

Nicholas-Applegate Equity & Convertible Income Fund
Form N-CSRS
October 07, 2008

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

FORM N-CSRS

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file
number 811-21989

Nicholas-Applegate Equity & Convertible Income Fund
(Exact name of registrant as specified in charter)

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

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

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

Date of fiscal year
end: January 31, 2009

Date of reporting
period: July 31, 2008

Form N-CSRS is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSRS in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSRS 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 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. REPORT TO SHAREHOLDERS

NFJ Dividend, Interest & Premium Strategy Fund
Nicholas-Applegate Equity & Convertible
Income Fund

Semi-Annual Report
July 31, 2008

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**NFJ Dividend, Interest & Premium Strategy Fund
Nicholas-Applegate Equity & Convertible Income
Fund**

Letter to Shareholders

September 19, 2008

Dear Shareholder:

We are pleased to provide you with the semiannual report for the NFJ Dividend, Interest & Premium Strategy Fund and the Nicholas-Applegate Equity & Convertible Income Fund (collectively the Funds) for the fiscal six-month period ended July 31, 2008.

U.S. stocks declined through the period on highly volatile performance. Continued weakness in housing and mortgage bond markets along with weak economic growth and slack employment conditions applied downward pressure on broad equity market indexes. Small- and mid-cap stocks outperformed large-caps for the period and growth stocks beat value stocks. Large-cap value stocks, as represented by the Russell 1000 Value Index, returned (10.29)% for the six-month reporting period while large-cap growth stocks, as measured by the Russell 1000 Growth Index, returned (3.24)%.

The Federal Reserve Board (the Fed) reduced short-term interest rates two times during the period, moving the Federal Funds target from 3.00% at the beginning of the reporting period to 2.00% at the period's end. The Fed declined to change rates at its June meeting, citing inflationary pressures. Bonds advanced during the period in most categories, as stocks weakened.

Please refer to the following pages for specific information on the Funds. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds' shareholder servicing agent at (800) 331-1710. You may also find a wide range of information and resources on our Web site, www.allianzinvestors.com/closedendfunds.

Together with Allianz Global Investors Fund Management LLC, the Funds' investment manager, and NFJ Investment Group L.P., Nicholas-Applegate Capital Management LLC and Oppenheimer Capital LLC, the Funds' sub-advisers, we thank you for investing with us.

We remain dedicated to serving your investment needs.

Sincerely,

Hans W. Kertess
Chairman

Brian S. Shlissel
President & Chief Executive Officer

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NFJ Dividend, Interest & Premium Strategy Fund Fund Insights/Performance & Statistics

July 31, 2008 (unaudited)

For the six-month period ended July 31, 2008, the NFJ Dividend, Interest & Premium Strategy Fund returned (4.51)% on net asset value (NAV) and (10.35)% based on market price.

U.S. stocks declined during six months ended July 31, 2008. Concerns over record oil prices, the U.S. credit crisis, slowing growth and rising inflation all contributed to a cautious mood that weighed most on financials and consumer discretionary stocks. Energy stocks advanced along with soaring oil prices. Stock selection decisions and an overweighting in the energy sector contributed positively to Fund's performance. Record oil prices boosted the earnings outlook for oilfield production service companies, including those of Fund holdings Halliburton and Diamond Offshore. Halliburton share prices rose as the services and equipment company increased its presence in the Middle East, Asia and Latin America. Diamond Offshore stock advanced on higher demand for deepwater drilling equipment and services that served to push up rates for Diamond and its competitors.

A significant underweighting in the financials sector proved beneficial to performance as the fallout from mounting losses at large banks and insurers was avoided.

Stock selections in the consumer discretionary sector weighed on performance. Holdings in advertising-dependent companies detracted as a softening economy and competition from online competitors sapped demand. Gannett, the nation's largest newspaper publisher, reported declines in print advertising and announced plans to write down assets by as much as \$3 billion. A decline in automobile advertising hurt CBS stock as did the network's announced decision to buy the growing and profitable Internet company CNET.

Investment-grade convertible bonds underperformed their non investment-grade counterparts during the six-month period. Investors also exhibited a preference for mid- and smaller-capitalized convertibles.

Finally, total return convertibles underperformed yield-oriented or busted convertibles.

New convertible issuance rebounded during the period. Financials continued to dominate new issuance. Year-to-date, \$51.6 billion has been raised in the convertible market.

