AGIC Convertible & Income Fund
Form N-CSR
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21284

AGIC Convertible & Income Fund

(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, NY 10105

(Address of principal executive offices) (Zip code)

Lawrence G. Altadonna 1345 Avenue of the Americas, New York, NY 10105

(Name and address of agent for service)

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

Date of fiscal year: February 28, 2011

Date of reporting period: February 28, 2011

Form N-CSR 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-CSR 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-CSR 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, 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. REPORT TO SHAREHOLDERS

Annual Report

February 28, 2011

AGIC Convertible & Income Fund
AGIC Convertible & Income Fund II

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Dear Shareholder:

The twelve-month period ended February 28, 2011 was characterized by an improving U.S. economy, with consumers regaining their footing and corporations posting solid profits. In this environment, corporate bonds performed very well.

Hans W. Kertess
Chairman

Brian S. Shlissel
President & CEO

The Twelve Months in Review

For the twelve-month period ended February 28, 2011:

The AGIC Convertible & Income Fund advanced 27.27% on net asset value (NAV) and 33.53% on market price.

The AGIC Convertible & Income Fund II advanced 27.51% on NAV and 32.85% on market price.

In comparison, the BofA Merrill Lynch All Convertibles Index, an unmanaged index generally representative of the convertible securities market, increased 20.90%. The S&P 500 Index, an unmanaged index that is generally representative of the U.S. stock market, gained 22.57% and the Barclays Capital Credit Investment Grade Index rose 7.37%.

At the beginning of the twelve-month period, U.S. gross domestic product (GDP) was growing at a 3.7% annualized rate between January and March of 2010. This eased to 1.7% during the second quarter of 2010 before accelerating to a 2.6% and 2.8% annualized rate, in the third and fourth quarters of 2010, respectively. In January and February of 2011 this strengthening trend continued.

U.S. Treasury bonds fluctuated considerably during the twelve-month period. At the start of the period, signs that the economy was improving prompted investors to shift out of Treasuries and into corporate bonds and stocks. As a result, Treasury prices fell and by April 2010, the yield on the benchmark 10-year bond had climbed to 4.01%. However, concerns about the strength and durability of the economic recovery, sovereign debt in certain European countries and a cooling Chinese economy triggered a reversal. By October 2010, the 10-year Treasury yielded 2.41%. But as those concerns waned, there was yet another shift. At the close of the fiscal twelve-month period, the yield on the 10-year Treasury rebounded to 3.42%.

The U.S. Federal Reserve (the Fed) indicated it would purchase up to $900 billion in U.S. Treasury bonds through June 2011. The goal of this quantitative easing is to keep stimulating the economy by lowering interest rates. The Fed maintained its closely-watched Federal Funds Rate, the interest rate banks charge to lend federal funds to other banks, usually on an overnight basis, in the 0.0% to 0.25% range. The Fed also maintained the discount rate, the interest rate charged to banks for direct loans at 0.75% throughout the reporting period.

Positioned to Face Today s Challenges

After what has been a good period for corporate bonds, we are cautious about the next twelve months. Interest rates have begun to move higher; inflation is making a comeback and dividends are increasing up nearly 15% from 2010 levels, according to Standard & Poor s as many corporations focus on enhancing shareholder value. While these events are positive for stockholders, they could potentially indicate an increase in credit risk. Interest rate, inflation and credit risk may spell more modest returns for investors.

For specific information on the Funds and their performance, please refer to the following pages. 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) 254-5197. In addition, a wide range of information and resources is available on our website, www.allianzinvestors.com/closedendfunds.

Receive this report electronically and eliminate paper mailings. To enroll, go to www.allianzinvestors.com/ edelivery.

Together with Allianz Global Investors Fund Management LLC, the Funds investment manager, and Allianz Global Investors Capital LLC, the Funds sub-adviser, 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

AGIC Convertible & Income Fund/
AGIC Convertible & Income Fund II **Fund Insights**

February 28, 2011 (unaudited)

For the 12-month period ended February 28, 2011, AGIC Convertible & Income Fund returned 27.27% on NAV and 33.53% on market price. AGIC Convertible & Income Fund II returned 27.51% on NAV and 32.85% on market price.

Market Environment Convertibles

Although market sentiment varied throughout the reporting period, the net result for the convertible market was solid.

