

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

AGIC Equity & Convertible Income Fund  
Form N-Q  
June 20, 2011

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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 811-21989

AGIC 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, 2012

Date of Reporting Period: April 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 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

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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.

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

April 30, 2011 (unaudited)

| Shares<br>(000s)                        |   | Value*      |
|---|---|-------------|
| <b>COMMON STOCK 70.4%</b>               |   |             |
| <b>Aerospace &amp; Defense 1.3%</b>     |   |             |
| 74                                      | L-3 Communications Holdings, Inc.         | \$5,958,117 |
| <b>Auto Components 1.8%</b>             |   |             |
| 206                                     | Johnson Controls, Inc.                    | 8,441,900   |
| <b>Automobiles 1.5%</b>                 |   |             |
| 458                                     | Ford Motor Co. (a)                        | 7,089,901   |
| <b>Beverages 4.7%</b>                   |   |             |
| 121                                     | Coca-Cola Co. (b)                         | 8,162,660   |
| 127                                     | Molson Coors Brewing Co. Cl. B            | 6,205,875   |
| 114                                     | PepsiCo, Inc.                             | 7,853,460   |
|   |   | 22,221,995  |
| <b>Biotechnology 1.4%</b>               |   |             |
| 164                                     | Gilead Sciences, Inc. (a)                 | 6,369,760   |
| <b>Communications Equipment 5.2%</b>    |   |             |
| 39                                      | Aviat Networks, Inc. (a)                  | 197,775     |
| 284                                     | Cisco Systems, Inc.                       | 4,990,552   |
| 156                                     | Harris Corp.                              | 8,261,715   |
| 143                                     | Qualcomm, Inc.                            | 8,122,436   |
| 61                                      | Research In Motion Ltd. (a)               | 2,957,920   |
|   |   | 24,530,398  |
| <b>Computers &amp; Peripherals 5.5%</b> |   |             |
| 24                                      | Apple, Inc. (a)(b)                        | 8,183,405   |
| 312                                     | EMC Corp. (a)(b)                          | 8,836,412   |
| 53                                      | International Business Machines Corp. (b) | 8,989,566   |
|   |   | 26,009,383  |

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|  |                                  |           |
|--|----------------------------------|-----------|
| <b>Diversified Financial Services 0.8%</b>                     |                                  |           |
| 84   | JP Morgan Chase & Co.            | 3,823,794 |
| <br>   |                                  |           |
| <b>Diversified Telecommunication Services 1.7%</b>             |                                  |           |
| 48   | Frontier Communications Corp.    | 400,996   |
| 202  | Verizon Communications, Inc.     | 7,631,560 |
| <br>   |                                  |           |
| 8,032,556  |                                  |           |
| <br>   |                                  |           |
| <b>Electric Utilities 0.8%</b>                                 |                                  |           |
| 54   | Entergy Corp.                    | 3,778,963 |
| <br>   |                                  |           |
| <b>Electronic Equipment, Instruments &amp; Components 1.8%</b> |                                  |           |
| 149  | Amphenol Corp. Cl. A             | 8,330,590 |
| <br>   |                                  |           |
| <b>Energy Equipment &amp; Services 4.6%</b>                    |                                  |           |
| 69   | Diamond Offshore Drilling, Inc.  | 5,227,443 |
| 101  | National Oilwell Varco, Inc. (b) | 7,730,352 |
| 97   | Schlumberger Ltd.                | 8,678,825 |
| <br>   |                                  |           |
| 21,636,620   |                                  |           |
| <br>   |                                  |           |
| <b>Health Care Equipment &amp; Supplies 2.9%</b>               |                                  |           |
| 111  | Baxter International, Inc.       | 6,321,590 |
| 20   | Intuitive Surgical, Inc. (a)(b)  | 7,151,365 |
| <br>   |                                  |           |
| 13,472,955   |                                  |           |
| <br>   |                                  |           |
| <b>Health Care Providers &amp; Services 3.4%</b>               |                                  |           |
| 101  | McKesson Corp. (b)               | 8,342,505 |
| 126  | Medco Health Solutions, Inc. (a) | 7,457,781 |
| <br>   |                                  |           |
| 15,800,286   |                                  |           |
| <br>   |                                  |           |
| <b>Hotels, Restaurants &amp; Leisure 1.6%</b>                  |                                  |           |
| 94   | McDonald's Corp.                 | 7,321,985 |
| <br>   |                                  |           |
| <b>Household Products 1.7%</b>                                 |                                  |           |
| 121  | Procter & Gamble Co. (b)         | 7,878,860 |
| <br>   |                                  |           |
| <b>Independent Power Producers &amp; Energy Traders 1.5%</b>   |                                  |           |
| 92   | Constellation Energy Group, Inc. | 3,350,640 |
| 154  | NRG Energy, Inc. (a)             | 3,726,776 |
| <br>   |                                  |           |
| 7,077,416  |                                  |           |
| <br>   |                                  |           |
| <b>Industrial Conglomerates 3.0%</b>                           |                                  |           |

