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NUVEEN PREFERRED CONVERTIBLE INCOME FUND
Form N-CSRS
September 07, 2005

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 811-21293

Nuveen Preferred and Convertible Income Fund

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: December 31

Date of reporting period: June 30, 2005

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, 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. ss. 3507.

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ITEM 1. REPORTS TO STOCKHOLDERS.

SEMIANNUAL REPORT June 30, 2005

Nuveen Investments
Closed-End
Exchange-Traded
Funds

NUVEEN PREFERRED AND CONVERTIBLE INCOME FUND
JPC

NUVEEN PREFERRED AND CONVERTIBLE INCOME FUND 2
JQC

Photo of: Man, woman and child at the beach.
Photo of: A child.

HIGH CURRENT INCOME FROM A PORTFOLIO OF PREFERRED AND CONVERTIBLE SECURITIES

Logo: NUVEEN Investments

Photo of: Woman
Photo of: Man and child
Photo of: Woman

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and statements from your financial
advisor or brokerage account.

OR

WWW.NUVEEN.COM/ACCOUNTACCESS
if you get your Nuveen Fund dividends

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and statements directly from Nuveen.

(Be sure to have the address sheet that accompanied this report handy. You'll need it to complete the enrollment process.)

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

Chairman's
LETTER TO SHAREHOLDERS

I am pleased to report that for the six months ended June 30, 2005, your Fund continued to provide you with attractive monthly income from a diversified portfolio of quality preferred securities, convertible securities and high-yield debt. For more details about the management strategy and performance of your Fund, please see the Portfolio Managers' Comments and Performance Overview sections of this report.

As you'll see as you review this report, we continue to believe that your Fund provides a valuable source of regular monthly income, and that it also may provide an opportunity to reduce the overall risk of your entire investment portfolio. This

"WE CONTINUE TO BELIEVE THAT YOUR FUND PROVIDES A VALUABLE SOURCE OF REGULAR MONTHLY INCOME, AND THAT IT ALSO MAY PROVIDE AN OPPORTUNITY TO REDUCE THE OVERALL RISK OF YOUR ENTIRE INVESTMENT PORTFOLIO."

is because the price of your Fund's shares may move differently than the prices of other investments that you may own. Your financial advisor can explain the advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

I also urge you to consider receiving future Fund reports and other Fund information faster by using e-mail and the Internet. Sign up is quick and easy - see the inside front cover of this report for step-by-step instructions.

Earlier in 2005, The St. Paul Travelers Companies, Inc., which owned 79% of Nuveen Investments, Inc. (the parent of your Fund's investment adviser), sold a substantial portion of its stake in Nuveen. More recently, St. Paul sold the balance of its shares in Nuveen to us or to others. Please be assured that these transactions only affect Nuveen's corporate structure, and they do not have any impact on the investment objectives or management of your Fund.

For more than 100 years, Nuveen has specialized in offering quality investments such as your Fund to those seeking to accumulate and preserve wealth. Our mission continues to be to assist you and your financial advisor by offering the investment solutions and services that can help you secure your long-term financial goals. We thank you for choosing us as a partner as you work toward that objective.

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Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

August 15, 2005

Nuveen Preferred and Convertible Income Funds (JPC, JQC)

Portfolio Managers'
COMMENTS

These Funds are subadvised by a team of specialists from Spectrum Asset Management, Froleys, Revy Investment Co., Inc., and Symphony Asset Management LLC, an affiliate of Nuveen Investments.

Spectrum, an affiliate of Principal CapitalSM, manages the preferred securities portion of each Fund's portfolio. Mark Lieb, Bernie Sussman and Phil Jacoby, who have more than 50 years of combined experience in the preferred securities markets, lead the team.

Froleys, Revy, one of the oldest firms specializing in convertible securities, manages that portion of each Fund's portfolio. Their investment team is led by Andrea Revy O'Connell and Michael Revy, who each have more than 10 years' experience in convertible securities investing.

The Symphony team managing the high yield securities and other debt instruments in both Funds is led by Gunther Stein and Lenny Mason. Gunther and Lenny have more than 25 years of combined investment management experience, much of it in evaluating and purchasing senior corporate loans and other high-yield debt.

Here representatives from Spectrum, Froleys, Revy and Symphony talk about their management strategies and the performance of both Funds for the six-month period ended June 30, 2005.

WHAT WAS YOUR OVERALL MANAGEMENT STRATEGY FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2005?

In the preferred securities sleeve of each Fund's portfolio, our focus for this six-month period was on trying to maintain Fund income levels as much as possible without sacrificing quality in the face of a surprisingly strong bond market. Contrary to what many market observers predicted, intermediate- and long-term interest rates dropped significantly during the first six months of 2005 at the same time as the Federal Reserve was raising short-term rates. As might be expected in this type of environment, a number of the Funds' higher coupon preferred securities issues were called away and the proceeds generally had to be reinvested at lower current rates.

As the period progressed, we tried to turn some of this yield curve flattening to our advantage by shortening the average durations - and therefore reducing the interest rate risk - of the preferred securities holding within the Funds. We did this by purchasing securities with shorter effective maturities, since the flatter yield curve meant that we would give up less income to buy these less risky investments. Helping this process, certain sectors of both the \$1000

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par capital securities market and the \$25 par listed securities market also afforded opportunities to reinvest in ways that provided more yield for a given level of interest rate risk.

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Generally, as intermediate- and long-term bonds rallied during this reporting period, \$25 par preferred securities tended to lag behind. This was especially true during the first three months of 2005, when the \$25 par sector experienced one of its worst quarters ever, both on an absolute basis as well as relative to the general fixed-income markets. While this hurt the overall performance of the Funds, it also meant that many \$25 par securities were available at yields that were the most attractive relative to the corporate bond market since 2001. To take advantage of this situation, we reallocated a small percentage of each Fund's portfolios into the \$25 par sector by selling some \$1000 par capital securities.

Other parts of the preferred securities market that appeared very attractive to us were Dividends Received Deduction (DRD) and the Qualified Dividend Income (QDI) issues. Due to a recent change by Moody's in how they would evaluate an issuer's preferred securities, there was a large amount of issuance of this type of paper during this reporting period. In nearly all cases, the new issues were priced attractively to the current market and at levels that allowed investors to buy without giving up much income relative to fully taxable securities. Even though the Funds do not emphasize tax-advantaged income to either individuals or corporations as an objective, we increased our concentration in these types of issues since we believed that we were getting the tax advantages for little or no cost. Moreover, we believed that there were potential total return benefits that existed if these types of preferred investments ever begin to trade at levels that reflect their tax benefits.

The overall management strategy for the convertible sleeves of JPC and JQC remained consistent during this period. We continued to focus on the "balanced" portion of the convertible universe, which includes securities that capture the features of both bonds and stocks by being priced much like bonds while maintaining the upside potential of equities. We thought these securities had an attractive risk/reward trade off between equity sensitivity and downside risk. We had a slight bias towards yield-oriented convertibles while making sure that the convertible securities sleeves of both Funds maintained a minimum of 50% investment grade issues. The Funds' convertible securities sleeves also remained more equity sensitive than the Merrill Lynch All Convertibles Index (VXA0).

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The first six months of 2005 were very difficult in the convertible securities market due to intense selling pressure from convertible arbitrage hedge funds. This resulted in four consecutive months of negative returns for the VXA0 Index. One reason behind the massive selling pressure was the large number of redemptions suffered by hedge funds as a result of weak performance in 2004 and early 2005. As the selling pressure mounted, many of both Funds' convertible securities holdings declined in value for reasons that we believed were unrelated to their fundamentals.