The factors driving performance through the fiscal year end did not change significantly from earlier in the reporting period. Although several hiccups occurred throughout the period, including mixed economic statistical releases and European sovereign concerns, these risks rose then abated quickly. Ultimately, stronger corporate profitability and an improving economy had the greatest influence on investor sentiment. Improved balance sheets and operating performance of issuers were supplemented by massive new corporate issuance volume that bolstered liquidity and reduced high-cost debt. Political risk abated after the November elections, and more accommodative decisions were made in Washington regarding taxes and further monetary policy easing (QE2). These factors also led to a healthy year-end rally in the equity markets and a sell-off in the Treasury market, all of which added to the general appetite for convertible investing.

After an impressive return in the fourth quarter of 2009 of the period, the BofA Merrill Lynch All Convertible Index enjoyed another good year of performance and had double digit returns in the reporting period.

Convertibles moved up in line with their historical equity upside participation in the fourth quarter of the period. Unlike the first half of the period where credit improvement was the bigger driver of returns, equity contributed more later in the period.

For the reporting period, all industries posted positive returns. Leading industries included Energy, Industrials, Materials and Consumer Discretionary. Industrials and Consumer Discretionary names performed well on better-than-expected earnings. Materials companies moved higher as commodity prices rose due to the improving global economy. Energy issuers were positively impacted as the macro headlines helped sentiment on the group. Underperforming industries included Healthcare, Media and Transportation. The Transportation industry underperformed because higher oil prices may hurt future earnings.

Below-investment-grade issuers and smaller-capitalized companies outperformed in the reporting period. Total return convertibles outperformed the yield and busted categories.

New convertible issuance picked up during the fourth quarter of 2010 as twenty-six new deals priced for $12.7 billion in total proceeds. This brought the full 2010 new issuance to $33.8 billion. In the first half of 2010, many companies accessed the corporate debt markets instead of the convertible markets in order to avoid shareholder dilution at depressed stock prices. As the equity markets moved higher, new convertible issuance increased.

Market Environment High Yield

The BofA Merrill Lynch High Yield Master II Index had positive returns for the fourth quarter of the period ended February 28, 2011, and was up double digits for the period. By way of comparison, the high yield market outperformed the 10-year Treasury return, which had negative performance for the fourth quarter, and was up single digits for 2010.

For the period, all industries again contributed to the index return. Leading industries included Broadcasting, Technology and Gaming. While all industries were positive in the period, the laggards included Banks, Airlines and Cable TV.

New issuance in the quarter was again robust as one hundred ninety-five deals priced, raising $91 billion in proceeds for issuers. For 2010, 653 issues priced, raising more than $300 billion. The new issuance dollar amount easily exceeded the next-largest year 2009 with $180 billion. Looking at the 2010 use of proceeds, 66.5% was used for refinancing. Interestingly, refinancing dropped to 54% by December, while acquisition financing and general corporate purposes increased, a positive trend for corporate financial flexibility.

The ratio of upgrades to downgrades was 1.4:1 in the fourth quarter of 2010, with 104 upgrades and 73 downgrades. The positive credit trend remains consistent. The trailing twelve-month default rate ended the quarter at approximately 2.3% on an issuer-weighted basis. On a dollar-weighted basis, the lagging twelve-month default rate was only 0.8%.

AGIC Convertible & Income Fund/
AGIC Convertible & Income Fund II **Fund Insights** (continued)

February 28, 2011 (unaudited)

High Yield Holdings

Multiple factors contributed to the performance for the reporting period. First, superior issuer selection was easy to identify, as several issuers were taken out via tenders due to merger, acquisition and refinancing activity. These issues came from a variety of industries, but specific notable movers came from the Energy, Metals and Industrials industries. Next, and equally additive, was the lack of negative contributors. While the year ended positively, and the rising tide lifted most boats, there was some choppiness for both the index and peer group. Another challenge, and newer to the scheme of recent risks, was the rising 10-year Treasury yield.

Most industries in the funds portfolios generated positive performance in the period. Among the best were Energy, Utilities and Chemicals. These industries were among the many to benefit from continued issuers operating performance strength and investor conviction in the rebound in the economy.

There were few negative performers, and no negative returns in any one industry. Lagging industry allocations included broadcasting, telecommunications wireline and homebuilders. The funds had no portfolio allocation to broadcasting, which moved higher in the period. An overweight to telecom hurt due to some of the lower quality or higher beta issuers outperforming in the period. Homebuilders moved higher in the period, and the portfolio exposure was positive, but not as high as the benchmark weight.