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|     |                          |            |
|-----|--------------------------|------------|
| 290 | General Electric Co. (b) | 5,933,752  |
| 310 | Textron, Inc. (b)        | 8,098,830  |
|     |                          | 14,032,582 |

**Insurance 1.7%**

|    |  |           |
|----|--|-----------|
| 6  | American International Group, Inc. (a) | 191,573   |
| 53 | MetLife, Inc.                          | 2,488,479 |
| 87 | Prudential Financial, Inc.             | 5,517,540 |
|    |  | 8,197,592 |

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

April 30, 2011 (unaudited)

| Shares<br>(000s) |  | Value*      |
|------------------|--|-------------|
|                  | <b>Internet Software &amp; Services 1.6%</b>             |             |
| 14               | Google, Inc. Cl. A (a)                                   | \$7,617,400 |
|                  | <b>Machinery 5.5%</b>                                    |             |
| 152              | AGCO Corp. (a)(b)  | 8,723,370   |
| 89               | Deere & Co. (b)  | 8,638,500   |
| 81               | Joy Global, Inc. (b)                                     | 8,207,235   |
|                  |  | 25,569,105  |
|                  | <b>Metals &amp; Mining 1.6%</b>                          |             |
| 132              | Freeport-McMoRan Copper & Gold, Inc.                     | 7,285,972   |
|                  | <b>Multiline Retail 1.4%</b>                             |             |
| 139              | Target Corp.   | 6,805,260   |
|                  | <b>Oil, Gas &amp; Consumable Fuels 3.5%</b>              |             |
| 78               | Occidental Petroleum Corp. (b)                           | 8,903,191   |
| 110              | Peabody Energy Corp.                                     | 7,356,882   |
|                  |  | 16,260,073  |
|                  | <b>Pharmaceuticals 2.9%</b>                              |             |
| 137              | Abbott Laboratories                                      | 7,129,480   |
| 63               | Johnson & Johnson  | 4,159,287   |
| 39               | Merck & Co., Inc.  | 1,393,997   |
| 23               | Teva Pharmaceutical Industries Ltd. - ADR                | 1,067,567   |
|                  |  | 13,750,331  |
|                  | <b>Semiconductors &amp; Semiconductor Equipment 3.5%</b> |             |
| 342              | Intel Corp.  | 7,935,618   |
| 239              | Texas Instruments, Inc.                                  | 8,491,670   |
|                  |  | 16,427,288  |



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

April 30, 2011 (unaudited)