In addition to troubles in the convertible securities market, the credit default (CDO) market experienced a serious but short-lived crisis. Redemption worries were compounded by a general loosening of correlations between equity and debt.

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This was best exemplified with the almost simultaneous bid by investor Kirk Kerkorian for General Motors stock and the rating agencies' downgrade to junk of GM debt.

For the high yield debt portion of both portfolios, we continued to employ a value-oriented strategy, focusing on relatively higher-quality credits with strong fundamental business models, diversified revenue streams, and relatively low earnings volatility. Investing our assets across a variety of industry sectors and rating tiers also remains a priority. We continued to evaluate the entire group of holdings, eliminating positions that we believed had escalating credit issues, limited upside potential or significant downside risk.

HOW DID THE FUNDS PERFORM OVER THIS PERIOD?

The performance of each Fund, as well as the performance of a comparative benchmark, is shown in the accompanying table.

CUMULATIVE TOTAL RETURN ON NET ASSET VALUE For periods ended June 30, 2005

	6-MONTH	1-YEAR
JPC	-0.68%	9.65%
JQC	-0.80%	9.76%
Comparative Benchmark1	-1.27%	6.48%

For more information, please see the individual Performance Overview pages in this report.

Past performance does not guarantee future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that a shareholder may have to pay on Fund distributions or upon the sale of Fund shares.

For more information, please see the individual Performance Overview pages in this report.

1 Comparative benchmark performance is a blended return consisting 1) 60% of the Merrill Lynch Preferred Stock Hybrid Securities Index, an unmanaged index of investment-grade, exchange-traded preferred stocks with outstanding market values of at least \$30 million and at least one year to maturity; 2) 30% of the Merrill Lynch All U.S. Convertibles Index, consisting of approximately 575 securities with par value greater than \$50 million that were issued by U.S. companies or non-U.S. based issuers that have a significant business presence in the U.S.; and 3) 10% of the CSFB High Yield Index, which includes approximately \$375 billion of \$US-denominated high yield debt with a minimum of \$75 million in par value and at least one rating below investment-grade. Index returns to not include the effects of any sales charges or management fees. It is not possible to invest directly in an index.

For the six months ended June 30, 2005, both Funds outperformed an unmanaged, unleveraged comparative benchmark. One of the primary factors benefiting the

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performance of these Funds relative to that of the benchmark was the Funds' use of financial leverage. While leveraging can add volatility to a Fund's NAV and share price, especially during periods of rising interest rates, this strategy can also provide opportunities for additional income and total return for common shareholders when short-term interest rates remain relatively low and long-term rates fall or remain relatively constant.

While the Funds' performance was unremarkable in absolute terms, they did perform well when compared with their benchmark. Helping the performance of the Funds during this period was the decision to focus on some of the recent DRD and QDI issuance. These purchases produced positive results quickly as many of these offerings traded immediately to premiums. The Funds also benefited from the trades that took profits on a number of \$1000 par capital security positions such as Centaur, Abbey National and KN Energy, with the proceeds then reinvested in both fully taxable and QDI \$25 par securities. We sold our positions in Ameren, Keyspan, Public Service Enterprise and Alltel at significant gains after having enjoyed book yields of 8% or more from these issues over the past couple of years.

On the other hand, auto industry securities were a bad news story during the six month period. As of June 30, 2005, we had liquidated all of our holdings in GM and Delphi, and most of our holdings in Ford. In hindsight, we wish we had acted more quickly. The bonds and preferred securities of these issuers traded down considerably as market share concerns and unfunded pension and health care obligations took center stage in the press. Rating agency downgrades followed and even though most of our investments were in the senior debt of these companies, prices of all securities of these companies dropped as investors reacted to the unfavorable news.

In addition, the underperformance of the \$25 par sector relative to both the \$1000 par capital securities sector and the general bond market hurt the performance of the Funds. We believed this to be a temporary phenomenon, and we actually increased our concentrations in this sector. While we believe this may help the Funds over the longer term, it did constrain their performance over this six month period.

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In the convertible securities portion of both Funds' portfolios, the energy sector was by far the best performer in the first half of 2005 as oil prices rose substantially. In addition, utilities had a strong second quarter after a slightly negative first quarter. As a result, four of the five best performing securities held for JPC and JQC were from the energy and utilities sectors.

Looking at JPC, the top convertible securities contributors to performance were Chesapeake Energy, FPL Group, Diamond Offshore, Corning Inc. (Telecomm Equipment/Fiber Optics Supplier) and Amerada Hess. The top contributors for JQC were Chesapeake Energy, Kerr-McGee Corp., Public Service Enterprises, Diamond Offshore, and Corning Inc. (Kerr-McGee and Corning were sold prior to June 30, 2005.)

Conversely, the convertible securities sector with the most negative impact was the consumer discretionary area, largely driven by autos. The technology and healthcare areas also had generally poor returns during this period. In JPC, the securities with the largest negative impact were Ford Motor Co., OSI Pharmaceuticals, Nortel Networks, Liberty Media/Viacom, and Comcast PCS. The primary performance detractors for JQC were General Motors, OSI Pharmaceuticals, Ford Motor Co., Tyco International, and Nortel Networks.

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Despite some volatility in the high yield debt market, several holdings in JPC and JQC performed well. The bond prices for Fisher Scientific, Warnaco, Cienna, Georgia Pacific all gained over 3%. At the same time, these sleeves within the Funds were hurt by their holdings of Affinia, an auto components supplier which was adversely affected by the GM and Ford downgrades. The bond price for Affinia dropped 9% in the quarter.

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Distribution and Share Price INFORMATION

Each of these Funds uses financial leverage in an effort to enhance its dividend-paying capabilities. While this strategy adds volatility to a Fund's net asset value and share price, it generally enhances the amount of income the Fund has to distribute to its common shareholders. The extent of this benefit is tied in part to the short-term rates these Funds pay their FundPreferredTM shareholders. As short-term rates rose through this reporting period, the Funds paid higher dividends to their FundPreferred shareholders. As a result, the leveraging strategy - while still beneficial - did not provide as much income enhancement as it did before short-term interest rates began to rise. Over this reporting period, both JPC and JQC announced two reductions in their monthly distribution to shareholders.

Both Funds seek to pay stable distributions at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay distributions at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in distributions, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid distributions in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income in distributions to shareholders. As of June 30, both Funds had negative UNII balances for financial statement purposes and positive UNII balances for tax purposes.

In addition, due to normal portfolio management activity, common shareholders of the following Funds received capital gains and/or net ordinary income distributions at the end of December 2004 as follows:

	LONG-TERM CAPITAL GAINS (PER SHARE)	ORDINARY INCOME (PER SHARE)
JPC	\$0.0710	\$0.1626
JQC	\$0.0196	\$0.0001

The relatively large distributions from JPC represented important parts of this Fund's total return for this period. Generally, these types of distributions were generated by bond calls or by sales of appreciated securities that occurred in the course of normal portfolio management activities. The proceeds of these calls or sales then were reinvested in securities paying lower, current interest rates. On balance, this had a slight negative impact on the Funds' earning power and was a minor factor in the reductions noted above.

