

AGIC Convertible & Income Fund  
Form N-Q  
January 27, 2012

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

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**  
**Investment Company Act File Number: 811-21284**

**AGIC Convertible & Income Fund**

**(Registrant Name)**

**1633 Broadway, New York, NY 10019**

**(Address of Principal Executive Offices) (Zip code)**

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

**Lawrence G. Altadonna 1633 Broadway, New York, NY 10019**

**(Name and Address of Agent for Service)**

**212-739-3371**

**Registrant's telephone number, including area code:**

**Date of Fiscal Year End: February 29, 2012**

**Date of Reporting Period: November 30, 2011**

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

November 30, 2011 (unaudited)

Principal		
Amount (000s)		Value*
<b>CORPORATE BONDS &amp; NOTES 47.0%</b>		
	<b>Advertising 0.8%</b>	
\$8,230	Affinion Group, Inc., 11.50%, 10/15/15	\$ 7,201,250
	<b>Aerospace &amp; Defense 0.2%</b>	
1,730	BE Aerospace, Inc., 8.50%, 7/1/18	1,877,050
	<b>Airlines 0.7%</b>	
6,250	United Airlines, Inc., 12.00%, 11/1/13 (a)(b)	6,484,375
	<b>Apparel 0.1%</b>	
750	Quiksilver, Inc., 6.875%, 4/15/15	701,250
	<b>Auto Manufacturers 0.7%</b>	
7,410	Chrysler Group LLC, 8.25%, 6/15/21 (a)(b)(c)	6,422,247
	<b>Chemicals 0.7%</b>	
9,005	Momentive Performance Materials, Inc., 11.50%, 12/1/16	6,483,600
	<b>Commercial Services 2.8%</b>	
10,945	Cenveo Corp., 10.50%, 8/15/16 (a)(b)	9,303,250
5,705	DynCorp International, Inc., 10.375%, 7/1/17	4,991,875
11,000	National Money Mart Co., 10.375%, 12/15/16	11,742,500
		26,037,625
	<b>Construction &amp; Engineering 1.1%</b>	
9,695	MasTec, Inc., 7.625%, 2/1/17	10,143,394
	<b>Consumer Finance 0.4%</b>	
5,775	Springleaf Finance Corp., 6.90%, 12/15/17	3,912,563
	<b>Diversified Consumer Services 0.4%</b>	
4,105	Cambium Learning Group, Inc., 9.75%, 2/15/17	4,125,525
	<b>Diversified Financial Services 1.5%</b>	
10,085	Community Choice Financial, Inc., 10.75%, 5/1/19 (a)(b)	9,958,937
3,995	International Lease Finance Corp., 6.375%, 3/25/13	3,975,025
		13,933,962
	<b>Diversified Telecommunications 1.0%</b>	
10,275	Cincinnati Bell, Inc., 8.75%, 3/15/18	9,196,125
	<b>Electric 1.3%</b>	
8,705	Edison Mission Energy, 7.00%, 5/15/17	5,505,912
	Texas Competitive Electric Holdings Co. LLC,	