	Market Price	Net Asset Value (NAV)	
Total Return⁽¹⁾:			
Six Months	(10.35)%	(4.51)%
1 year	(7.80)%	(5.36)%
3 years	3.08%	6.03	%
Commencement of Operations (2/28/05) to 7/31/08	1.97%	5.86	%

Market Price/NAV Performance:

Commencement of Operations (2/28/05) to 7/31/08

Market Price/NAV:

Market Price	\$19.89
NAV	\$21.75

Discount to NAV	(8.55)%
Market Price Yield ⁽²⁾	10.56	%

**Investment Allocation
(as a percentage of total investments
before call options written)**

(1) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of each specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all of the Fund's income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period more than one year represents the average annual total return.

The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

An investment in the Fund involves risk, including the loss of principal. Total return, market price, market yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is typically a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current quarterly per share distribution to common shareholders by the market price per common share at July 31, 2008.

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Nicholas-Applegate Equity & Convertible Income Fund Insights/Performance & Statistics Fund

July 31, 2008 (unaudited)

For the six-month period ended July 31, 2008, Nicholas-Applegate Equity & Convertible Income Fund returned (4.38)% on net asset value (NAV) and (9.11)% on market price.

The broad equity and convertible markets traded lower during the period as there were no significant catalysts to drive the markets higher. Slowing corporate profits, widening credit spreads, recession fears, high oil prices, and continued bank write-offs were responsible for the equity market pull-back.

Industry performance was mixed and driven by broad market themes. Financial issuer underperformance was the most severe of any industry in the broad markets. The consumer sector was also negatively affected. The best performing industries during the six month period were energy, telecommunications, and materials. These sectors performed well because of both favorable operating performance as well as an expected flight to quality.

Select companies hurt the equity holdings during the period. Within healthcare, an HMO company came under extreme pressure as fears that medical cost inflation would be much greater than anticipated. In addition, a semiconductor maker was hurt on fears that a slowdown in global handset sales would reduce future revenues.

Select companies helped offset some of the market weakness. A telecommunications company settled an ongoing royalty dispute driving shares higher. In addition, a surgical robotic company reported better than expected unit sales and firm pricing. Lastly, a biotech company had better drug sales and raised its sales expectations for the year.

The average Chicago Board of Exchange (CBOE) Volatility Index (VIX) value for the period was 23.1. The market's volatility hit highs in March, and then re-spiked in July. The CBOE Volatility Index is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. Since its introduction in 1993, the Index has been considered by many to be the world's premier barometer of investor sentiment and market volatility.

Investment-grade convertible bonds underperformed their non investment-grade counterparts during the period. Investors also exhibited a preference for mid- and smaller-capitalized convertibles. Finally, total return convertibles underperformed yield-oriented or busted convertibles.

New convertible issuance rebounded in the period. Financials continued to dominate new issuance. Year-to-date, \$51.6 billion has been raised in the convertible market.

Total Return⁽¹⁾:	Market Price	Net Asset Value (NAV)	
Six Months	(9.11)%	(4.38)%
1 year	(10.54)%	(4.10)%
Commencement of Operations (2/27/07) to 7/31/08	(10.25)%	0.24	%

Market Price/NAV Performance:

Commencement of Operations (2/27/07) to 7/31/08

Market Price/NAV:

Market Price	\$18.94	
NAV	\$21.32	
Discount to NAV	(11.16)%
Market Price Yield ⁽²⁾	11.88	%

**Investment Allocation
(as a percentage of total investments
before call options written)**

(1) **Past performance is no guarantee of future results.** Total return is calculated by subtracting the value of an investment in the Fund at the beginning of the specified period from the value at the end of the period and dividing the remainder by the value of the investment at the beginning of the period and expressing the result as a percentage. The calculation assumes that all income dividends and capital gain distributions have been reinvested. Total return does not reflect broker commissions or sales charges. Total return for a period of less than one year is not annualized. Total return for a period of more than one year represents the average annual total return.

The Fund's performance at market price will differ from its results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares, or changes in Fund distributions.

An investment in the Fund involves risk, including the loss of principal. Total return, price, yield and net asset value will fluctuate with changes in market conditions. This data is provided for information only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Net asset value is equal to total assets less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current quarterly per share distribution to shareholders by the market price per common share at July 31, 2008.