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As of June 30, 2005, the Funds' shares were trading at discounts to their NAVs as shown in the accompanying chart:

	6/30/05 DISCOUNT	6-MONTH AVERAGE DISCOUNT
JPC	-8.69%	-7.79%
JQC	-9.93%	-9.28%

9

Nuveen Preferred and Convertible Income Fund
JPC

Performance

OVERVIEW As of June 30, 2005

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

\$25 Par (or similar) Securities	34.9%
Capital Preferred Securities	22.4%
Convertible Bonds	19.5%
Convertible Preferred Securities	11.3%
Corporate Bonds	10.6%
Repurchase Agreements	1.0%
Common Stocks	0.3%

Bar Chart:

2004-2005 MONTHLY DIVIDENDS PER SHARE¹

Jul	0.1005
Aug	0.1005
Sep	0.1005
Oct	0.1005
Nov	0.1005
Dec	0.1005
Jan	0.1005
Feb	0.1005
Mar	0.096
Apr	0.096
May	0.096
Jun	0.09

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

7/1/04	13.49
	13.6
	13.66
	13.65
	13.7
	13.69
	13.78
	13.77
	13.68

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13.89
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13.06
13.22
13.05
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6/30/05

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PORTFOLIO STATISTICS

Common Share Price	\$13.35
Common Share Net Asset Value	\$14.62
Premium/(Discount) to NAV	-8.69%
Latest Dividend	\$.0900
Market Yield	8.09%
Net Assets Applicable to Common Shares (\$000)	\$1,463,774

INDUSTRIES

(as a % of total investments)

Commercial Banks	17.9%
Insurance	12.4%
Real Estate	9.0%
Capital Markets	7.7%
Diversified Financial Services	7.6%
Media	5.4%
Hotels Restaurants & Leisure	4.5%
Thrifts & Mortgage Finance	3.8%
Pharmaceuticals	2.6%
Oil, Gas & Consumable Fuels	2.6%
Electric Utilities	2.4%
Repurchase Agreements	1.0%
Other	23.1%

TOP FIVE ISSUERS

(EXCLUDING REPURCHASE AGREEMENTS)

(as a % of total investments)

Wachovia Corporation	2.0%
JPMorgan Chase & Company	1.9%
Citigroup	1.9%
HBOS Public Limited Company	1.7%
HSBC Holdings Public Limited Company	1.7%

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ANNUALIZED TOTAL RETURN (Inception 3/26/03)

	ON SHARE PRICE	ON NAV
6-Month (Cumulative)	-2.81%	-0.68%
1-Year	10.93%	9.65%
Since Inception	3.72%	9.80%

1 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2004 of \$0.2336 per share.

10

Nuveen Preferred and Convertible Income Fund 2
JQC

Performance

OVERVIEW As of June 30, 2005

Pie Chart:

PORTFOLIO ALLOCATION

(as a % of total investments)

\$25 Par (or similar) Securities	33.8%
Capital Preferred Securities	23.3%
Convertible Bonds	19.0%
Convertible Preferred Securities	11.0%
Corporate Bonds	10.6%
Repurchase Agreements	1.9%
Common Stocks	0.4%

Bar Chart:

2004-2005 MONTHLY DIVIDENDS PER SHARE¹

Jul	0.0975
Aug	0.0975
Sep	0.0975
Oct	0.0975
Nov	0.0975
Dec	0.0975
Jan	0.0975
Feb	0.0975
Mar	0.093
Apr	0.093
May	0.093
Jun	0.0885

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

7/1/04 13.06

13.21
13.23
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	13.09
	13.1
	13.05
	13.05
	13.06
6/30/05	13.06

PORTFOLIO STATISTICS

Common Share Price	\$13.06
Common Share Net Asset Value	\$14.50
Premium/(Discount) to NAV	-9.93%
Latest Dividend	\$.0885
Market Yield	8.13%
Net Assets Applicable to Common Shares (\$000)	\$2,044,450

INDUSTRIES

(as a % of total investments)

Commercial Banks	20.8%
Insurance	12.1%
Real Estate	8.3%
Diversified Financial Services	8.2%
Capital Markets	6.7%
Media	5.7%
Hotels Restaurants & Leisure	4.0%
Oil, Gas & Consumable Fuels	2.8%
Pharmaceuticals	2.4%
Thrifts & Mortgage Finance	1.9%
Specialty Retail	1.7%
Energy Equipment & Services	1.7%
Repurchase Agreements	1.9%
Other	21.8%

TOP FIVE ISSUERS

(EXCLUDING REPURCHASE AGREEMENTS)

(as a % of total investments)

Wachovia Corporation	2.2%
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JPMorgan Chase & Company	2.1%

Citigroup	1.9%

HBOS Public Limited Company	1.8%

ING Groep NV	1.6%

AVERAGE ANNUAL TOTAL RETURN
(Inception 6/25/03)

	ON SHARE PRICE	ON NAV

6-Month (Cumulative)	-1.77%	-0.80%

1-Year	10.28%	9.76%

Since Inception	1.12%	8.45%

1 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2004 of \$0.0197 per share.

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Shareholder
MEETING REPORT

The annual shareholder meeting was held on March 22, 2005, in Chicago at Nuveen's headquarters.

JPC

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
=====		
Robert P. Bremner		
For	96,638,297	--
Withhold	694,786	--

Total	97,333,083	--
=====		
Lawrence H. Brown		
For	96,630,734	--
Withhold	702,349	--

Total	97,333,083	--
=====		
Jack B. Evans		
For	96,668,478	--

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Withhold	664,605	--
Total	97,333,083	--
=====		
William C. Hunter		
For	96,640,331	--
Withhold	692,752	--
Total	97,333,083	--
=====		
David J. Kundert		
For	96,640,310	--
Withhold	692,773	--
Total	97,333,083	--
=====		
William J. Schneider		
For	--	25,488
Withhold	--	43
Total	--	25,531
=====		
Timothy R. Schwertfeger		
For	--	25,496
Withhold	--	35
Total	--	25,531
=====		
Judith M. Stockdale		
For	96,622,037	--
Withhold	711,046	--
Total	97,333,083	--
=====		
Eugene S. Sunshine		
For	96,635,068	--
Withhold	698,015	--
Total	97,333,083	--
=====		

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Nuveen Preferred and Convertible Income Fund (JPC)
 Portfolio of
 INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)
	COMMON STOCKS - 0.5% (0.3% OF TOTAL INVESTMENTS)
	DIVERSIFIED FINANCIAL SERVICES - 0.2%
71,370	Gabelli Asset Management Inc.
	IT SERVICES - 0.1%

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62,025	Acxiom Corporation		

	SOFTWARE - 0.2%		
102,711	Computer Associates International Inc.		

	Total Common Stocks (cost \$7,196,915)		

			RATING
SHARES	DESCRIPTION(1)	COUPON	MOODY'S

	\$25 PAR (OR SIMILAR) SECURITIES - 51.6% (34.9% OF TOTAL INVESTMENTS)		
	AUTOMOBILES - 0.5%		
169,229	Ford Motor Company (CORTS)	8.000%	Baa3
123,079	Ford Motor Company, Series F (CORTS)	8.000%	Baa3

	CAPITAL MARKETS - 5.0%		
2,500	ABN AMRO North America, Series L, 144A (a)	6.460%	A3
17,900	Bear Stearns Capital Trust III	7.800%	A2
500	BNY Capital Trust IV, Series E	6.875%	A1
300,800	BNY Capital Trust V, Series F	5.950%	A1
129,800	Compass Capital Trust III	7.350%	A3
9,900	CSFB USA, Series 2002-10 (SATURNS)	7.000%	Aa3
29,000	First Union Capital II, Series II, (CORTS)	7.500%	A1
41,500	First Union Institutional Capital II, (CORTS)	8.200%	A1
39,600	Goldman Sachs Group Inc., Series 2004-4, (CORTS)	6.000%	A1
13,100	Goldman Sachs Group Inc., Series2003-06 (SATURNS)	6.000%	Aa3
526,388	Lehman Brothers Holdings Capital Trust III, Series K	6.375%	A2
2,400	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%	A2
109,800	Merrill Lynch Capital Trust	7.000%	A1
29,000	Merrill Lynch Preferred Capital Trust	7.750%	A1
227,900	Merrill Lynch Preferred Capital Trust V	7.280%	A1
119,200	Merrill Lynch Preferred Capital Trust IV	7.120%	A1
23,300	Morgan Stanley (PPLUS)	7.050%	Aa3
67,100	Morgan Stanley Capital Trust II	7.250%	A1
365,739	Morgan Stanley Capital Trust III	6.250%	A1
717,800	Morgan Stanley Capital Trust IV	6.250%	A1
25,000	Safeco Capital Trust I (CORTS)	8.750%	Baa2
13,200	Safeco Capital Trust IV (CORTS)	8.375%	Baa2