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

750	11.50%, 10/1/20 (a)(b)	626,250
10,800	15.00%, 4/1/21	6,426,000
		12,558,162
	<b>Electronic Equipment, Instruments &amp; Components 1.0%</b>	
8,785	Kemet Corp., 10.50%, 5/1/18	9,290,137
	<b>Energy Equipment &amp; Services 1.1%</b>	
9,795	Pioneer Drilling Co., 9.875%, 3/15/18	10,150,069
	<b>Food &amp; Staples Retailing 1.0%</b>	
9,655	Rite Aid Corp., 8.625%, 3/1/15	9,027,425
	<b>Health Care Providers &amp; Services 1.5%</b>	
7,125	ExamWorks Group, Inc., 9.00%, 7/15/19 (a)(b)	6,394,687
9,910	Rotech Healthcare, Inc., 10.50%, 3/15/18	7,680,250
		14,074,937
	<b>Healthcare-Services 0.2%</b>	
3,280	Alliance HealthCare Services, Inc., 8.00%, 12/1/16	2,246,800
	<b>Home Builders 0.8%</b>	
	K Hovnanian Enterprises, Inc.,	
7,360	2.00%, 11/1/21 (a)(b)	3,128,000
5,575	10.625%, 10/15/16	4,446,063
		7,574,063
	<b>Hotels, Restaurants &amp; Leisure 1.7%</b>	
6,270	DineEquity, Inc., 9.50%, 10/30/18	6,520,800
8,405	MGM Resorts International, 11.375%, 3/1/18	9,098,412
		15,619,212
	<b>Household Durables 0.8%</b>	
5,045	Beazer Homes USA, Inc., 9.125%, 5/15/19	3,317,088
3,950	Jarden Corp., 7.50%, 5/1/17	4,206,750
		7,523,838
	<b>Household Products/Wares 0.7%</b>	
7,610	Reynolds Group Issuer, Inc., 9.875%, 8/15/19 (a)(b)	7,001,200
	<b>Internet Software &amp; Services 0.9%</b>	
9,060	Earthlink, Inc., 8.875%, 5/15/19	8,607,000

## AGIC Convertible &amp; Income Fund Schedule of Investments

November 30, 2011 (unaudited)

Principal		
Amount (000s)		Value*
	<b>IT Services 0.9%</b>	
\$2,615	Stream Global Services, Inc., 11.25%, 10/1/14	\$ 2,680,375
	Unisys Corp., (a)(b)	
3,085	12.75%, 10/15/14	3,505,331
2,174	14.25%, 9/15/15	2,470,208
		8,655,914
	<b>Leisure Time 1.6%</b>	
	NCL Corp. Ltd.,	
1,000	9.50%, 11/15/18	1,060,000
9,900	11.75%, 11/15/16	11,484,000
8,855	Travelport LLC, 11.875%, 9/1/16	2,922,150
		15,466,150
	<b>Lodging 1.0%</b>	
12,385	Caesars Entertainment Operating Co., Inc., 12.75%, 4/15/18	9,257,788
	<b>Media 1.6%</b>	
6,155	McClatchy Co., 11.50%, 2/15/17	5,739,537
6,750	Media General, Inc., 11.75%, 2/15/17	6,311,250
2,555	Sirius XM Radio, Inc., 8.75%, 4/1/15 (a)(b)	2,784,950
		14,835,737
	<b>Metals &amp; Mining 0.5%</b>	
5,465	Thompson Creek Metals Co., Inc., 7.375%, 6/1/18 (a)(b)	4,617,925
	<b>Miscellaneous Manufacturing 0.8%</b>	
10,150	Harland Clarke Holdings Corp., 9.50%, 5/15/15	7,561,750
	<b>Oil &amp; Gas 2.4%</b>	
9,050	Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17	9,321,500
6,915	Milagro Oil & Gas, 10.50%, 5/15/16 (a)(b)	4,944,225
8,425	United Refining Co., 10.50%, 2/28/18	7,982,687
		22,248,412
	<b>Oil &amp; Gas Services 0.0%</b>	
219	Allis-Chalmers Energy, Inc., 9.00%, 1/15/14	217,905
	<b>Oil, Gas &amp; Consumable Fuels 1.7%</b>	
8,750	SandRidge Energy, Inc., 9.875%, 5/15/16 (a)(b)	9,056,250
6,260	Western Refining, Inc., 11.25%, 6/15/17 (a)(b)	6,995,550
		16,051,800
	<b>Paper &amp; Forest Products 0.2%</b>	
2,041	Louisiana-Pacific Corp., 13.00%, 3/15/17	2,020,590