| Shares<br>(000s) |  | Credit Rating<br>(Moody s/S&P) | Value*      |
|------------------|--|--------------------------------|-------------|
|                  | <b>Software 3.5%</b>   |                                |             |
| 248              | Microsoft Corp.  |                                | \$6,445,154 |
| 251              | Oracle Corp. (b)   |                                | 9,034,130   |
| 42               | Symantec Corp. (a)   |                                | 831,411     |
|                  |  |                                | 16,310,695  |
|                  | Total Common Stock (cost-\$386,754,897)  |                                | 330,031,777 |
|                  | <b>Convertible Preferred Stock 18.2%</b>   |                                |             |
|                  | <b>Airlines 0.4%</b>   |                                |             |
| 51               | Continental Airlines Finance Trust II, 6.00%, 11/15/30                                       | Caa1/CCC                       | 1,812,226   |
|                  | <b>Auto Components 0.7%</b>  |                                |             |
| 54               | Goodyear Tire & Rubber Co., 5.875%, 4/1/14 (a)   | NR/NR                          | 3,204,208   |
|                  | <b>Automobiles 0.5%</b>  |                                |             |
| 45               | General Motors Co., 4.75%, 12/1/13   | NR/NR                          | 2,241,450   |
|                  | <b>Capital Markets 1.9%</b>  |                                |             |
| 54               | AMG Capital Trust I, 5.10%, 4/15/36  | NR/BB                          | 2,713,169   |
| 209              | Lehman Brothers Holdings, Inc. (c)(d)(e),<br>6.00%, 10/12/10, Ser. GIS (General Mills, Inc.) | WR/NR                          | 1,249,223   |
| 33               | 28.00%, 3/6/09, Ser. RIG (Transocean, Inc.)  | WR/NR                          | 744,820     |
| 29               | The Goldman Sachs Group, Inc.,<br>6.00%, 3/2/12 (Wellpoint, Inc.) (c)                        | A1/A                           | 2,112,183   |
| 104              | 7.00%, 8/1/11 (Weatherford Corp.) (c)  | A1/A                           | 2,221,917   |
|                  |  |                                | 9,041,312   |
|                  | <b>Commercial Banks 1.2%</b>   |                                |             |
| 18               | Fifth Third Bancorp, 8.50%, 6/30/13, Ser. G (f)  | Ba1/BB                         | 2,553,825   |
| 3                | Wells Fargo & Co., 7.50%, 3/15/13, Ser. L (f)  | Baa3/A-                        | 2,914,596   |



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|     |  |           |            |
|-----|--|-----------|------------|
|     |  |           | 5,468,421  |
|     | <b>Commercial Services &amp; Supplies 0.5%</b>                           |           |            |
| 55  | United Rentals, Inc., 6.50%, 8/1/28                                      | Caa1/CCC  | 2,602,556  |
|     | <b>Diversified Financial Services 3.9%</b>                               |           |            |
| 194 | 2010 Swift Mandatory Common Exchange Security Trust, 6.00%, 12/31/13 (g) | NR/NR     | 2,673,486  |
| 4   | Bank of America Corp., 7.25%, 1/30/13, Ser. L (f)                        | Ba3/BB+   | 4,410,900  |
| 19  | Citigroup, Inc., 7.50%, 12/15/12   | NR/NR     | 2,470,760  |
|     | Credit Suisse Securities USA LLC,  |           |            |
| 45  | 7.00%, 7/27/11 (Target Corp.) (c)  | Aa2/A     | 2,232,334  |
| 79  | 8.00%, 9/20/11 (Bristol-Myers Squibb Co.) (c)                            | Aa2/A     | 2,075,436  |
|     | JP Morgan Chase & Co.,   |           |            |
| 33  | 7.00%, 7/25/11 (McDonald s Corp.) (c)                                    | Aa3/A+    | 2,493,718  |
| 111 | 7.00%, 8/16/11 (Cisco Systems) (c)                                       | Aa3/A+    | 2,101,542  |
|     |  |           | 18,458,176 |
|     | <b>Electric Utilities 1.1%</b>   |           |            |
| 54  | NextEra Energy, Inc., 8.375%, 6/1/12                                     | NR/NR     | 2,809,216  |
| 39  | PPL Corp., 9.50%, 7/1/13   | NR/NR     | 2,183,597  |
|     |  |           | 4,992,813  |
|     | <b>Food Products 1.5%</b>  |           |            |
| 58  | Archer-Daniels-Midland Co., 6.25%, 6/1/11                                | NR/NR     | 2,701,514  |
| 39  | Bunge Ltd., 4.875%, 12/1/11 (f)  | Ba1/BB    | 4,169,060  |
|     |  |           | 6,870,574  |
|     | <b>Household Durables 1.1%</b>   |           |            |
| 56  | Newell Financial Trust I, 5.25%, 12/1/27                                 | WR/BB     | 2,590,000  |
| 23  | Stanley Black & Decker, Inc., 4.75%, 11/17/15                            | NR/NR     | 2,760,030  |
|     |  |           | 5,350,030  |
|     | <b>Insurance 1.5%</b>  |           |            |
| 148 | American International Group, Inc., 8.50%, 8/1/11                        | Baa2/NR   | 444,000    |
| 28  | Assured Guaranty Ltd., 8.50%, 6/1/12                                     | NR/NR     | 1,943,975  |
| 32  | MetLife, Inc., 5.00%, 9/11/13 (a)  | NR/BBB-   | 2,757,510  |
| 53  | XL Group PLC, 10.75%, 8/15/11  | Baa2/BBB- | 1,730,014  |
|     |  |           | 6,875,499  |
|     | <b>Multi-Utilities 0.5%</b>  |           |            |
| 48  | AES Trust III, 6.75%, 10/15/29   | B3/B+     | 2,313,407  |