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

July 31, 2008 (unaudited)

Shares (000)		Value
COMMON STOCK 70.8%		
Chemicals 3.1%		
1,900	Dow Chemical Co. (a)	\$63,289,000
Commercial Banks 3.1%		
800	Bank of America Corp. (a)	26,320,000
528	KeyCorp (a)	5,571,455
1,000	Regions Financial Corp. (a)	9,480,000
775	Wells Fargo & Co.	23,444,115
		64,815,570
Commercial Services & Supplies 1.9%		
400	R.R. Donnelley & Sons Co. (a)	10,680,000
800	Waste Management, Inc.	28,432,000
		39,112,000
Computers & Peripherals 1.7%		
2,300	Seagate Technology, Inc. (a)	34,431,000
Diversified Financial Services 1.2%		
600	JP Morgan Chase & Co. (a)	24,378,000
Diversified Telecommunication Services 6.3%		
700	AT&T, Inc. (a)	21,567,000
700	Verizon Communications, Inc. (a)	23,828,000
7,000	Windstream Corp. (a)	83,440,000
		128,835,000
Energy Equipment & Services 2.5%		
250	Diamond Offshore Drilling, Inc.	29,825,000
450	Halliburton Co.	20,169,000
		49,994,000
Food Products 1.4%		
900	Kraft Foods, Inc. Class A	28,638,000
Household Durables 2.9%		
500	Black & Decker Corp. (a)	30,010,000
400	Whirlpool Corp.	30,280,000
		60,290,000
Household Products 1.4%		
500	Kimberly-Clark Corp.	28,915,000
Industrial Conglomerates 1.4%		
427	3M Co.	30,084,686
Insurance 5.6%		
700	Allstate Corp. (a)	32,354,000
500	Hartford Financial Services Group, Inc.	31,695,000
550	Lincoln National Corp. (a)	26,235,000
550	Travelers Cos., Inc.	24,266,000
		114,550,000
Leisure Equipment & Products 1.8%		

1,800

Mattel, Inc. (a)

36,090,000

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NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

July 31, 2008 (unaudited)

Shares (000)		Value
	Machinery 1.3%	
400	Caterpillar, Inc. (a)	\$27,808,000
	Media 2.1%	
1,500	CBS Corp. Class B	24,540,000
1,000	Gannett Co. (a)	18,120,000
		42,660,000
	Metals & Mining 2.0%	
1,200	Alcoa, Inc.	40,500,000
	Multi-Utilities 1.4%	
683	Ameren Corp. (a)	28,048,034
	Office Electronics 1.4%	
2,127	Xerox Corp.	29,005,460
	Oil, Gas & Consumable Fuels 9.1%	
300	Chevron Corp. (a)	25,368,000
300	ConocoPhillips	24,486,000
700	Marathon Oil Corp. (a)	34,629,000
375	Occidental Petroleum Corp.	29,592,782
500	Royal Dutch Shell PLC, ADR	35,395,000
500	Total SA, ADR	38,250,000
		187,720,782
	Pharmaceuticals 7.7%	
1,180	GlaxoSmithKline PLC, ADR (a)	54,945,456
4,000	Pfizer, Inc. (a)	74,680,000
700	Wyeth (a)	28,364,000
		157,989,456
	Real Estate (REIT) 2.8%	
1,963	Annaly Capital Management, Inc.	29,586,931
2,200	Host Hotels & Resorts, Inc.	28,842,000
		58,428,931
	Semi-conductors & Semi-conductor Equipment 1.8%	
1,700	Intel Corp. (a)	37,723,000
	Specialty Retail 2.9%	
2,500	Home Depot, Inc. (a)	59,575,000
	Textiles, Apparel & Luxury Goods 0.9%	
250	VF Corp.	17,895,000
	Tobacco 3.1%	
1,500	Altria Group, Inc. (a)	30,525,000
600	Reynolds American, Inc. (a)	33,498,000
		64,023,000
	Total Common Stock (cost-\$1,719,188,411)	1,454,798,919

NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

July 31, 2008 (unaudited)