New buys were again plentiful in the fourth quarter of 2010. The majority were identified through the enormous new issuance calendar. Because of that volume, it was again prudent to be selective. The issuers added were diversified among many industries. Options were abundant amid the expanding economic rebound. One industry of note was energy. The majority of all new issuance fell into the category of refinancing activity. In energy, several of the new issues were names new to the market. The issues not only exhibited solid current operations, with positive outlook for growth in 2011 and beyond, they also represented some of the best total return characteristics.

Outlook

Our outlook for the equity, high yield and convertible market is positive. The improvement in corporate earnings seen in the third quarter earnings continued in the fourth quarter of 2010. U.S. corporate cash levels are high, debt levels have been reduced and maturities have been extended. In addition, consumers are spending again and labor conditions are improving.

In 2011, we expect companies may use the high cash levels on their balance sheets and future free cash flow to help boost shareholder value. Share buybacks, increased dividends and merger and acquisition activity are possible uses of excess cash. We believe these factors will benefit investors in the high yield, convertible and equity markets.

While we expect credit spread tightening should continue as high yield credit spreads remain above the historical average, positive convertible returns will be dependent on the equity markets going forward. Even though global and economic risk headlines persist, driving a continuation of choppy directional short-term performance, few companies have seen a change in demand or order patterns. Fundamentals remain intact and this should provide a positive backdrop for the U.S. equity markets. We believe convertible bonds should benefit from credit spread tightening and higher equity prices, an attractive option for total return investors. High yield bonds should benefit from the further credit spread contraction and exhibit stability to the downside.

The Funds disciplined approach of focusing on companies that are exceeding expectations and improving their credit statistics may be rewarded as those companies differentiate themselves from their peer group. In this environment, we believe companies that have reasonable earnings visibility should command premium valuations relative to other companies.

We continue to build the Funds portfolios one company at a time, by seeking to identify those that are opportunistically capitalizing on change. In addition, we are maintaining our discipline of seeking to identify the best total return candidates with the optimal risk/reward profile.

AGIC Convertible & Income Fund **Fund Performance & Statistics**
February 28, 2011 (unaudited)

Total Return[1]:	**Market Price**	**NAV**
1 Year	33.53%	27.27%
5 Year	6.24%	5.21%
Commencement of Operations (3/31/03) to 2/28/11	9.51%	8.56%

Market Price/NAV Performance:
Commencement of Operations (3/31/03) to 2/28/11

Market Price/NAV:	
Market Price	$ 11.00
NAV	$ 9.76
Premium to NAV	12.70%
Market Price Yield[2]	9.82%

Moody s Ratings
(as a % of total investments)

AGIC Convertible & Income Fund II **Fund Performance & Statistics**
February 28, 2011 (unaudited)

Total Return[1]:	**Market Price**	**NAV**
1 Year	32.85%	27.51%
5 Year	6.04%	3.75%
Commencement of Operations (7/31/03) to 2/28/11	7.92%	6.62%

Market Price/NAV Performance:
Commencement of Operations (7/31/03) to 2/28/11

Market Price/NAV:	
Market Price	$ 10.21
NAV	$ 8.89
Premium to NAV	14.85%
Market Price Yield[2]	9.99%

Moody s Ratings
(as a % of total investments)

(1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. The calculation assumes that all income dividends and capital gain distributions, if any, have been reinvested. Total return does not reflect broker commissions or sales charges in connection with the purchase or sale of Fund shares. Total return for a period of more than one year represents the average annual total return.

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 Funds, market conditions, supply and demand for the Funds shares, or changes in Funds dividends.

An investment in the Funds involves risk, including the loss of principal. Total return, market price, market price yield and NAV will fluctuate with changes in market conditions. This data is provided for information purposes only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a onetime public offering and once issued, shares of closed-end funds are traded in the open market through a stock exchange. NAV 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 monthly per share dividend (comprised of net investment income) payable to common shareholders by the market price per common share at February 28, 2011.