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

<b>Personal Products 0.1%</b>		
780	Revlon Consumer Products Corp., 9.75%, 11/15/15	834,600
<b>Retail 1.9%</b>		
11,630	Neiman Marcus Group, Inc., 10.375%, 10/15/15	12,090,316
5,115	Sally Holdings LLC, 10.50%, 11/15/16	5,396,376
		17,486,692
<b>Semiconductors &amp; Semiconductor Equipment 1.5%</b>		
4,075	Advanced Micro Devices, Inc., 8.125%, 12/15/17	4,166,688
	Freescale Semiconductor, Inc.,	
5,035	10.125%, 3/15/18 (a)(b)	5,362,275
4,345	10.75%, 8/1/20	4,475,350
		14,004,313
<b>Software 1.1%</b>		
	First Data Corp.,	
8,440	9.875%, 9/24/15	7,701,500
2,850	12.625%, 1/15/21 (a)(b)	2,365,500
		10,067,000
<b>Specialty Retail 0.4%</b>		
4,160	Brown Shoe Co., Inc., 7.125%, 5/15/19	3,931,200
<b>Telecommunications 5.7%</b>		
5,845	Intelsat Jackson Holdings S.A., 9.50%, 6/15/16	6,108,025
9,115	ITC Deltacom, Inc., 10.50%, 4/1/16	9,445,419
8,220	Nextel Communications, Inc., 7.375%, 8/1/15	7,274,700
5,090	NII Capital Corp., 8.875%, 12/15/19	5,420,850
10,480	West Corp., 11.00%, 10/15/16	11,095,700
13,585	WireCo WorldGroup, 9.75%, 5/15/17 (a)(b)	13,924,625
		53,269,319
<b>Textiles, Apparel &amp; Luxury Goods 0.8%</b>		
1,000	Liz Claiborne, Inc., 10.50%, 4/15/19 (a)(b)	1,065,000
5,965	Oxford Industries, Inc., 11.375%, 7/15/15	6,561,500
		7,626,500
<b>Trading Companies &amp; Distributors 0.3%</b>		
2,355	Aircastle Ltd., 9.75%, 8/1/18	2,472,750

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

AGIC Convertible & Income Fund Schedule of Investments

November 30, 2011 (unaudited)

Principal

Amount (000s)		Value*
	<b>Transportation 2.4%</b>	
\$9,825	Quality Distribution LLC, 9.875%, 11/1/18	\$ 9,898,687
8,610	Swift Services Holdings, Inc., 10.00%, 11/15/18	8,997,450
8,570	Western Express, Inc., 12.50%, 4/15/15 (a)(b)	3,213,750
		22,109,887
	<b>Wireless Telecommunication Services 0.7%</b>	
6,050	Crown Castle International Corp., 9.00%, 1/15/15	6,609,625
	Total Corporate Bonds & Notes (cost-\$470,346,101)	439,537,666
	<b>Shares</b>	
	<b>CONVERTIBLE PREFERRED STOCK 28.4%</b>	
	<b>Airlines 0.9%</b>	
313,435	Continental Airlines Finance Trust II, 6.00%, 11/15/30	8,658,642
	<b>Auto Components 1.2%</b>	
226,835	Goodyear Tire & Rubber Co., 5.875%, 4/1/14	10,976,546
	<b>Automobiles 0.9%</b>	
238,015	General Motors Co., 4.75%, 12/1/13, Ser. B	8,125,832
	<b>Capital Markets 2.0%</b>	
177,590	AMG Capital Trust I, 5.10%, 4/15/36	8,006,467
168,220	The Goldman Sachs Group, Inc., 6.00%, 3/2/12 (Wellpoint, Inc.) (d)	10,989,140
		18,995,607
	<b>Commercial Banks 2.4%</b>	
81,250	Fifth Third Bancorp, 8.50%, 6/30/13, Ser. G (e)	11,543,188
10,160	Wells Fargo & Co., 7.50%, 3/15/13, Ser. L (e)	10,708,640
		22,251,828
	<b>Commercial Services &amp; Supplies 0.7%</b>	
150,256	United Rentals, Inc., 6.50%, 8/1/28	6,977,513
	<b>Diversified Financial Services 2.9%</b>	
15,075	Bank of America Corp., 7.25%, 1/30/13, Ser. L (e)	11,682,974
65,270	Citigroup, Inc., 7.50%, 12/15/12	5,498,998
189,635	Credit Suisse Securities USA LLC, 7.00%, 8/9/12 (Baxter International, Inc.) (d)	9,769,995
		26,951,967
	<b>Electric Utilities 2.4%</b>	
	NextEra Energy, Inc.,	