Shares (000)		Credit Rating (Moody s/S&P)	Value
CONVERTIBLE PREFERRED STOCK 16.7%			
Agriculture 0.8%			
	Bunge Ltd.,		
96	4.875%, 12/31/49	Ba1/BB	\$11,851,050
4	5.125%, 12/1/10	NR/BB	3,660,000
			15,511,050
Banking 2.3%			
	Bank of America Corp.,		
14	7.25%, 12/31/49, Ser. L	A1/A+	12,871,950
180	10.00%, 5/11/09, Ser. JNJ (Johnson & Johnson) (f)	Aa2/AA	12,158,640
	Wachovia Corp.,		
386	13.15%, 3/30/09, Ser. GE (General Electric Co.) (f)	A1/AA-	10,961,322
258	14.10%, 4/1/09, Ser. JPM (JP Morgan Chase & Co.) (f)	A1/AA-	10,255,791
			46,247,703
Commercial Services 0.2%			
161	United Rentals, Inc., 6.50%, 8/1/28	B3/B-	4,895,235
Diversified Financial Services 5.2%			
36	Citigroup Funding, Inc., 4.583%, 9/27/08, Ser. GNW (Genworth Financial, Inc.) (d) (f)	Aa3/AA-	595,391
248	Citigroup, Inc., 6.50%, 12/31/49, Ser. T	A2/A	10,951,612
	Credit Suisse Group,		
505	11.00%, 3/16/09, Ser. MSFT (Microsoft Corp.) (f)	Aa1/AA-	12,671,670
179	11.00%, 4/25/09, Ser. KO (Coca-Cola Corp.) (f)	Aa1/AA	10,313,008
	Eksportfinans A/S,		
297	10.00%, 3/12/09, Ser. HPQ (Hewlett Packard Co.) (f)	Aaa/AA+	12,338,688
866	13.00%, 11/1/08, Ser. TWX (Time Warner, Inc.) (f)	Aaa/A+	11,670,408
	Goldman Sachs Group, Inc., 9.75%, 12/19/08, Ser.		
597	CSCO (Cisco Systems, Inc.) (f)	Aa3/NR	13,441,062
	Lehman Brothers Holdings, Inc.,		
630	6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) (f)	A2/A+	15,263,444
178	8.50%, 8/25/08, Ser. UTX (United Technologies Corp.) (f)	A2/A+	10,798,080
98	28.00%, 3/6/09, Ser. RIG (Transocean, Inc.) (f)	A2/A+	9,627,358
			107,670,721
Electric 1.9%			
244	AES Trust III, 6.75%, 10/15/29	B3/B-	11,619,160
230	Entergy Corp., 7.625%, 2/17/09	NR/BBB	14,375,000
41	NRG Energy, Inc., 5.75%, 3/16/09	B2/CCC+	12,731,828
			38,725,988
Hand/Machine Tools 0.6%			
16	Stanley Works, 5.125%, 5/17/12 (d)	A2/A	12,367,413
Insurance 0.8%			
402	Metlife, Inc., 6.375%, 2/15/09	NR/BBB+	10,128,655

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213	Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09, Ser. A	NR/BB+	6,787,718 16,916,373
	Investment Companies 0.5%		
21	Vale Capital Ltd., 5.50%, 6/15/10, Ser. RIO-P (Companhia Vale ADS) (f)	NR/NR	1,235,156

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NFJ Dividend, Interest & Premium Strategy Fund Schedule of Investments

July 31, 2008 (unaudited)

Shares (000)		Credit Rating (Moody s/S&P)	Value
175	5.50%, 6/15/10, Ser. RIO (Companhia Vale do Rio Doce) (f)	NR/NR	\$9,625,000
			10,860,156
	Metals & Mining 0.6%		
89	Freeport-McMoRan Copper & Gold, Inc., 6.75%, 5/1/10	NR/BB	12,427,884
	Oil & Gas 0.6%		
85	Chesapeake Energy Corp., 5.00%, 12/31/49	NR/B	12,084,137
	Pharmaceuticals 0.7%		
72	Schering-Plough Corp., 6.00%, 8/13/10	Baa3/BBB	14,206,950
	Real Estate (REIT) 0.6%		
602	FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A	B2/B-	11,252,832
	Sovereign 1.3%		
362	Svensk Exportkredit AB, 10.00%, 10/20/08, Ser. TEVA	Aa1/AA+	15,116,122
162	(Teva Pharmaceutical Industries Ltd.) (f) 12.50%, 12/12/08, Ser. XOM (Exxon Mobil Corp.) (f)	Aa1/AA+	12,366,760
			27,482,882
	Telecommunications 0.6%		
239	Crown Castle International Corp., 6.25%, 8/15/12	NR/NR	13,258,673
	Total Convertible Preferred Stock (cost-\$373,022,380)		343,907,997