	COMMERCIAL BANKS - 7.2%		
170,000	Abbey National plc	7.375%	A2
92,400	Abbey National plc, Series B	7.250%	A1
16,600	Abbey National plc, Series B	7.375%	A2
37,900	ABN AMRO Capital Fund Trust V	5.900%	A2
69,300	ASBC Capital I	7.625%	Baa1
68,185	BAC Capital Trust I	7.000%	Aa3
135,755	BAC Capital Trust II	7.000%	Aa3
284,700	BAC Capital Trust III	7.000%	Aa3
59,750	Banco Santander	6.410%	A2
63,400	Banco Totta & Acores Finance, Series A	8.875%	A3

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207,400 Banesto Holdings, Series A, 144A 10.500% A2

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Nuveen Preferred and Convertible Income Fund (JPC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
COMMERCIAL BANKS (continued)			
81,700	Bank One Capital Trust VI	7.200%	A1
35,200	BankNorth Capital Trust II	8.000%	A3
62,600	Chittenden Capital Trust I	8.000%	Baa1
4,700	Citigroup Capital X	6.100%	Aa2
107,000	Cobank ABC, 144A (a)	7.000%	NR
83,400	Comerica Capital Trust I	7.600%	A3
306,079	Fleet Capital Trust VII	7.200%	Aa3
337,000	Fleet Capital Trust VIII	7.200%	Aa3
15,500	KeyCorp, Series 2001-7 (CORTS)	7.750%	A3
25,400	KeyCorp, Series B (CORTS)	8.250%	A3
156,300	National Commerce Capital Trust II	7.700%	A1
32,900	National Westminster Bank plc, Series A	7.875%	Aa2
32,200	PNC Capital Trust	6.125%	A3
21,400	Regions Finance Trust I	8.000%	A2
175,000	Royal Bank of Scotland Group plc, Series L	5.750%	A1
77,700	SunTrust Capital Trust IV	7.125%	A1
57,700	SunTrust Capital Trust V	7.050%	A1
71,100	USB Capital Trust III	7.750%	Aa3
189,300	USB Capital Trust IV	7.350%	Aa3
70,300	USB Capital Trust V	7.250%	Aa3
344,300	USB Capital Trust VI	5.750%	Aa3
33,400	VNB Capital Trust I	7.750%	Baa1
21,400	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%	Baa1
9,100	Wells Fargo Capital Trust IV	7.000%	Aa2
77,235	Wells Fargo Capital Trust V	7.000%	Aa2
14,700	Wells Fargo Capital Trust VI	6.950%	Aa2
225,700	Wells Fargo Capital Trust VII	5.850%	Aa2
80,200	Zions Capital Trust B	8.000%	Baa1
COMPUTERS & PERIPHERALS - 0.1%			
13,100	IBM Inc. (CORTS)	7.125%	A1
20,700	IBM Inc., Series 2001-1 (SATURNS)	7.125%	A1
2,700	IBM Inc., Trust Certificates, Series 2001-2	7.100%	A1
5,100	IBM Trust III (CORTS)	7.200%	A1
CONSUMER FINANCE - 1.5%			
773,900	HSEC Finance Corporation	6.875%	A1
27,800	Household Capital Trust VI	8.250%	A2
39,200	Household Capital Trust VII	7.500%	A2
DIVERSIFIED FINANCIAL SERVICES - 5.8%			

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15,100	BBVA Preferred Capital Ltd., Series B	7.750%	A1
15,200	CIT Group Incorporated (CORTS)	7.750%	A3
215,900	Citigroup Capital Trust IX	6.000%	Aa2
79,500	Citigroup Capital Trust VII	7.125%	Aa2
355,200	Citigroup Capital Trust VIII	6.950%	Aa2
4,800	Citigroup Capital Trust XI	6.000%	Aa2
33,200	Citigroup Inc., Series F (a)	6.365%	Aa3
94,000	Citigroup Inc., Series G (a)	6.213%	Aa3
59,300	Citigroup Inc., Series H (a)	6.231%	Aa3
4,600	Citigroup Inc., Series M (a)	5.864%	Aa3
5,400	General Electric Capital Corporation	5.875%	NR
33,100	General Electric Capital Corporation	6.625%	Aaa
2,200	General Electric Capital Corporation (CORTS)	6.000%	Aaa
769,075	ING Group NV	7.050%	NR
560,618	ING Group NV	7.200%	A2
16,800	ING Group NV	6.200%	A2
30,000	JPM Capital Trust (CORTS)	7.200%	A2
52,200	JPMorgan Chase & Company (PCARS)	7.125%	A2
395,367	JPMorgan Chase Capital Trust X	7.000%	A1
22,800	JPMorgan Chase Capital Trust XVI	6.350%	A1
47,200	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%	A1

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SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
DIVERSIFIED FINANCIAL SERVICES (continued)			
29,900	Merrill Lynch Capital Trust II	8.000%	A1
91,395	Royal Bank of Scotland Group plc, Series N	6.350%	A1
DIVERSIFIED TELECOMMUNICATION SERVICES - 0.4%			
2,500	BellSouth Capital Funding (CORTS)	7.100%	A1
11,600	BellSouth Corporation	7.125%	A2
2,200	BellSouth Corporation (CORTS)	7.000%	Aa3
29,000	BellSouth Corporation, Series 2001-3, (SATURNS)	7.125%	A2
9,800	BellSouth Inc. (CORTS)	7.000%	A2
16,700	BellSouth Telecommunications (PPLUS)	7.300%	Aa3
44,750	Deutsche Telekom International Finance B.V., Series 2001-24, Class A-1 (CORTS)	7.875%	A3
16,900	SBC Communications Inc.	7.000%	A2
17,100	Verizon Communications (CORTS)	7.625%	A2
22,200	Verizon Communications (CORTS)	7.375%	A2
13,900	Verizon New England Inc., Series B	7.000%	A2
41,555	Verizon South Inc., Series F	7.000%	A2
ELECTRIC UTILITIES - 1.4%			
10,000	Consolidated Edison Company	7.250%	A2
7,000	Consolidated Edison Company of New York Inc.	7.500%	A1
22,200	DTE Energy Trust I	7.800%	Baa3
33,470	Entergy Louisiana Inc.	7.600%	Baa1

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43,670	Georgia Power Capital Trust V	7.125%	A3
6,600	Georgia Power Company	5.700%	Aaa
228,700	Georgia Power Company	5.900%	A2
4,100	National Rural Utilities Cooperative Finance Corporation	7.600%	A3
80,000	National Rural Utilities Cooperative Finance Corporation	6.100%	A3
116,800	National Rural Utilities Cooperative Finance Corporation	5.950%	A3
113,432	Tennessee Valley Authority, Series D	6.750%	Aaa
128,000	Virginia Power Capital Trust	7.375%	Baal

FOOD PRODUCTS - 0.4%			
58,000	Dairy Farmers of America Inc., 144A (a)	7.875%	Ba1