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**Oil, Gas & Consumable Fuels 1.7%**

|    |   |       |           |
|----|---|-------|-----------|
| 42 | Apache Corp., 6.00%, 8/1/13                   | NR/NR | 2,955,960 |
| 20 | ATP Oil & Gas Corp., 8.00%, 10/1/14 (f)(g)(h) | NR/NR | 2,111,200 |
| 27 | Chesapeake Energy Corp., 5.00%, 12/31/49      | NR/B+ | 2,827,306 |
|    |   |       | 7,894,466 |

**Professional Services 0.6%**

|    |                                    |      |           |
|----|------------------------------------|------|-----------|
| 47 | Nielsen Holdings NV, 6.25%, 2/1/13 | NR/B | 2,825,805 |
|----|------------------------------------|------|-----------|

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

April 30, 2011 (unaudited)

| Shares<br>(000s)                         |   | Credit Rating<br>(Moody s/S&P) | Value*      |
|--|---|--------------------------------|-------------|
| <b>Real Estate Investment Trust 1.1%</b> |   |                                |             |
| 91                                       | Alexandria Real Estate Equities, Inc., 7.00%, 4/20/13 (f) | NR/NR                          | \$2,411,825 |
| 99                                       | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A (f)   | Caa3/CCC-                      | 2,677,223   |
|  |   |                                | 5,089,048   |
|  | Total Convertible Preferred Stock (cost-\$99,801,625)     |                                | 85,039,991  |

Principal  
Amount  
(000s)

**CONVERTIBLE BONDS & NOTES 9.9%**

|  |   |           |           |
|--|---|-----------|-----------|
| <b>Auto Components 0.7%</b>                                    |   |           |           |
| \$1,325  | BorgWarner, Inc., 3.50%, 4/15/12            | NR/BBB    | 3,146,875 |
| <b>Capital Markets 0.5%</b>                                    |   |           |           |
| 2,400  | Ares Capital Corp., 5.75%, 2/1/16 (g)(h)    | NR/BBB    | 2,556,000 |
| <b>Electrical Equipment 0.6%</b>                               |   |           |           |
| 1,880  | EnerSys, 3.375%, 6/1/38 (i)                 | B1/BB     | 2,216,050 |
| 500  | JA Solar Holdings Co., Ltd., 4.50%, 5/15/13 | NR/NR     | 481,875   |
|  |   |           | 2,697,925 |
| <b>Electronic Equipment, Instruments &amp; Components 0.4%</b> |   |           |           |
| 1,335  | Anixter International, Inc., 1.00%, 2/15/13 | NR/B+     | 1,768,875 |
| <b>Hotels, Restaurants &amp; Leisure 0.5%</b>                  |   |           |           |
| 2,100  | MGM Resorts International, 4.25%, 4/15/15   | Caa1/CCC+ | 2,191,875 |
| <b>Internet Software &amp; Services 0.5%</b>                   |   |           |           |
| 1,800  | VeriSign, Inc., 3.25%, 8/15/37              | NR/NR     | 2,234,250 |

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**IT Services 0.6%**

|       |  |       |           |
|-------|--|-------|-----------|
| 2,110 | Alliance Data Systems Corp., 1.75%, 8/1/13 | NR/NR | 2,721,900 |
|-------|--|-------|-----------|