AGIC Convertible & Income Fund **Schedule of Investments**
February 28, 2011

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
CORPORATE BONDS & NOTES 46.2%			
	Advertising 1.0%		
$10,410	Affinion Group, Inc., 11.50%, 10/15/15	Caa1/B-	$ 11,008,575
	Aerospace & Defense 0.2%		
1,730	BE Aerospace, Inc., 8.50%, 7/1/18	Ba3/BB	1,915,975
	Airlines 0.6%		
6,250	United Airlines, Inc., 12.00%, 11/1/13 (a)(b)	B3/CCC+	6,921,875
	Apparel 0.1%		
750	Quiksilver, Inc., 6.875%, 4/15/15	Caa1/CCC+	748,125
	Chemicals 0.9%		
9,005	Momentive Performance Materials, Inc.,		
	11.50%, 12/1/16	Caa2/CCC	9,815,450
	Commercial Services 3.4%		
6,500	ACE Cash Express, Inc., 11.00%, 2/1/19 (a)(b)	B3/B	6,719,375
1,850	Cardtronics, Inc., 8.25%, 9/1/18	B2/BB-	2,016,500
10,945	Cenveo Corp., 10.50%, 8/15/16 (a)(b)	Caa1/CCC+	11,109,175
5,705	DynCorp International, Inc., 10.375%, 7/1/17 (a)(b)	B1/B	6,161,400
10,000	National Money Mart Co., 10.375%, 12/15/16	B2/B+	11,175,000
			37,181,450
	Construction & Engineering 0.9%		
9,695	MasTec, Inc., 7.625%, 2/1/17	B1/B+	9,840,425
	Consumer Finance 0.4%		
4,275	American General Finance Corp., 6.90%, 12/15/17	B3/B	3,858,187
	Distribution/Wholesale 0.7%		
7,055	KAR Auction Services, 8.75%, 5/1/14	B3/CCC+	7,363,656
	Diversified Consumer Services 0.1%		
1,355	Cambium Learning Group, Inc., 9.75%, 2/15/17 (a)(b)	B2/B	1,377,019
	Diversified Financial Services 0.4%		
3,995	International Lease Finance Corp., 6.375%, 3/25/13	B1/BB+	4,184,763
	Diversified Telecommunications 1.1%		
10,275	Cincinnati Bell, Inc., 8.75%, 3/15/18	B3/CCC+	9,902,531
1,700	Global Crossing Ltd., 12.00%, 9/15/15	B2/B	1,959,250
			11,861,781
	Electric 1.5%		
8,705	Edison Mission Energy, 7.00%, 5/15/17	B3/B-	7,116,337
10,200	Texas Competitive Electric Holdings Co. LLC,		
	15.00%, 4/1/21 (a)(b)	Caa3/CCC-	9,129,000
			16,245,337
	Electronic Equipment, Instruments & Components 0.8%		
7,640	Kemet Corp., 10.50%, 5/1/18	B1/B	8,709,600
	Energy Equipment & Services 1.0%		
9,795	Pioneer Drilling Co., 9.875%, 3/15/18	NR/B	10,725,525

	Food & Staples Retailing 0.8%		
9,655	Rite Aid Corp., 8.625%, 3/1/15	Caa3/CCC	9,003,288
	Health Care Providers & Services 0.8%		
7,715	HCA, Inc., 9.25%, 11/15/16	B2/BB-	8,370,775

AGIC Convertible & Income Fund **Schedule of Investments**
February 28, 2011

Principal Amount (000s)		Credit Rating (Moody s/S&P)*	Value
	Healthcare-Services 0.3%		
$ 3,280	Alliance HealthCare Services, Inc., 8.00%, 12/1/16	NR/B	$ 3,271,800
	Home Builders 1.8%		
	K Hovnanian Enterprises, Inc.,		
7,360	7.50%, 5/15/16	Caa2/CCC-	5,961,600
11,775	10.625%, 10/15/16	B1/CCC+	12,820,031
			18,781,631
	Hotels, Restaurants & Leisure 1.7%		
5,130	DineEquity, Inc., 9.50%, 10/30/18 (a)(b)	B3/CCC+	5,578,875
2,385	Mandalay Resort Group, 1.054%, 3/21/33, FRN (c)(d)	Caa1/CCC+	2,575,929
8,405	MGM Resorts International, 11.375%, 3/1/18	Caa1/CCC+	9,581,700
			17,736,504
	Household Durables 0.9%		
5,045	Beazer Homes USA, Inc., 9.125%, 5/15/19 (a)(b)	Caa2/CCC	5,227,881
3,950	Jarden Corp., 7.50%, 5/1/17	B2/B	4,221,563
			9,449,444
	Independent Power Producer 0.3%		
4,150	Dynegy Holdings, Inc., 7.75%, 6/1/19	Caa2/B-	