CONVERTIBLE BONDS & NOTES 6.9%Principal
Amount
(000)

	Auto Manufacturers 0.4%		
\$11,760	Ford Motor Co., 4.25%, 12/15/36	Caa1/CCC	8,232,000
	Commercial Services 0.7%		
3,000	Quanta Services, Inc., 3.75%, 4/30/26 (b)(c)	NR/BB	4,492,500
6,930	3.75%, 4/30/26	NR/BB	10,377,675
			14,870,175
	Computers 0.6%		
11,485	Maxtor Corp., 6.80%, 4/30/10	Ba1/NR	11,800,837
	Electrical Components & Equipment 0.4%		
750	General Cable Corp., 0.875%, 11/15/13	B1/B+	975,938
10,000	JA Solar Holdings Co., Ltd., 4.50%, 5/15/13	NR/NR	8,150,000
			9,125,938
	Entertainment 0.5%		
11,270	Regal Entertainment Group, 6.25%, 3/15/11 (b) (c)	NR/NR	10,861,463
	Hotel/Gaming 0.1%		
1,390	Mandalay Resort Group, 3.551%, 3/21/33 (d) (g)	Ba2/BB	1,966,850

	Internet 0.4%		
7,180	Amazon.com, Inc., 4.75%, 2/1/09	Ba2/BB+	7,817,225
	Real Estate (REIT) 0.9%		
5,045	Developers Diversified Realty Corp., 3.00%, 3/15/12	NR/BBB	4,300,862

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July 31, 2008 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
\$9,500	Digital Realty Trust L.P., 4.125%, 8/15/26 (b)(c)	NR/NR	\$13,218,490
			17,519,352
	Retail 0.6%		
12,800	Sonic Automotive, Inc., 5.25%, 5/7/09	B2/B	12,480,000
	Semi-conductor 0.4%		
6,000	Cypress Semiconductor Corp., 1.00%, 9/15/09	NR/NR	7,500,000
	Software 0.2%		
5,000	Lawson Software, Inc., 2.50%, 4/15/12 (b)(c)	NR/NR	4,850,000
	Telecommunications 1.7%		
15,800	Level 3 Communications, Inc., 6.00%, 3/15/10	Caa3/CCC	14,773,000
14,000	Nextel Communications, Inc., 5.25%, 1/15/10	Baa3/BB	13,632,500
11,495	Nortel Networks Corp., 2.125%, 4/15/14	B3/B-	7,486,119
			35,891,619
	Total Convertible Bonds & Notes (cost-\$145,169,524)		142,915,459

U.S. GOVERNMENT SECURITIES 0.3%

225	Federal National Mortgage Association, 8.75%, 5/13/11 (cost-\$6,657,012)		5,539,500
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SHORT-TERM INVESTMENTS 5.6%

	Time Deposits 5.6%		
8,219	Bank of America London, 1.53%, 8/1/08		8,218,959
102,233	Citibank London, 1.53%, 8/1/08		102,233,051
4,801	JP Morgan Chase London, 1.53%, 8/1/08 (cost-\$115,253,049)		4,801,039
			115,253,049
	Total Investments, before call options written (cost-\$2,359,290,376) 100.3%		2,062,414,924

CALL OPTIONS WRITTEN (e) (0.8)%

Contracts			
	American Stock Exchange Morgan Stanley Cyclical Flex Index,		
400	strike price \$865, expires 9/12/08		(1,289,200)
400	strike price \$885, expires 8/29/08		(700,400)
350	strike price \$910, expires 8/22/08		(241,150)
	American Stock Exchange Morgan Stanley Cyclical Index,		
200	strike price \$890, expires 9/20/08		(456,000)
600	strike price \$900, expires 9/20/08		(1,125,000)
400	strike price \$910, expires 9/20/08		(612,000)
350	strike price \$920, expires 8/16/08		(85,750)

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220	strike price \$990, expires 8/15/08
130	strike price \$1010, expires 8/15/08
	American Stock Exchange Oil Flex Index,
200	strike price \$1680, expires 8/8/08
250	strike price \$1695, expires 8/1/08

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July 31, 2008 (unaudited)