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

April 30, 2011 (unaudited)

| Principal Amount<br>(000s)                               |  | Credit Rating<br>(Moody s/S&P) | Value*      |
|--|--|--------------------------------|-------------|
| <b>Media 1.7%</b>  |  |                                |             |
| \$2,200  | Interpublic Group of Cos, Inc., 4.25%, 3/15/23                     | Ba2/BB                         | \$2,486,000 |
| 2,265  | Liberty Media LLC,<br>3.125%, 3/30/23                              | B1/BB-                         | 2,785,950   |
| 5,200  | 3.50%, 1/15/31   | B1/BB-                         | 2,938,000   |
|  |  |                                | 8,209,950   |
| <b>Metals &amp; Mining 0.5%</b>                          |  |                                |             |
| 2,100  | Steel Dynamics, Inc., 5.125%, 6/15/14                              | NR/BB+                         | 2,640,750   |
| <b>Oil, Gas &amp; Consumable Fuels 0.5%</b>              |  |                                |             |
| 1,500  | Western Refining, Inc., 5.75%, 6/15/14                             | NR/CCC+                        | 2,632,500   |
| <b>Pharmaceuticals 0.6%</b>                              |  |                                |             |
| 735  | Valeant Pharmaceuticals International, Inc., 5.375%, 8/1/14 (g)(h) | NR/NR                          | 2,741,550   |
| <b>Real Estate Investment Trust 1.0%</b>                 |  |                                |             |
| 2,000  | Boston Properties LP, 3.75%, 5/15/36                               | NR/A-                          | 2,367,500   |
| 2,100  | Health Care REIT, Inc., 4.75%, 12/1/26                             | Baa2/BBB-                      | 2,430,750   |
|  |  |                                | 4,798,250   |
| <b>Semiconductors &amp; Semiconductor Equipment 0.6%</b> |  |                                |             |
| 2,500  | SunPower Corp., 4.75%, 4/15/14                                     | NR/NR                          | 2,775,000   |
| <b>Software 0.4%</b>                                     |  |                                |             |
| 1,400  | Nuance Communications, Inc., 2.75%, 8/15/27                        | NR/BB-                         | 1,797,250   |
| <b>Thriffs &amp; Mortgage Finance 0.8%</b>               |  |                                |             |
| 1,700  | MGIC Investment Corp.,<br>5.00%, 5/1/17                            | NR/CCC+                        | 1,810,500   |
| 1,755  | 9.00%, 4/1/63 (g)(h)   | Caa3/CC                        | 1,803,262   |
|  |  |                                | 3,613,762   |

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Total Convertible Bonds & Notes (cost-\$46,724,173) 46,526,712

**CORPORATE BONDS & NOTES 0.4%**

**Electric 0.4%**

|       |  |         |           |
|-------|--|---------|-----------|
| 2,000 | Texas Competitive Electric Holdings Co. LLC,<br>15.00%, 4/1/21 (g)(h) (cost-\$2,000,000) | Caa3/CC | 1,780,000 |
|-------|--|---------|-----------|

**YANKEE BOND 0.2%**

**Marine 0.2%**

|       |   |       |           |
|-------|---|-------|-----------|
| 1,100 | DryShips, Inc., 5.00%, 12/1/14 (cost-\$1,241,382) | NR/NR | 1,072,500 |
|-------|---|-------|-----------|

**SHORT-TERM INVESTMENT 0.9%**

**Time Deposit 0.9%**

|       |   |  |           |
|-------|---|--|-----------|
| 3,999 | Citibank-London, 0.03%, 5/2/11 (cost-\$3,998,736) |  | 3,998,736 |
|-------|---|--|-----------|