GAS UTILITIES - 0.0%			
23,000	AGL Capital Trust II	8.000%	Baa2

HEALTHCARE PROVIDERS & SERVICES - 0.5%			
274,000	Aetna Incorporated	8.500%	Baal

INSURANCE - 10.5%			
5,500	ACE Capital Trust I, Series 1999	8.875%	Baal
538,010	Ace Ltd., Series C	7.800%	Baa2
777,500	Aegon NV	6.375%	A3
13,000	Allstate Insurance Company (CORTS)	8.000%	A2
6,000	AMBAC Financial Group Inc.	7.000%	Aa2
53,200	AMBAC Financial Group Inc.	5.950%	Aa2
5,000	AMBAC Financial Group Inc.	5.875%	Aa2
1,218,400	Delphi Financial Group Inc.	8.000%	Baa3
158,005	EverestRe Capital Trust II	6.200%	Baal
99,400	EverestRe Group Limited	7.850%	Baal
8,600	Financial Security Assurance Holdings	6.875%	Aa2
18,300	Financial Security Assurance Holdings	6.250%	Aa2
208,400	Hartford Capital Trust III, Series C	7.450%	Baal
37,400	Hartford Life Capital Trust II, Series B	7.625%	Baal
38,400	Lincoln National Capital Trust V, Series E	7.650%	Baal
3,500	Lincoln National Capital Trust VI	6.750%	Baal
557,500	MetLife Inc., Series B (a)	6.500%	Baal
962,000	PartnerRe Limited, Series C	6.750%	Baal
2,600	PartnerRe Limited, Series D	6.500%	Baal
81,300	PLC Capital Trust III	7.500%	Baal
35,700	PLC Capital Trust IV	7.250%	Baal
6,000	PLC Capital Trust V	6.125%	Baal

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Nuveen Preferred and Convertible Income Fund (JPC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
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INSURANCE (continued)

37,400	Prudential plc	6.750%	Baa1
325,410	RenaissanceRe Holdings Ltd., Series B	7.300%	Baa2
12,000	RenaissanceRe Holdings Ltd., Series C	6.080%	Baa2
96,100	RenaissanceRe Holdings Ltd., Series A	8.100%	Baa2
23,500	Safeco Capital Trust I (CORTS)	8.700%	Baa2
11,300	Safeco Capital Trust I, Series 2001-4, (CORTS)	8.750%	Baa2
33,700	Safeco Capital Trust III (CORTS)	8.072%	Baa2
47,400	Safeco Corporation, Series 2001-7, (SATURNS)	8.250%	Baa2
40,600	Safeco Corporation, Series 2002-5, (SATURNS)	8.250%	Baa2
33,000	Torchmark Capital Trust I	7.750%	Baa1
74,000	W.R. Berkley Capital Trust, Series 2002-1, (CBTCS)	8.125%	Baa3
86,700	XL Capital Ltd., Series A	8.000%	Baa1
292,100	XL Capital Ltd., Series B	7.625%	Baa1

MEDIA - 0.1%

43,700	Viacom Inc.	7.300%	A3
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MULTI-UTILITIES & UNREGULATED POWER - 0.2%

49,100	Dominion CNG Capital Trust I	7.800%	Baa1
56,100	Energy East Capital Trust I	8.250%	Baa3

OIL, GAS & CONSUMABLE FUELS - 0.9%

477,200	Nexen Inc.	7.350%	Baa3
1,000	TransCanada Pipeline	8.250%	A3

REAL ESTATE - 12.2%

10,700	AvalonBay Communities, Inc., Series H	8.700%	Baa2
3,000	BRE Properties, Series B	8.080%	Baa3
22,500	BRE Properties, Series C	6.750%	Baa3
345,825	CarrAmerica Realty Corporation, SeriesE	7.500%	Baa3
20,600	Developers Diversified Realty Corporation, Series F	8.600%	Ba1
657,885	Developers Diversified Realty Corporation, Series G	8.000%	Ba1
72,600	Developers Diversified Realty Corporation, Series H	7.375%	Ba1
80,400	Duke Realty Corporation, Series L	6.600%	Baa2
208,656	Equity Office Properties Trust, Series G	7.750%	Baa3
6,100	Equity Residential Properties Trust	9.125%	Baa2
19,200	Equity Residential Properties Trust, Series C	9.125%	Baa2
9,900	Equity Residential Properties Trust, Series D	8.600%	Baa2
424,173	Equity Residential Properties Trust, Series N	6.480%	Baa2
7,000	HRPT Properties Trust, Series A	9.875%	Baa3
309,400	HRPT Properties Trust, Series B	8.750%	Baa3
755,483	Kimco Realty Corporation, Series F	6.650%	Baa2
13,693	New Plan Excel Realty Trust, Series D	7.800%	Baa3
974,075	New Plan Excel Realty Trust, Series E	7.625%	NR
32,982	Prologis Trust, Series C	8.540%	Baa2
13,600	Prologis Trust, Series G	6.750%	Baa2
37,500	Public Storage Inc., Series E	6.750%	Baa2
159,800	Public Storage Inc., Series R	8.000%	Baa2
34,900	Public Storage Inc., Series S	7.875%	Baa2

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28,200	Public Storage Inc., Series T	7.625%	Baa2
29,200	Public Storage Inc., Series U	7.625%	Baa2
32,000	Public Storage Inc., Series V	7.500%	Baa2
186,500	Regency Centers Corporation	7.450%	Baa3
7,000	Simon Property Group, Inc., Series G	7.890%	Baa2
16,800	Vornado Realty Trust, Series G	6.625%	Baa3
1,461,445	Wachovia Preferred Funding Corporation	7.250%	A2
707,700	Weingarten Realty Trust, Preferred Securities	6.750%	Baa1

SPECIALTY RETAIL - 0.0%

11,900	Sherwin Williams Company, Series III, (CORTS)	7.250%	A2
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SHARES	DESCRIPTION(1)	COUPON	MOODY'S
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THRIFTS & MORTGAGE FINANCE - 4.0%

96,300	Countrywide Capital Trust III (PPLUS)	8.050%	Baa1
1,200,900	Countrywide Capital Trust IV	6.750%	Baa1
184,300	Fannie Mae (a)	0.000%	Aa3
143,300	Fannie Mae (a)	5.125%	Aa3
90,200	Federal Home Loan Mortgage Corporation (a)	6.000%	Aa3
20,600	Federal Home Loan Mortgage Corporation (a)	6.140%	Aa3
47,300	Federal Home Loan Mortgage Corporation (a)	5.100%	Aa3
8,000	Federal Home Loan Mortgage Corporation (a)	5.000%	Aa3

US AGENCY - 0.1%

17,000	Federal Home Loan Mortgage Corporation (a)	5.300%	Aa3
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WIRELESS TELECOMMUNICATION SERVICES - 0.8%

18,300	AT&T Wireless Services Equity, Series 2002-B (SATURNS)	9.250%	Baa2
31,300	AT&T Wireless, Series 2002-7 (CORTS)	8.000%	Baa2
84,500	Telephone and Data Systems Inc.	7.600%	Baa1
35,800	United States Cellular Corporation	8.750%	Baa1
271,600	United States Cellular Corporation	7.500%	Baa1

Total \$25 Par (or similar) Securities (cost \$745,121,049)

CONVERTIBLE PREFERRED SECURITIES - 16.7% (11.3% OF TOTAL INVESTMENTS)

AUTOMOBILES - 0.4%

152,050	Ford Motor Company Capital Trust II	6.500%	Ba1
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CAPITAL MARKETS - 1.0%

108,560	Goldman Sachs Group Inc., Series EMC	6.125%	Aa3
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89,675	Lehman Brothers Holdings Inc., Series GIS	6.250%	A1
53,200	State Street Corporation	6.750%	NR

