B3/B                           | 14,865,9   |
| Total Convertible Preferred Stock (cost-\$569,235,622) |   |                                | 590,431,0  |
| <b>CORPORATE BONDS &amp; NOTES-40.0%</b>               |   |                                |            |
| Principal<br>Amount<br>(000)                           |   |                                |            |
| <b>Advertising-0.7%</b>                                |   |                                |            |
| \$9,150  | Affinion Group, Inc., 11.50%, 10/15/15  | Caa1/B-                        | 9,172,8    |
| <b>Apparel-0.3%</b>                                    |   |                                |            |
| 3,545  | Levi Strauss & Co., 9.75%, 1/15/15  | B2/B+                          | 3,576,0    |
| <b>Automotive-2.8%</b>                                 |   |                                |            |
| 5,530  | Accuride Corp., 8.50%, 2/1/15   | B3/B-                          | 4,783,4    |
| 3,385  | American Axle & Manufacturing, Inc., 7.875%, 3/1/17   | Ba3/BB                         | 3,148,0    |
| 11,285   | Exide Technologies, 10.50%, 3/15/13, Ser. B   | Caa1/CCC+                      | 10,833,6   |
| 11,040   | General Motors Corp., 8.375%, 7/15/33   | Caa1/B-                        | 9,218,4    |
| 9,260  | Goodyear Tire & Rubber Co., 11.00%, 3/1/11  | Ba3/B+                         | 9,908,2    |
|  |   |                                | 37,891,7   |
| <b>Chemicals-1.4%</b>                                  |   |                                |            |
| 11,290   | Georgia Gulf Corp., 10.75%, 10/15/16  | B3/CCC+                        | 7,846,5    |
| 6,298  | Huntsman LLC, 11.625%, 10/15/10   | Ba1/BB+                        | 6,691,6    |
| 5,255  | Momentive Performance Materials, Inc., 9.75%, 12/1/14 (a) (b)                                 | B3/B-                          | 4,900,2    |
|  |   |                                | 19,438,4   |
| <b>Coal-0.4%</b>                                       |   |                                |            |
| 5,580  | James River Coal Co., 9.375%, 6/1/12  | Ca/CC                          | 4,938,3    |
| <b>Commercial Services-1.5%</b>                        |   |                                |            |
| 11,280   | Cenveo Corp., 7.875%, 12/1/13   | B3/B                           | 10,095,6   |
| 9,440  | Hertz Corp., 10.50%, 1/1/16   | B2/B                           | 9,817,6    |
|  |   |                                | 19,913,2   |
| <b>Computers-0.6%</b>                                  |   |                                |            |
| 8,925  | Unisys Corp., 8.00%, 10/15/12   | B2/B+                          | 8,054,8    |
| <b>Electric-2.5%</b>                                   |   |                                |            |
| 10,645   | AES Corp., 9.50%, 6/1/09  | B1/B                           | 11,030,8   |
| 6,440  | Energy Future Holdings Corp., 10.875%, 11/1/17 (a) (b)  | B3/CCC+                        | 6,343,4    |

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|        |  |           |          |
|--------|--|-----------|----------|
| 10,570 | PSEG Energy Holdings LLC, 10.00%, 10/1/09                            | Ba3/BB-   | 11,187,2 |
| 4,600  | Texas Competitive Electric Holdings Co. LLC, 10.25%, 11/1/15 (a) (b) | B3/CCC    | 4,450,5  |
|        |  |           | 33,012,0 |
|        | <b>Electronics-0.8%</b>  |           |          |
| 10,335 | Stoneridge, Inc., 11.50%, 5/1/12                                     | B2/B      | 10,696,7 |
|        | <b>Financial Services-2.5%</b>                                       |           |          |
| 6,755  | AMR Holdings Co., 10.00%, 2/15/15                                    | B1/B-     | 7,261,6  |
| 9,345  | E*Trade Financial Corp., 8.00%, 6/15/11                              | Ba3/B     | 7,195,6  |
| 9,205  | Ford Motor Credit Co., 7.00%, 10/1/13                                | B1/B      | 8,048,7  |
| 8,710  | KAR Holdings, Inc., 8.75%, 5/1/14 (a) (b)                            | B3/CCC    | 8,100,3  |
| 3,223  | MedCath Holdings Corp., 9.875%, 7/15/12                              | Caa1/B-   | 3,384,1  |
|        |  |           | 33,990,4 |
|        | <b>Healthcare-1.0%</b>   |           |          |
| 5,865  | Alliance Imaging, Inc., 7.25%, 12/15/12                              | B3/B-     | 5,483,7  |
| 7,985  | Hanger Orthopedic Group, Inc., 10.25%, 6/1/14                        | Caa1/CCC+ | 8,224,5  |
|        |  |           | 13,708,3 |
|        | <b>Home Furnishings-0.8%</b>   |           |          |
| 9,670  | Central Garden & Pet Co., 9.125%, 2/1/13                             | Caa1/B-   | 8,654,6  |
| 1,800  | Jarden Corp., 7.50%, 5/1/17  | B3/B-     | 1,629,0  |
|        |  |           | 10,283,6 |