Contracts	Value
200 American Stock Exchange Oil Index, strike price \$1620, expires 8/16/08	\$(12,000)
200 strike price \$1640, expires 8/16/08	(9,000)
200 strike price \$1650, expires 8/16/08	(8,000)
200 strike price \$1670, expires 8/16/08	(7,000)
200 strike price \$1680, expires 8/16/08	(6,000)
1,000 American Stock Exchange Pharmaceutical Index, strike price \$290, expires 8/16/08	(1,390,000)
150 Nasdaq 100 Stock Flex Index, strike price \$1940, expires 9/12/08	(351,600)
75 Nasdaq 100 Stock Index, strike price \$2025, expires 8/16/08	(4,500)
75 strike price \$2050, expires 8/16/08	(2,438)
150 strike price \$2100, expires 8/16/08	(3,375)
5,000 Pharmaceutical HOLDERS, strike price \$102.30, expires 10/3/08	(925,000)
5,000 strike price \$103.60, expires 9/5/08	(574,980)
4,000 Philadelphia Stock Exchange KBW Bank Flex Index, strike price \$78, expires 8/1/08	
7,500 Philadelphia Stock Exchange KBW Bank Index, strike price \$75, expires 9/20/08	(1,631,250)
8,000 strike price \$77.50, expires 9/20/08	(1,320,000)
4,500 strike price \$80, expires 9/20/08	(551,250)
250 Standard & Poors 500 Flex Index, strike price \$1280, expires 9/12/08	(721,000)
250 strike price \$1305, expires 8/29/08	(305,000)
250 strike price \$1325, expires 8/29/08	(164,750)
250 strike price \$1400, expires 8/8/08	
250 strike price \$1415, expires 8/1/08	
250 Standard & Poors 500 Index, strike price \$1295, expires 9/20/08	(657,500)
250 strike price \$1300, expires 9/20/08	(615,000)
250 strike price \$1305, expires 9/20/08	(552,500)
250 strike price \$1315, expires 9/20/08	(457,500)
250 strike price \$1340, expires 8/16/08	(28,125)
250 strike price \$1370, expires 8/16/08	(9,375)
250 strike price \$1375, expires 8/16/08	(6,250)
200 strike price \$1390, expires 8/16/08	(4,500)
250 strike price \$1400, expires 8/16/08	(3,750)
5,000 Telecommunication Basket Index, strike price \$105.60, expires 10/3/08	(1,356,960)
5,000 strike price \$108.30, expires 9/5/08	(920,550)
Total Call Options Written (premiums received-\$22,309,900)	(17,108,653)
Total Investments, net of call options written	

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(cost-\$2,336,980,476) 99.5%	2,045,306,271
Other assets less liabilities 0.5%	10,335,535
Net Assets 100.0%	\$2,055,641,806

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Nicholas-Applegate Equity & Convertible Income Fund Schedule of Investments

July 31, 2008 (unaudited)

Shares (000)		Value
COMMON STOCK 60.1%		
Aerospace/Defense 1.5%		
74	L-3 Communications Holdings, Inc.	\$7,332,667
Automotive 1.4%		
226	Johnson Controls, Inc.	6,813,144
Beverages 4.7%		
148	Coca-Cola Co.	7,647,750
127	Molson Coors Brewing Co. Cl. B (a)	6,870,381
114	PepsiCo, Inc.	7,587,840
		22,105,971
Coal 1.4%		
96	Peabody Energy Corp. (a)	6,528,225
Commercial Services 1.7%		
140	McKesson Corp.	7,838,600
Computers 4.6%		
379	EMC Corp. (e)	5,682,786
69	International Business Machines Corp. (a)	8,549,064
61	Research In Motion Ltd. (a) (e)	7,467,456
		21,699,306
Cosmetics/Personal Care 1.7%		
121	Procter & Gamble Co.	7,949,272
Electric 1.6%		
92	Constellation Energy Group, Inc.	7,650,720
Electric Equipment & Instruments 1.7%		
69	Diamond Offshore Drilling, Inc. (a)	8,219,770
Electronics 1.5%		
149	Amphenol Corp. Cl. A	7,102,830
Healthcare Products 3.4%		
113	Baxter International, Inc. (a)	7,773,513
27	Intuitive Surgical, Inc. (a) (e)	8,395,491
		16,169,004
Internet 1.4%		
14	Google, Inc. Cl. A (a) (e)	6,632,500
Machinery 3.2%		
137	AGCO Corp. (e)	8,205,435
101	Deere & Co.	7,079,144
		15,284,579
Machinery-Construction & Mining 1.6%		
108	Joy Global, Inc. (a)	7,785,316
Metals & Mining 1.4%		
70	Freeport-McMoRan Copper & Gold, Inc. (a)	6,772,500
Miscellaneous Manufacturing 1.3%		