CHEMICALS - 0.9%			
133,290	Celanese Corporation	4.250%	NR
112,625	Huntsman Corporation	5.000%	NR
52,800	The Mosaic Company	7.500%	Caal

COMMERCIAL BANKS - 2.0%			
10,730,000	Fortis Insurance NV, 144A	7.750%	A1
97,950	HSBC Finance Corporation	8.875%	A1
164,000	Sovereign Capital Trust IV, Convertible Security	4.375%	Bal
105,800	Washington Mutual Inc., Unit 1 Trust	5.375%	Baal

COMMERCIAL SERVICES & SUPPLIES - 0.3%			
97,375	Allied Waste Industries Inc.	6.250%	Caa3

CONSTRUCTION MATERIALS - 0.3%			
85,800	TXI Capital Trust I	6.500%	B2

DIVERSIFIED FINANCIAL SERVICES - 0.7%			
217,900	Citigroup Global Markets	2.000%	Aa1

ELECTRIC UTILITIES - 1.6%			
213,350	DTE Energy Company	8.750%	Baa2
217,900	FPL Group Inc.	8.000%	NR
56,800	PNM Resources Inc.	6.750%	Baa3

ENERGY EQUIPMENT & SERVICES - 0.1%			
25,000	Hanover Compressor Capital Trust	7.250%	Caal

FOOD & STAPLES RETAILING - 0.1%			
90,465	Albertson's, Inc.	7.250%	Baa2

GAS UTILITIES - 0.2%			
39,750	Southern Union Company, Series B	5.750%	Baa3

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SHARES	DESCRIPTION(1)	COUPON	MOODY'S

HOTELS, RESTAURANTS & LEISURE - 1.0%			
250,000	Host Marriott Financial Trust	6.750%	B2

HOUSEHOLD DURABLES - 0.3%			
106,675	Newell Financial Trust I	5.250%	Baa3

INSURANCE - 3.9%			
66,550	Conseco Inc., Series B	5.500%	Caa2
398,965	Genworth Financial Inc.	6.000%	A2
61,200	Hartford Financial Services Group Inc.	7.000%	NR
418,700	MetLife Inc., Convertible, Series B	6.375%	NR
90,000	Phoenix Companies Inc.	7.000%	NR
166,000	Reinsurance Group of America Inc.	5.750%	Baa2
100,000	The Chubb Corporation	7.000%	NR
65,000	UnumProvident Corporation	8.250%	Ba1
256,250	XL Capital Ltd	6.500%	A2

MEDIA - 0.7%			
185,000	Emmis Communications Corporation, Series A	6.250%	Caal
53,375	Interpublic Group Companies Inc., Series A	5.375%	NR

MULTI-UTILITIES & UNREGULATED POWER - 0.6%			
56,625	Aquila Inc.	6.750%	B2
133,155	Dominion Resources Inc.	8.750%	Baa1

OIL, GAS & CONSUMABLE FUELS - 0.9%			
40,125	Amerada Hess Corporation	7.000%	Ba3
6,725	Chesapeake Energy Corporation, 144A	4.125%	NR

PHARMACEUTICALS - 0.4%			
126,150	Schering-Plough Corporation	6.000%	Baa3

REAL ESTATE - 0.6%			
165,000	Equity Office Properties Trust, Series B	5.250%	Baa2

THRIFTS & MORTGAGE FINANCE - 0.7%			
81	Fannie Mae	5.375%	Aa3
87,475	PMI Group Inc.	5.875%	A1

Total Convertible Preferred Securities (cost \$221,319,523)			

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PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

CONVERTIBLE BONDS - 28.9% (19.5% OF TOTAL INVESTMENTS)			
AEROSPACE & DEFENSE - 0.4%			
2,900	AAR Corporation, 144A	2.875%	2/01/24
2,500	EDO Corporation, Convertible Subordinate Note	5.250%	4/15/07

AIRLINES - 0.2%			
2,625	Pinnacle Airlines Corporation, 144A	3.250%	2/15/25

AUTOMOBILES - 0.6%			
785	Fleetwood Enterprises Inc., 144A	5.000%	12/15/23
185,250	General Motors Corporation, Convertible Notes, Senior Debentures, Series A	4.500%	3/06/32
185,100	General Motors Corporation, Convertible Notes, Senior Debentures, Series B	5.250%	3/03/32

BIOTECHNOLOGY - 1.0%			
1,320	CV Therapeutics Inc.	2.750%	5/16/12
1,645	CV Therapeutics Inc.	3.250%	8/16/13
4,500	Ivax Corporation, Convertible Bonds, 144A	1.500%	3/01/24
6,500	Ivax Corporation, Convertible Senior Subordinated Notes	4.500%	5/15/08

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PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

COMMERCIAL SERVICES & SUPPLIES - 0.7%			
4,015	DST Systems Inc.	4.125%	8/15/23
6,435	Electronic Data Systems, Convertible Senior Notes, 144A	3.875%	7/15/23

COMMUNICATIONS EQUIPMENT - 2.2%			
5,565	Comverse Technology Inc.	0.000%	5/15/23
6,735	JDS Uniphase Corporation	0.000%	11/15/10
10,850	Liberty Media Corporation, Senior Debentures Exchangeable for Motorola Common Stock	3.500%	1/15/31
625	Lucent Technologies Inc.	2.750%	6/15/23
1,610	Lucent Technologies Inc., Series B	2.750%	6/15/25

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2,985	Nortel Networks Corp	4.250%	9/01/08
3,355	Powerwave Technologies Inc.	1.825%	11/15/24
1,240	Powerwave Technologies Inc.	1.875%	11/15/24

COMPUTERS & PERIPHERALS - 0.2%			
2,500	Mercury Computer Systems Inc.,144A	2.000%	5/01/24

CONSUMER FINANCE - 0.5%			
6,900	Providian Financial Corporation, Convertible Senior Notes	3.250%	8/15/05

CONTAINERS & PACKAGING - 0.2%			
3,400	Sealed Air Corporation, 144A	3.000%	6/30/33

DIVERSIFIED FINANCIAL SERVICES - 0.1%			
1,990	Leucadia National Corporation, 144A	3.750%	4/15/14

ELECTRIC UTILITIES - 0.4%			
1,835	PG&E Corporation	9.500%	6/30/10
755	Unisource Energy Corporation, 144A	4.500%	3/01/35

ELECTRONIC EQUIPMENT & INSTRUMENTS - 0.8%			
255	Gateway Inc.	1.500%	12/31/09
1,725	Gateway Inc., 144A	2.000%	12/31/11
3,250	Gateway Inc., 144A	1.500%	12/31/09
6,600	Solectron Corporation, Series B	0.500%	2/15/34
2,720	Vishay Intertechnology Inc.	3.625%	8/01/23

ENERGY EQUIPMENT & SERVICES - 1.9%			
2,600	Cal Dive International Inc.	3.250%	12/15/25
6,275	Diamond Offshore Drilling Inc.	1.500%	4/15/31
2,325	Oil States International Inc., Series 144A	2.375%	7/01/25
5,265	Pride International Inc.	3.250%	5/01/33
7,000	Schlumberger Limited	2.125%	6/01/23
510	Willbros Group Inc., 144A	2.750%	3/15/24

HEALTHCARE EQUIPMENT & SUPPLIES - 0.9%			
4,315	Advanced Medical Optics	2.500%	7/15/24
8,835	Fisher Scientific International Inc.	3.250%	3/01/24

HEALTHCARE PROVIDERS & SERVICES - 0.5%			
3,100	Health Management Associates Inc.	1.500%	8/01/23
6,210	Roche Holdings Inc., 144A	0.000%	7/25/21