**Nicholas-Applegate Convertible & Income Fund II Schedule of Investments**

November 30, 2007 (unaudited)

| Principal Amount<br>(000)       |   | Credit Rating<br>(Moody's/S&P) | Value*      |
|---------------------------------|---|--------------------------------|-------------|
| <b>Manufacturing-1.8%</b>       |   |                                |             |
| \$11,265                        | Harland Clarke Holdings Corp., 9.50%, 5/15/15             | Caa1/B-                        | \$9,744,225 |
| 4,610                           | Polypore, Inc., 8.75%, 5/15/12                            | Caa1/CCC+                      | 4,529,325   |
| 10,135                          | Sally Holdings LLC, 10.50%, 11/15/16                      | Caa1/CCC+                      | 10,135,000  |
|                                 |   |                                | 24,408,550  |
| <b>Metals &amp; Mining-1.4%</b> |   |                                |             |
| 7,090                           | PNA Group, Inc., 10.75%, 9/1/16                           | B3/B-                          | 6,841,850   |
| 10,875                          | RathGibson, Inc., 11.25%, 2/15/14                         | B3/B-                          | 11,201,250  |
|                                 |   |                                | 18,043,100  |
| <b>Miscellaneous-0.5%</b>       |   |                                |             |
| 6,723                           | Dow Jones CDX High Yield, 10.50%, 12/29/09 (a) (b) (c)    | NR/NR                          | 7,059,149   |
| <b>Multi-Media-2.1%</b>         |   |                                |             |
| 12,791                          | CCH I LLC, 11.00%, 10/1/15                                | Caa2/CCC                       | 11,192,125  |
| 1,400                           | Idearc, Inc., 8.00%, 11/15/16                             | B2/B+                          | 1,316,000   |
| 7,030                           | Mediacom LLC, 9.50%, 1/15/13                              | B3/B                           | 6,573,050   |
| 9,165                           | Sirius Satellite Radio, Inc., 9.625%, 8/1/13              | Caa2/CCC                       | 8,912,963   |
|                                 |   |                                | 27,994,138  |
| <b>Office Furnishings-0.8%</b>  |   |                                |             |
|                                 | Interface, Inc.,  |                                |             |
| 4,625                           | 9.50%, 2/1/14   | B3/B-                          | 4,833,125   |
| 5,715                           | 10.375%, 2/1/10   | B1/B+                          | 6,015,037   |
|                                 |   |                                | 10,848,162  |
| <b>Paper Products-1.2%</b>      |   |                                |             |
| 4,730                           | Neenah Paper, Inc., 7.375%, 11/15/14                      | B2/B+                          | 4,422,550   |
| 11,055                          | NewPage Corp., 12.00%, 5/1/13                             | B3/CCC+                        | 11,607,750  |
|                                 |   |                                | 16,030,300  |
| <b>Pharmaceuticals-0.4%</b>     |   |                                |             |
| 7,235                           | Leiner Health Products, Inc., 11.00%, 6/1/12              | Ca/CCC-                        | 5,751,825   |
| <b>Pipelines-0.6%</b>           |   |                                |             |
| 8,650                           | Dynegy Holdings, Inc., 7.75%, 6/1/19                      | B2/B-                          | 7,828,250   |
| <b>Retail-6.0%</b>              |   |                                |             |
| 12,160                          | Bon-Ton Stores, Inc., 10.25%, 3/15/14                     | B3/CCC+                        | 9,788,800   |
| 11,520                          | Burlington Coat Factory Warehouse Corp., 11.125%, 4/15/14 | B3/CCC+                        | 10,252,800  |
| 11,525                          | Claire's Stores, Inc., 10.50%, 6/1/17 (a) (b)             | Caa2/CCC+                      | 7,376,000   |
| 7,125                           | El Pollo Loco Finance Corp., 11.75%, 11/15/13             | Caa1/CCC                       | 6,946,875   |
| 10,975                          | Michaels Stores, Inc., 10.00%, 11/1/14                    | B2/CCC                         | 10,865,250  |
| 11,295                          | Neiman-Marcus Group, Inc., 10.375%, 10/15/15              | B3/B                           | 12,057,412  |
| 4,090                           | R.H. Donnelley, Inc., 8.875%, 1/15/16                     | B3/B                           | 3,885,500   |
| 10,960                          | Rite Aid Corp., 8.625%, 3/1/15                            | Caa1/CCC+                      | 9,316,000   |
| 9,190                           | Star Gas Partners L.P., 10.25%, 2/15/13, Ser. B           | Caa3/CCC                       | 9,603,550   |
|                                 |   |                                | 80,092,187  |
| <b>Semi-Conductors-0.7%</b>     |   |                                |             |