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

25,000	7.00%, 9/1/13	1,315,000
183,475	8.375%, 6/1/12	9,265,487
207,365	PPL Corp., 9.50%, 7/1/13	11,828,100
		22,408,587
<b>Food Products 1.0%</b>		
101,190	Bunge Ltd., 4.875%, 12/1/11 (e)	9,853,376
<b>Health Care Providers &amp; Services 1.1%</b>		
11,340	HealthSouth Corp., 6.50%, 12/31/49, Ser. A (e)	9,925,335
<b>Household Durables 2.2%</b>		
259,380	Newell Financial Trust I, 5.25%, 12/1/27	11,120,918
83,445	Stanley Black & Decker, Inc., 4.75%, 11/17/15	9,524,412
		20,645,330
<b>Insurance 1.4%</b>		
78,565	Assured Guaranty Ltd., 8.50%, 6/1/12	3,226,665
161,660	MetLife, Inc., 5.00%, 9/11/13	9,827,311
		13,053,976
<b>IT Services 0.5%</b>		
64,885	Unisys Corp., 6.25%, 3/1/14	4,504,317
<b>Multi-Utilities 1.3%</b>		
239,645	AES Trust III, 6.75%, 10/15/29	11,764,173
<b>Oil, Gas &amp; Consumable Fuels 2.2%</b>		
157,125	Apache Corp., 6.00%, 8/1/13	8,937,270
36,250	ATP Oil & Gas Corp., 8.00%, 10/1/14 (a)(b)(e)	1,409,219
119,250	Chesapeake Energy Corp., 5.00%, 12/31/49 (e)	10,180,968
		20,527,457
<b>Professional Services 1.0%</b>		
170,790	Nielsen Holdings NV, 6.25%, 2/1/13	9,799,930
<b>Real Estate Investment Trust 3.2%</b>		
439,700	Alexandria Real Estate Equities, Inc., 7.00%, 4/20/13 (e)	10,328,553
434,200	FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A (e)	9,270,170
208,680	Health Care REIT, Inc., 6.50%, 4/20/18, Ser. I (e)	10,204,452
		29,803,175
<b>Road &amp; Rail 1.1%</b>		
1,096,595	2010 Swift Mandatory Common Exchange Security Trust, 6.00%, 12/31/13 (b)	10,421,820
	<b>Total Convertible Preferred Stock (cost-\$276,393,708)</b>	<b>265,645,411</b>



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

AGIC Convertible & Income Fund Schedule of Investments

November 30, 2011 (unaudited)