142 Textron, Inc.

6,190,128

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Nicholas-Applegate Equity & Convertible Income Fund Schedule of Investments

July 31, 2008 (unaudited)

Shares (000)		Value
	Oil & Gas 4.8%	
96	National Oilwell Varco, Inc. (a) (e)	\$7,532,754
90	Occidental Petroleum Corp.	7,078,934
81	Schlumberger Ltd. (a)	8,270,240
		22,881,928
	Pharmaceuticals 5.6%	
162	Abbott Laboratories (a)	9,127,080
164	Gilead Sciences, Inc. (a) (e)	8,852,720
172	Medco Health Solutions, Inc. (e)	8,547,592
		26,527,392
	Retail 3.3%	
160	McDonald's Corp. (a)	9,566,400
139	Target Corp.	6,268,878
		15,835,278
	Semi-conductor Equipment 3.1%	
354	Intel Corp.	7,866,355
289	Texas Instruments, Inc.	7,040,944
		14,907,299
	Software 3.1%	
260	Microsoft Corp.	6,700,060
367	Oracle Corp. (a) (e)	7,907,969
		14,608,029
	Telecommunications 6.1%	
314	Cisco Systems, Inc. (a) (e)	6,898,263
156	Harris Corp.	7,487,325
142	Qualcomm, Inc. (a)	7,847,212
202	Verizon Communications, Inc.	6,876,080
		29,108,880
	Total Common Stock (cost-\$326,204,509)	285,943,338

CONVERTIBLE PREFERRED STOCK 25.7%

		Credit Rating (Moody's/S&P)	
	Agriculture 1.0%		
39	Bunge Ltd., 4.875%, 12/31/49	Ba1/BB	4,772,400
	Banking 3.4%		
4	Bank of America Corp., 7.25%, 12/31/49 Ser. L	A1/A+	3,940,869
68	10.00%, 5/11/09, Ser. JNJ (Johnson & Johnson) (f) Wachovia Corp.,	Aa2/AA	4,563,543

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134	13.15%, 3/30/09, Ser. GE (General Electric Co.) (f)	A1/AA-	3,800,245
103	14.10%, 4/1/09, Ser. JPM (JP Morgan Chase & Co.) (f)	A1/AA-	4,110,906
			16,415,563
	Commercial Services 0.7%		
102	United Rentals, Inc., 6.50%, 8/1/28	B3/B-	3,111,919

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Nicholas-Applegate Equity & Convertible Income Fund Schedule of Investments

July 31, 2008 (unaudited)