**Total Investments, before call options written (cost-\$540,520,813) (j) 100.0% 468,449,716**

Contracts

**CALL OPTIONS WRITTEN (a) (0.2)%**

|       |   |  |           |
|-------|---|--|-----------|
| 100   | AGCO Corp.,<br>strike price \$60, expires 5/21/11                             |  | (5,750)   |
| 165   | Apple, Inc.,<br>strike price \$355, expires 5/21/11                           |  | (85,387)  |
| 845   | Coca-Cola Co.,<br>strike price \$70, expires 5/21/11                          |  | (9,718)   |
| 620   | Deere & Co.,<br>strike price \$97.50, expires 5/21/11                         |  | (152,210) |
| 2,180 | EMC Corp.,<br>strike price \$28, expires 5/21/11                              |  | (182,030) |
| 1,175 | General Electric Co.,<br>strike price \$21, expires 5/21/11                   |  | (21,738)  |
| 365   | International Business Machines Corp.,<br>strike price \$170, expires 5/21/11 |  | (84,315)  |
| 145   | Intuitive Surgical, Inc.,<br>strike price \$390, expires 5/21/11              |  | (6,525)   |
| 570   | Joy Global, Inc.,<br>strike price \$105, expires 5/21/11                      |  | (70,680)  |
| 705   | McKesson Corp.,<br>strike price \$82.50, expires 5/21/11                      |  | (153,338) |

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|       |   |           |
|-------|---|-----------|
| 705   | National Oilwell Varco, Inc.,<br>strike price \$85, expires 5/21/11 | (15,157)  |
| 545   | Occidental Petroleum Corp.,<br>strike price \$120, expires 5/21/11  | (61,312)  |
| 1,755 | Oracle Corp.,<br>strike price \$35, expires 5/21/11                 | (220,252) |

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

April 30, 2011 (unaudited)

| Contracts   | Value*               |
|---|----------------------|
| 1,175      Textron, Inc.,<br>strike price \$28, expires 5/21/11 | \$(14,688)           |
| Total Call Options Written (premiums received-\$724,771)        | (1,083,100)          |
| <b>Total Investments, net of call options written</b>           |                      |
| (cost-\$539,796,042) <b>99.8%</b>                               | <b>467,366,616</b>   |
| Other assets less other liabilities 0.2%                        | 1,106,686            |
| <b>Net Assets 100.0%</b>  | <b>\$468,473,302</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.



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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 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) Non-income producing.
- (b) All or partial amount segregated as collateral for the benefit of the counterparty for call options written.
- (c) Securities exchangeable or convertible into securities of an entity different than the issuer or structured by the issuer to provide exposure to securities of an entity different than the issuer (synthetic convertible securities). Such entity is identified in the parenthetical.
- (d) Fair-Valued Securities with an aggregate value of \$1,994,043 representing 0.43% of net assets.
- (e) In default.
- (f) Perpetual maturity. Maturity date shown is the first call date.
- (g) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (h) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate market value of \$10,992,012, representing 2.35% of net assets.
- (i) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (j) At April 30, 2011, the cost basis of portfolio securities of \$540,520,813 was substantially the same for both federal income tax and book purposes. Gross unrealized appreciation was \$3,999,165; gross unrealized depreciation was \$76,070,262, and net unrealized depreciation was \$72,071,097.

### **Glossary:**

ADR American Depositary Receipt  
 NR Not Rated  
 WR Withdrawn Rating

### **Other Investments:**

Transactions in call options written for the three months ended April 30, 2011:

|   | <b>Contracts</b> | <b>Premiums</b> |
|---|------------------|-----------------|
| Options outstanding, January 31, 2011               | 15,805           | \$1,063,613     |
| Options written                                     | 37,995           | 2,785,879       |
| Options terminated in closing purchase transactions | (16,473)         | (1,201,396)     |
| Options expired                                     | (26,275)         | (1,923,257)     |
| Options exercised                                   | (2)              | (68)            |
| <br>  |                  |                 |
| Options outstanding, April 30, 2011                 | 11,050           | \$724,771       |

### **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

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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 three months ended April 30, 2011 maximized the use of observable inputs and minimized the use of unobservable inputs. When fair-valuing securities the Fund utilized multi-dimensional relational pricing models.

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.

Equity Securities (Common and Preferred Stock) Equity securities traded in inactive markets are valued using inputs which include broker-dealer quotes, recently executed transactions adjusted for changes in the benchmark index, or evaluated price quotes received from independent pricing services that take into account the integrity of the market sector and issuer,

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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.