Principal Amount (000s)		Value*
<b>CONVERTIBLE BONDS &amp; NOTES 23.2%</b>		
<b>Aerospace &amp; Defense 1.0%</b>		
\$10,460	GenCorp, Inc., 4.063%, 12/31/39	\$ 9,623,200
<b>Capital Markets 1.5%</b>		
10,755	Ares Capital Corp., 5.75%, 2/1/16 (a)(b)	10,217,250
4,055	BGC Partners, Inc., 4.50%, 7/15/16 (a)(b)	3,679,913
		13,897,163
<b>Diversified Telecommunication Services 1.0%</b>		
7,410	Level 3 Communications, Inc., 15.00%, 1/15/13	9,123,562
<b>Electrical Equipment 1.8%</b>		
10,060	EnerSys, 3.375%, 6/1/38 (f)	9,971,975
9,675	JA Solar Holdings Co., Ltd., 4.50%, 5/15/13	6,627,375
		16,599,350
<b>Electronic Equipment, Instruments &amp; Components 0.9%</b>		
7,055	Anixter International, Inc., 1.00%, 2/15/13	8,148,525
<b>Health Care Equipment &amp; Supplies 0.7%</b>		
2,785	Alere, Inc., 3.00%, 5/15/16	2,624,863
4,885	NuVasive, Inc., 2.75%, 7/1/17	3,572,156
		6,197,019
<b>Hotels, Restaurants &amp; Leisure 1.6%</b>		
9,075	MGM Resorts International, 4.25%, 4/15/15	8,439,750
8,630	Morgans Hotel Group Co., 2.375%, 10/15/14	7,055,025
		15,494,775
<b>Internet Software &amp; Services 1.1%</b>		
2,620	Digital River, Inc., 2.00%, 11/1/30 (a)(b)	2,154,950
7,670	Equinix, Inc., 2.50%, 4/15/12	7,928,862
		10,083,812
<b>IT Services 1.0%</b>		
6,725	Alliance Data Systems Corp., 1.75%, 8/1/13	9,179,625
<b>Machinery 2.7%</b>		
3,400	AGCO Corp., 1.25%, 12/15/36	4,386,000
12,875	Greenbrier Cos, Inc., 3.50%, 4/1/18 (a)(b)(c)	12,046,172
12,480	Meritor, Inc., 4.625%, 3/1/26 (f)	9,344,400
		25,776,572
<b>Media 2.0%</b>		
7,480	Interpublic Group of Cos, Inc., 4.25%, 3/15/23	7,667,000

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

	Liberty Media LLC,	
8,080	3.125%, 3/30/23	8,867,800
4,400	3.50%, 1/15/31	2,431,000
		18,965,800
	<b>Metals &amp; Mining 0.6%</b>	
4,910	Steel Dynamics, Inc., 5.125%, 6/15/14	5,339,625
	<b>Oil, Gas &amp; Consumable Fuels 1.1%</b>	
6,350	Peabody Energy Corp., 4.75%, 12/15/41	6,675,438
3,685	Petroleum Development Corp., 3.25%, 5/15/16 (a)(b)	3,850,825
		10,526,263
	<b>Pharmaceuticals 0.7%</b>	
6,920	Mylan, Inc., 1.25%, 3/15/12	6,954,600
	<b>Real Estate Investment Trust 1.8%</b>	
8,150	Boston Properties LP, 3.75%, 5/15/36	9,260,437
6,900	Health Care REIT, Inc., 4.75%, 12/1/26	7,452,000
		16,712,437
	<b>Semiconductors &amp; Semiconductor Equipment 2.5%</b>	
15,580	Advanced Micro Devices, Inc., 5.75%, 8/15/12	15,755,275
9,920	SunPower Corp., 4.75%, 4/15/14	7,415,200
		23,170,475
	<b>Software 1.0%</b>	
6,335	Nuance Communications, Inc., 2.75%, 8/15/27	8,971,944
	<b>Thrifts &amp; Mortgage Finance 0.2%</b>	
4,025	MGIC Investment Corp., 5.00%, 5/1/17	2,153,375
	Total Convertible Bonds & Notes (cost-\$201,363,321)	216,918,122

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

**November 30, 2011 (unaudited)**

Principal Amount (000s)		Value*
<b>YANKEE BOND 0.3%</b>		
	<b>Marine 0.3%</b>	
\$4,805	DryShips, Inc., 5.00%, 12/1/14 (cost-\$4,987,257)	\$ 3,249,381
<b>SHORT-TERM INVESTMENT 1.1%</b>		
	<b>Time Deposit 1.1%</b>	
10,365	Citibank-London, 0.03%, 12/1/11 (cost-\$10,364,548)	10,364,548
<b>Total Investments (cost-\$963,454,935)(g) 100.0%</b>		<b>\$ 935,715,128</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.

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. 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 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 may not have a readily available market. Securities with an aggregate market value of \$142,982,864, representing 15.3% 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) Fair-Valued Securities with an aggregate value of \$18,468,419, representing 2.0% of total investments.
- (d) 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.