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|                                |  |           |             |
|--------------------------------|--|-----------|-------------|
| 10,595                         | Freescale Semiconductor, Inc., 10.125%, 12/15/16             | B2/B-     | 9,138,188   |
| <b>Software-0.7%</b>           |  |           |             |
| 10,605                         | First Data Corp., 9.875%, 9/24/15 (a) (b)                    | B3/B-     | 9,875,906   |
| <b>Telecommunications-6.6%</b> |  |           |             |
| 8,295                          | Centennial Cellular Operating Co., 10.125%, 6/15/13          | B2/CCC+   | 8,709,750   |
| 4,440                          | Centennial Communications Corp., 10.00%, 1/1/13              | Caa1/CCC+ | 4,639,800   |
| 2,305                          | Cricket Communications, Inc., 9.375%, 11/1/14                | Caa1/CCC  | 2,155,175   |
| 11,640                         | Hawaiian Telcom Communications, Inc., 12.50%, 5/1/15, Ser. B | Caa1/CCC  | 12,047,400  |
| 10,600                         | Intelsat Bermuda Ltd., 11.25%, 6/15/16                       | Caa1/B-   | 11,024,000  |
| 12,198                         | Level 3 Financing, Inc., 12.25%, 3/15/13                     | Caa1/CCC+ | 12,228,495  |
| 13,510                         | Millicom International Cellular S.A., 10.00%, 12/1/13        | B1/B+     | 14,489,475  |
| 10,820                         | Nortel Networks Ltd., 10.75%, 7/15/16 (a) (b)                | B3/B-     | 11,333,950  |
| 12,155                         | West Corp., 11.00%, 10/15/16                                 | Caa1/B-   | 12,215,775  |
|                                |  |           | 88,843,820  |
| <b>Theaters-0.9%</b>           |  |           |             |
| 11,060                         | AMC Entertainment, Inc., 11.00%, 2/1/16                      | B2/CCC+   | 11,640,650  |
| <b>Travel Services-1.0%</b>    |  |           |             |
| 12,440                         | Travelport LLC, 11.875%, 9/1/16                              | Caa1/CCC+ | 13,248,600  |
|                                | Total Corporate Bonds & Notes (cost-\$559,534,258)           |           | 535,479,389 |

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November 30, 2007 (unaudited)