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HOTELS, RESTAURANTS & LEISURE - 3.1%			
11,300	Carnival Corporation	1.132%	4/29/33
2,550	Hilton Hotels Corporation	3.375%	4/15/23
5,400	Kerzner International Limited, 144A	2.375%	4/15/24
15,500	Royal Caribbean Cruises Limited, Senior Convertible Liquid Yield Option Notes	0.000%	2/02/21
6,305	Scientific Games Corporation	0.750%	12/01/24
3,525	Six Flags Inc.	4.500%	5/15/15
5,830	Starwood Hotels and Resorts Worldwide Inc.	3.500%	5/16/23

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Nuveen Preferred and Convertible Income Fund (JPC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
<hr/>			
INDUSTRIAL CONGLOMERATES - 0.3%			
3,350	Tyco International Group SA, Convertible Notes, 144A	3.125%	1/15/23
<hr/>			
INSURANCE - 0.5%			
5,075	American Equity Investment Life Holding Company	5.250%	12/06/24
2,300	American International Group Inc.	0.500%	5/15/07
<hr/>			
INTERNET & CATALOG RETAIL - 0.1%			
220	Overstock.com, Inc.	3.750%	12/01/11
2,030	Overstock.com, Inc.	3.750%	12/01/11
<hr/>			
INTERNET SOFTWARE & SERVICES - 0.2%			
5,845	Open Solutions Inc., 144A	1.467%	2/02/35
<hr/>			
IT SERVICES - 0.4%			
5,390	Digital River Inc., 144A	1.250%	1/01/24
<hr/>			
LEISURE EQUIPMENT & PRODUCTS - 1.1%			
3,675	Collegiate Pacific Inc.	5.750%	12/01/09
5,300	Hasbro Inc.	2.750%	12/01/21
6,195	K2 Corporation, Convertible Notes, 144A	5.000%	6/15/10
<hr/>			
MACHINERY - 0.3%			
4,180	AGCO Corporation, Series B	1.750%	12/31/33

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PRINCIPAL AMOUNT (000) / SHARES	DESCRIPTION(1)	COUPON	MATURITY

MEDIA - 4.2%			
325,000	Comcast Corporation	2.000%	10/15/29
4,000	Echostar Communications Corporation, Convertible Subordinated Notes	5.750%	5/15/08
3,400	Interpublic Group Companies Inc.	4.500%	3/15/23
5,275	Liberty Media Corporation	0.750%	3/30/23
8,250	Liberty Media Corporation, Senior Debentures, Exchangeable for Class B Viacom Common Stock	3.250%	3/15/31
2,500	Lions Gate Entertainment Corporation, 144A	3.625%	3/15/25
2,625	Lions Gate Entertainment Corporation, 144A	2.938%	10/15/24
500	Sinclair Broadcast Group	6.000%	9/15/12
3,425	Sinclair Broadcast Group, Convertible Senior Subordinated Notes, 144A	4.875%	7/15/18
2,600	Sirius Satellite Radio Inc.	3.250%	10/15/11
6,100	The Walt Disney Company, Convertible Senior Notes	2.125%	4/15/23
96,000	Tribune Company, Exchangeable Subordinated Debentures	2.000%	5/15/29

OIL, GAS & CONSUMABLE FUELS - 0.9%			
6,295	Devon Energy Corporation	4.900%	8/15/08
4,150	McMoran Exploration Corporation, Notes, 144A	6.000%	7/02/08

PHARMACEUTICALS - 2.6%			
1,380	Abgenix Inc., Senior Convertible Note, 144A	1.750%	12/15/11
3,390	Alexion Pharmaceuticals Inc., 144A	1.375%	2/01/12
7,125	Allergan Inc., Convertible Senior Notes	0.000%	11/06/22
7,050	Alza Corporation	0.000%	7/28/20
4,005	OSI Pharmaceuticals, Inc.	3.250%	9/08/23
3,275	Sepracor Inc.	0.000%	10/15/24
1,475	Teva Pharmaceutical Finance, Series B	0.250%	2/01/24
1,940	Valeant Pharmaceuticals International, 144A	4.000%	11/15/13
3,295	Valeant Pharmaceuticals International, 144A	3.000%	8/16/10
6,400	Wyeth, 144A	1.000%	1/15/24

REAL ESTATE - 0.2%			
2,725	Avatar Holdings Inc., 144A	4.500%	4/01/24

ROAD & RAIL - 0.1%			
585	Yellow Roadway Corporation	3.375%	11/25/23

SEMICONDUCTORS & EQUIPMENT - 1.7%			
3,100	Agere Systems Inc.	6.500%	12/15/09

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5,875	ASM International NV	4.250%	12/06/11
4,890	ASM Lithography Holding NV	5.750%	10/15/06
4,000	FEI Company, Convertible Notes	5.500%	8/15/08
6,475	LSI Logic Corporation	4.000%	5/15/10

SOFTWARE - 0.7%			
6,600	Mentor Graphics Corporation, Convertible Subordinated Notes	6.875%	6/15/07
3,350	Sybase Inc., 144A	1.750%	2/22/25

SPECIALTY RETAIL - 1.3%			
7,500	Lowes Companies Inc.	0.861%	10/19/21
6,000	Sonic Automotive Inc., Convertible Senior Subordinated Notes	5.250%	5/07/09
6,000	The TJX Companies, Inc.	0.000%	2/13/21

TEXTILES & APPAREL - 0.3%			
4,800	Reebok International Limited, Series B	2.000%	5/01/24

WIRELESS TELECOMMUNICATION SERVICES - 0.3%			
3,125	NII Holdings Inc., 144A	2.875%	2/01/34

Total Convertible Bonds (cost \$406,664,354)			

CORPORATE BONDS - 15.7% (10.6% OF TOTAL INVESTMENTS)			
AEROSPACE & DEFENSE - 0.2%			
3,500	K&F Acquisition Inc.	7.750%	11/15/14

AUTO COMPONENTS - 0.3%			
2,100	Affinia Group Inc.	9.000%	11/30/14
2,500	Tenneco Auto, Inc.	10.250%	7/15/13

AUTOMOBILES - 0.8%			
3,500	Ford Motor Company, Debentures	7.700%	5/15/97
5,590	Ford Motor Company, Debentures	9.980%	2/15/47
2,575	Keystone Automotive Operations Inc.	9.750%	11/01/13

CHEMICALS - 0.6%			
2,000	Freeport McMoran Resources Inc.	7.000%	2/15/08
1,335	OM Group Inc.	9.250%	12/15/11
3,000	Resolution Performance Products LLC	8.000%	12/15/09
1,500	Rockwood Specialties Group	7.500%	11/15/14

COMMERCIAL SERVICES & SUPPLIES - 0.1%			

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1,000	Allied Waste North America	7.875%	4/15/13
667	Allied Waste North America, Series B	9.250%	9/01/12

COMMUNICATIONS EQUIPMENT - 0.4%			
7,057	Ciena Corporation	3.750%	2/01/08

CONSTRUCTION MATERIALS - 0.2%			
2,500	Texas Industries Inc.	10.250%	6/15/11

CONTAINERS & PACKAGING - 0.5%			
1,520	Berry Plastics Corporation	10.750%	7/15/12
2,000	MDP Acquisitions plc, Senior Notes	9.625%	10/01/12
2,000	Owens-Brockway Glass Containers, Guaranteed Senior Note	8.250%	5/15/13
2,000	Owens-Illinois Inc.	7.800%	5/15/18

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Nuveen Preferred and Convertible Income Fund (JPC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