Shares (000)		Credit Rating (Moody s/S&P)	Value
	Diversified Financial Services 9.1%		
61	Citigroup Funding, Inc., 4.583%, 9/27/08, Ser. GNW (Genworth Financial, Inc.) (d) (f)	Aa3/AA-	\$1,003,023
94	Citigroup, Inc., 6.50%, 12/31/49, Ser. T Credit Suisse Group,	A2/A	4,167,408
174	11.00%, 3/16/09, Ser. MSFT (Microsoft Corp.) (f)	Aa1/AA-	4,368,810
72	11.00%, 4/25/09, Ser. KO (Coca-Cola Corp.) (f) Eksportfinans AS,	Aa1/AA-	4,148,206
102	10.00%, 3/12/09, Ser. HPQ (Hewlett Packard Co.) (f)	Aaa/AA+	4,235,399
28	10.00%, 6/13/09, Ser. AAPL (Apple, Inc.) (f)	Aaa/AA+	4,511,143
288	13.00%, 11/1/08, Ser. TWX (Time Warner, Inc.) (f)	Aaa/A+	3,873,298
199	Goldman Sachs Group, Inc., 9.75%, 12/19/08, Ser. CSCO (Cisco Systems, Inc.) (f)	Aa3/NR	4,482,606
	Lehman Brothers Holdings, Inc., (h)		
209	6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) (f)	A2/A+	5,068,035
68	8.50%, 8/25/08, Ser. UTX (United Technologies Corp.) (f)	A2/A+	4,104,000
33	28.00%, 3/6/09, Ser. RIG (Transocean, Inc.) (f)	A2/A+	3,291,236
			43,253,164
	Electric 3.1%		
102	AES Trust III, 6.75%, 10/15/29	B3/B-	4,876,620
82	Entergy Corp., 7.625%, 2/17/09	NR/BBB	5,134,375
15	NRG Energy, Inc., 5.75%, 3/16/09	B2/CCC+	4,691,249
			14,702,244
	Hand/Machine Tools 0.9%		
5	Stanley Works, 5.125%, 5/17/12 (d)	A2/A	4,109,300
	Insurance 2.1%		
181	Metlife, Inc., 6.375%, 2/15/09	NR/BBB+	4,555,062
165	Platinum Underwriters Holdings Ltd., 6.00%, 2/15/09, Ser. A	NR/BB+	5,258,663
			9,813,725
	Investment Companies 0.8%		
62	Vale Capital Ltd., 5.50%, 6/15/10, Ser. RIO (Companhia Vale do Rio Doce) (f)	NR/NR	3,589,219
	Oil & Gas 0.8%		
27	Chesapeake Energy Corp., 5.00%, 12/31/49	NR/B	3,890,537
	Real Estate (REIT) 0.8%		
207	FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A	B2/B-	3,925,744
	Sovereign 1.9%		
120	Svensk Exportkredit AB, 10.00%, 10/20/08, Ser. TEVA (Teva Pharmaceutical Industries Ltd.) (f)	Aa1/AA+	5,007,346
55	12.50%, 12/12/08, Ser. XOM (Exxon Mobil Corp.) (f)	Aa1/AA+	4,142,560

			9,149,906
	Telecommunications 1.1%		
98	Crown Castle International Corp., 6.25%, 8/15/12	NR/NR	5,458,425
	Total Convertible Preferred Stock (cost-\$142,560,934)		122,192,146

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Nicholas-Applegate Equity & Convertible Income Fund Schedule of Investments

July 31, 2008 (unaudited)

Principal Amount (000)		Credit Rating (Moody s/S&P)	Value
CONVERTIBLE BONDS & NOTES 8.2%			
Auto Manufacturers 0.7%			
\$4,575	Ford Motor Co., 4.25%, 12/15/36	Caa1/CCC	\$3,202,500
Commercial Services 1.0%			
4,800	Bowne & Co., Inc., 5.00%, 10/1/33	B1/B	4,812,000
Computers 1.1%			
4,925	Maxtor Corp., 6.80%, 4/30/10	Ba1/NR	5,060,437
Entertainment 0.9%			
4,300	Regal Entertainment Group, 6.25%, 3/15/11 (b) (c)	NR/NR	4,144,125
Internet 0.8%			
3,733	Amazon.com, Inc., 4.75%, 2/1/09	Ba2/BB+	4,064,304
Oil & Gas 0.9%			
2,825	Devon Energy Corp., 4.95%, 8/15/08	Baa1/BBB+	4,477,625
Real Estate (REIT) 1.1%			
5,950	Developers Diversified Realty Corp., 3.00%, 3/15/12	NR/BBB	5,072,375
Telecommunications 1.7%			
5,910	Level 3 Communications, Inc., 6.00%, 3/15/10	Caa3/CCC	5,525,850
3,730	Nortel Networks Corp., 2.125%, 4/15/14	B3/B-	2,429,163
			7,955,013
	Total Convertible Bonds & Notes (cost- \$41,912,118)		38,788,379
CORPORATE BONDS & NOTES 2.7%			
Computers 0.4%			
2,300	Unisys Corp., 8.00%, 10/15/12	B2/B+	1,972,250
Diversified Financial Services 0.1%			
500	GMAC LLC, 6.75%, 12/1/14	B3/B-	286,720
Miscellaneous Manufacturing 0.2%			
1,000	Polypore, Inc., 8.75%, 5/15/12	B3/B-	1,007,500
Oil & Gas 0.8%			
4,340	Dynegy Holdings, Inc., 7.75%, 6/1/19	B2/B	4,014,500
Paper Products 0.2%			
1,000	Neenah Paper, Inc., 7.375%, 11/15/14	B2/B+	855,000
Telecommunications 1.0%			
4,600	Millicom International Cellular S.A., 10.00%, 12/1/13, GDR	B1/BB	4,864,500