| Principal Amount<br>(000)                  |   | Credit Rating<br>(Moody's/S&P) | Value*                 |
|--|---|--------------------------------|------------------------|
| <b>CONVERTIBLE BONDS &amp; NOTES-11.9%</b> |   |                                |                        |
| <b>Automotive-1.1%</b>                     |   |                                |                        |
| \$14,260                                   | Ford Motor Co., 4.25%, 12/15/36                               | Caa1/CCC+                      | \$15,311,675           |
| <b>Commercial Services-1.8%</b>            |   |                                |                        |
| 10,125                                     | Bowne & Co., Inc., 5.00%, 10/1/33                             | B2/B-                          | 10,698,075             |
| 11,000                                     | Memberworks, Inc., 5.50%, 10/1/10                             | NR/B-                          | 13,680,700             |
|  |   |                                | 24,378,775             |
| <b>Computers-1.5%</b>                      |   |                                |                        |
| 17,260                                     | Maxtor Corp., 6.80%, 4/30/10                                  | Ba1/NR                         | 19,374,350             |
| <b>Electric-1.3%</b>                       |   |                                |                        |
| 5,425                                      | PG&E Corp., 9.50%, 6/30/10                                    | NR/NR                          | 17,766,875             |
| <b>Hotels/Gaming-0.2%</b>                  |   |                                |                        |
| 2,125                                      | Mandalay Resort Group, Inc., 5.9875%, 3/21/33 (d)             | Ba2/BB                         | 3,006,875              |
| <b>Oil &amp; Gas-1.4%</b>                  |   |                                |                        |
| 11,305                                     | Devon Energy Corp., 4.95%, 8/15/08                            | Baa1/BBB                       | 18,596,725             |
| <b>Retail-1.4%</b>                         |   |                                |                        |
| 18,535                                     | Sonic Automotive, Inc., 5.25%, 5/7/09                         | B2/B                           | 18,256,975             |
| <b>Telecommunications-3.2%</b>             |   |                                |                        |
| 20,000                                     | Level 3 Communications, Inc., 6.00%, 3/15/10                  | Caa3/CCC                       | 18,400,000             |
| 18,500                                     | Nextel Communications, Inc., 5.25%, 1/15/10                   | Baa3/BBB                       | 18,476,875             |
| 5,790                                      | Nortel Networks Corp., 4.25%, 9/1/08                          | B3/B-                          | 5,724,863              |
|  |   |                                | 42,601,738             |
|  | Total Convertible Bonds & Notes (cost-\$150,049,275)          |                                | 159,293,988            |
| <b>U.S. GOVERNMENT SECURITIES-2.5%</b>     |   |                                |                        |
|  | United States Treasury Notes,                                 |                                |                        |
| 21,565                                     | 12.00%, 8/15/13   |                                | 22,820,169             |
| 9,225                                      | 13.25%, 5/15/14   |                                | 10,535,245             |
|  | Total U.S. Government Securities (cost-\$35,613,665)          |                                | 33,355,414             |
| <b>SHORT-TERM INVESTMENT-1.5%</b>          |   |                                |                        |
| <b>Time Deposit-1.5%</b>                   |   |                                |                        |
| 19,846                                     | JPMorgan London, 3.96%, 12/3/07<br>(cost-\$19,845,922)        |                                | 19,845,922             |
|  | <b>Total Investments</b> (cost-\$1,334,278,742) <b>100.0%</b> |                                | <b>\$1,338,405,715</b> |





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November 30, 2007 (unaudited)

**Notes to Schedule of Investments:**

- \* Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to guidelines established by the Board of Trustees or persons acting at their discretion pursuant to guidelines 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. 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. 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) 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) Private Placement. Restricted as to resale and may not have a readily available market. Securities with an aggregate market value of \$85,739,221, representing 6.41% of total investments are restricted.
- (c) Credit-linked trust certificate.
- (d) Variable rate security. Interest rate disclosed reflects the rate in effect on November 30, 2007.
- (e) Securities exchangeable or convertible into securities of an entity different than the issuer. Such entity is identified in the parenthetical.

**Glossary:**

NR □ Not Rated

REIT □ Real Estate Investment Trust

**Other Investments:**

Interest rate cap agreement outstanding at November 30, 2007:

| Counterparty | Notional Amount | Termination Date | Premium   | Payment received by Fund               | Unrealized Depreciation |
|--------------|-----------------|------------------|-----------|--|-------------------------|
| UBS AG       | \$505,000,000   | 1/15/2008        | \$884,171 | 1 month LIBOR-BBA over 3% strike price | \$(12,927,250)          |

**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 Act (17CFR270.30a -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 CFR270.30a -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. of Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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**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: January 23, 2008

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: January 23, 2008

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: January 23, 2008

By /s/ Lawrence G. Altadonna

Treasurer, Principal Financial & Accounting Officer

Date: January 23, 2008

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