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**Option Contracts** Option contracts traded over the counter ( OTC ) are valued by independent pricing services based on pricing models that incorporate various inputs such as interest rates, credit spreads, currency exchange rates and volatility measurements for in-the-money, at-the-money, and out-of-the-money contracts based on a given strike price. To the extent that these inputs are observable, the values of OTC option contracts 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 April 30, 2011 in valuing the Fund's assets and liabilities is listed below:

|   | Level 1-<br>Quoted Prices | Level 2-<br>Other Significant<br>Observable<br>Inputs | Level 3-<br>Significant<br>Unobservable<br>Inputs | Value at<br>4/30/11   |
|---|---------------------------|---|---|-----------------------|
| <b>Investments in Securities - Assets</b>       |                           |   |   |                       |
| Common Stock                                    | \$ 330,031,777            |   |   | \$ 330,031,777        |
| Convertible Preferred Stock:                    |                           |   |   |                       |
| Capital Markets                                 | 2,713,169                 | \$ 4,334,100  | \$ 1,994,043                                      | 9,041,312             |
| Diversified Financial Services                  | 9,555,146                 | 8,903,030   |   | 18,458,176            |
| Oil, Gas & Consumable Fuels                     | 5,783,266                 | 2,111,200   |   | 7,894,466             |
| Professional Services                           |                           | 2,825,805   |   | 2,825,805             |
| All Other                                       | 46,820,232                |   |   | 46,820,232            |
| Convertible Bonds & Notes                       |                           | 46,526,712  |   | 46,526,712            |
| Corporate Bonds & Notes                         |                           | 1,780,000   |   | 1,780,000             |
| Yankee Bond                                     |                           | 1,072,500   |   | 1,072,500             |
| Short-Term Investment                           |                           | 3,998,736   |   | 3,998,736             |
| <b>Total Investments in Securities - Assets</b> | <b>\$ 394,903,590</b>     | <b>\$ 71,552,083</b>                                  | <b>\$ 1,994,043</b>                               | <b>\$ 468,449,716</b> |
| <b>Investments in Securities - Liabilities</b>  |                           |   |   |                       |
| Call Options Written, at value:                 |                           |   |   |                       |
| Market Price                                    | \$ (1,083,100)            |   |   | \$ (1,083,100)        |
| <b>Total Investments</b>                        | <b>\$ 393,820,490</b>     | <b>\$ 71,552,083</b>                                  | <b>\$ 1,994,043</b>                               | <b>\$ 467,366,616</b> |

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

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the three months ended April 30, 2011, was as follows:

|   | Beginning<br>Balance<br>1/31/11 | Net<br>Purchases | Net<br>Sales | Accrued<br>Discounts/<br>(Premiums) | Realized<br>Gain/<br>(Losses) | Net Change<br>in Unrealized<br>Appreciation/<br>Depreciation | Transfers<br>into<br>Level 3* | Transfers<br>out of<br>Level 3* | Ending<br>Balance<br>4/30/11 |
|---|---------------------------------|------------------|--------------|-------------------------------------|-------------------------------|--|-------------------------------|---------------------------------|------------------------------|
| <b>Investments in Securities - Assets</b> |                                 |                  |              |                                     |                               |  |                               |                                 |                              |
| Convertible Preferred Stock:              |                                 |                  |              |                                     |                               |  |                               |                                 |                              |
| Capital Markets                           | \$ 1,128,820                    |                  |              |                                     |                               | \$ 865,223   |                               |                                 | \$ 1,994,043                 |
| <b>Total Investments</b>                  | <b>\$ 1,128,820</b>             |                  |              |                                     |                               | <b>\$ 865,223</b>  |                               |                                 | <b>\$ 1,994,043</b>          |

The net change in unrealized appreciation/depreciation of Level 3 investments, which the Fund held at April 30, 2011, was \$865,223.

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

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**Item 2. Controls and Procedures**

- a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a -3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.
- b) There were no significant changes in the registrant's internal controls 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
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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: AGIC Equity & Convertible Income Fund

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

Date: June 20, 2011

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

Date: June 20, 2011

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: June 20, 2011

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

Date: June 20, 2011

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