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

- (e) Perpetual maturity. The date shown is the next call date.
- (f) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (g) At November 30, 2011, the cost basis of portfolio securities for federal income tax purposes was \$965,263,610. Gross unrealized appreciation was \$57,462,426, gross unrealized depreciation was \$87,010,908 and net unrealized depreciation was \$29,548,482. The difference between book and tax cost basis was attributable to the differing treatment of bond premium amortization and wash sale loss deferrals.

### **Glossary:**

REIT Real Estate Investment Trust

### **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 (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 nine months ended November 30, 2011 maximized the use of observable inputs and minimized the use of unobservable inputs.

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 and certain foreign equity securities 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 and 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 and 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 and notes are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

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

A summary of the inputs used at November 30, 2011 in valuing the Fund's assets and liabilities is listed below (Refer to Schedule of Investments for detailed information on Investments in Securities):

	Level 1- Quoted Prices	Level 2- Other Significant Observable Inputs	Level 3- Significant Unobservable Inputs	Value at 11/30/11
<b>Investments in Securities Assets</b>				
Corporate Bonds & Notes:				
Auto Manufacturers			\$ 6,422,247	\$ 6,422,247
All Other		\$ 433,115,419		433,115,419
Convertible Preferred Stock:				
Airlines		8,658,642		8,658,642
Capital Markets		18,995,607		18,995,607
Commercial Banks	\$ 10,708,640	11,543,188		22,251,828
Commercial Services & Supplies		6,977,513		6,977,513
Diversified Financial Services	17,181,972	9,769,995		26,951,967
Health Care Providers & Services		9,925,335		9,925,335
Household Durables	9,524,412	11,120,918		20,645,330
Insurance	9,827,311	3,226,665		13,053,976
Oil, Gas & Consumable Fuels	8,937,270	11,590,187		20,527,457
Professional Services		9,799,930		9,799,930
Road & Rail		10,421,820		10,421,820
All Other	97,436,006			97,436,006
Convertible Bonds & Notes:				
Machinery		13,730,400	12,046,172	25,776,572
All Other		191,141,550		191,141,550
Yankee Bond		3,249,381		3,249,381
Short-Term Investment		10,364,548		10,364,548
<b>Total Investments in Securities Assets</b>	<b>\$ 153,615,611</b>	<b>\$ 763,631,098</b>	<b>\$ 18,468,419</b>	<b>\$ 935,715,128</b>

There were no significant transfers between Levels 1 and 2 during the nine months ended November 30, 2011.

## 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, 2011, was as follows:

	Beginning Balance 2/28/11	Purchases	Sales	Accrued Discounts (Premiums)	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3*	Transfers out of Level 3*	Ending Balance 11/30/11
<b>Investments in Securities Assets</b>									
Corporate Bonds & Notes:									
Auto Manufacturers		\$ 6,344,100		\$ 17,779		\$ 60,368			\$ 6,422,247
Hotels, Restaurants & Leisure	\$ 2,575,929		\$ (2,069,091)		\$ (1,298,981)	792,143			
Convertible Preferred Stock:									
Capital Markets	4,759,862		(8,414,747)		(33,912,502)	37,567,387			
Convertible Bonds & Notes:									
Machinery		11,205,205		69,238		771,729			12,046,172
<b>Total Investments</b>	<b>\$ 7,335,791</b>	<b>\$ 17,549,305</b>	<b>\$ (10,483,838)</b>	<b>\$ 87,017</b>	<b>\$ (35,211,483)</b>	<b>\$ 39,191,627</b>			<b>\$ 18,468,419</b>

The net change in unrealized appreciation/depreciation of Level 3 investments which the Fund held at November 30, 2011 was \$832,097.

\* There were no transfers into and out of Level 3 during the nine months ended November 30, 2011.

**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 control 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: AGIC Convertible & Income Fund

By: /s/ Brian S. Shlissel  
President & Chief Executive Officer  
Date: January 27 , 2012

By: /s/ Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer  
Date: January 27 , 2012

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 27 , 2012

By: /s/ Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer  
Date: January 27 , 2012