DIVERSIFIED TELECOMMUNICATION SERVICES - 0.2%			
2,000	INTELSAT Bermuda Limited, 144A	8.250%	1/15/13
1,500	Valor Telecommunications Enterprises LLC, 144A	7.750%	2/15/15

ELECTRIC UTILITIES - 0.2%			
3,000	Midwest Generation LLC	8.750%	5/01/34

ENERGY EQUIPMENT & SERVICES - 0.1%			
1,500	Pride International Inc.	7.375%	7/15/14

FOOD & STAPLES RETAILING - 0.1%			
2,000	Stater Brothers Holdings Inc.	8.125%	6/15/12

FOOD PRODUCTS - 0.5%			
5,943	Dole Foods Company	7.875%	7/15/13
356	Dole Foods Company	8.875%	3/15/11

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HEALTHCARE EQUIPMENT & SUPPLIES - 0.3%			
4,000	Fisher Scientific International Inc.	8.000%	9/01/13

HEALTHCARE PROVIDERS & SERVICES - 0.5%			
1,500	Quintiles Transnational Corporation	10.000%	10/01/13
2,000	Select Medical Corporation, 144A	7.625%	2/01/15
1,000	US Oncology Inc.	9.000%	8/15/12
2,500	US Oncology Inc.	10.750%	8/15/14

HOTELS, RESTAURANTS & LEISURE - 2.7%			
2,000	Boyd Gaming Corporation	8.750%	4/15/12
2,000	Boyd Gaming Corporation	7.750%	12/15/12
2,552	Dominos Inc.	8.250%	7/01/11
1,500	Herbst Gaming Inc.	7.000%	11/15/14
2,900	Intrawest Corporation	7.500%	10/15/13
2,000	Landry's Restaurants Inc., Series B	7.500%	12/15/14
1,600	Park Place Entertainment	8.125%	5/15/11
2,500	Park Place Entertainment	7.000%	4/15/13
4,040	Park Place Entertainment	7.875%	12/15/05
6,000	Penn National Gaming Inc., Senior Subordinated Notes	8.875%	3/15/10
750	Pinnacle Entertainment Inc.	8.750%	10/01/13
2,000	Pinnacle Entertainment Inc.	8.250%	3/15/12
2,000	Town Sports International Inc.	9.625%	4/15/11
4,000	Universal City Development Partners	11.750%	4/01/10

HOUSEHOLD DURABLES - 0.8%			
2,000	K. Hovnanian Enterprises Inc., Senior Subordinated Notes	8.875%	4/01/12
3,000	KB Home	8.625%	12/15/08
5,175	Technical Olympic USA Inc., Senior Subordinated Notes	10.375%	7/01/12

HOUSEHOLD PRODUCTS - 0.1%			
1,650	Central Garden & Pet Company	9.125%	2/01/13

INSURANCE - 0.1%			
2,000	Fairfax Financial Holdings Ltd	7.750%	4/26/12

IT SERVICES - 0.2%			
2,500	Global Cash Access LLC	8.750%	3/15/12

MACHINERY - 0.5%			
1,220	Terex Corporation, Senior Subordinated Notes	10.375%	4/01/11
6,095	Terex Corporation, Senior Subordinated Notes	9.250%	7/15/11

MEDIA - 3.2%			
4,000	Allbritton Communications Company, Series B	7.750%	12/15/12

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2,000	American Media Operations Inc.	8.875%	1/15/11
4,180	American Media Operations Inc., Series B	10.250%	5/01/09

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PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

MEDIA (continued)			
5,000	Cablevision Systems Corporation	7.250%	7/15/08
1,000	Cablevision Systems Corporation, Series B	8.125%	8/15/09
2,750	Canwest Media Incorporated	7.625%	4/15/13
2,000	Charter Communications Operating LLC, 144A	8.000%	4/30/12
1,000	DIRECTV Holdings LLC, 144A	6.375%	6/15/15
1,500	Loews Cineplex Entertainment Corporation, 144A	9.000%	8/01/14
2,800	Mail-Well I Corporation, Senior Unsecured Note, 144A	9.625%	3/15/12
1,950	Panamsat Corporation	9.000%	8/15/14
6,000	Primedia Inc., Senior Notes	8.875%	5/15/11
5,550	Vertis Inc.	9.750%	4/01/09
4,000	Young Broadcasting Inc., Senior Subordinated Notes	10.000%	3/01/11

METALS & MINING - 0.1%			
2,000	Chaparral Steel Company, 144A (WI, settling 7/06/05)	10.000%	7/15/13

MULTI-UTILITIES & UNREGULATED POWER - 0.1%			
1,500	NRG Energy Inc., 144A	8.000%	12/15/13

OIL, GAS & CONSUMABLE FUELS - 0.5%			
2,400	Baytex Energy Ltd	9.625%	7/15/10
2,345	Chesapeake Energy Corporation	7.750%	1/15/15
250	Tesoro Petroleum Corporation	8.000%	4/15/08
2,000	Tesoro Petroleum Corporation, Senior Subordinated Notes, Series B	9.625%	11/01/08

PAPER & FOREST PRODUCTS - 0.5%			
2,000	Georgia Pacific Corporation, Debentures	7.700%	6/15/15
5,000	Georgia Pacific Corporation, Notes	8.125%	5/15/11

PERSONAL PRODUCTS - 0.1%			
1,500	Prestige Brands Inc.	9.250%	4/15/12

PHARMACEUTICALS - 0.1%			
1,000	Alpharma Inc., 144A	8.625%	5/01/11

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REAL ESTATE - 0.2%			
1,625	CB Richard Ellis Services Inc.	9.750%	5/15/10
1,000	TruStreet Properties Inc., 144A	7.500%	4/01/15
500	Ventas Realty LP, 144A	7.125%	6/01/15
ROAD AND RAIL - 0.3%			
1,000	Greenbrier Companies Inc., 144A	8.375%	5/15/15
3,000	Laidlaw International Inc.	10.750%	6/15/11
SPECIALTY RETAIL - 0.9%			
4,100	Asbury Automotive Group Inc.	9.000%	6/15/12
2,000	Movie Gallery Inc., 144A	11.000%	5/01/12
5,000	Warnaco Inc., Senior Notes	8.875%	6/15/13
TEXTILES & APPAREL - 0.2%			
3,000	Jostens IH Corporation	7.625%	10/01/12
TRADING COMPANIES & DISTRIBUTORS - 0.1%			
2,000	United Rentals North America Inc.	6.500%	2/15/12
Total Corporate Bonds (cost \$225,726,673)			
CAPITAL PREFERRED SECURITIES - 33.1% (22.4% OF TOTAL INVESTMENTS)			
CAPITAL MARKETS - 5.3%			
2,500	Ahmanson Capital Trust I, 144A	8.360%	12/01/26
1,000	BT Capital Trust, Series B1	7.900%	1/15/27
4,850	BT Institutional Capital Trust A,144A	8.090%	12/01/26
3,000	BT Institutional Capital Trust B,144A	7.750%	12/01/26
1,250	C.A. Preferred Fund Trust II	7.000%	10/30/49

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Nuveen Preferred and Convertible Income Fund (JPC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
CAPITAL MARKETS (continued)			
27,500	C.A. Preferred Funding Trust	7.000%	1/30/49
3,000	First Security Capital I	8.410%	12/15/26
20,000	M&I Capital Trust A	7.650%	12/01/26
1,000	Mellon Capital II, Series B	7.995%	1/15/27
8,000	UBS Preferred Funding Trust I	8.622%	10/29/49

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COMMERCIAL BANKS - 17.2%			
3,000	AB Svensk Exportkredit, 144A	6.375%	10/27/49
9,500	Abbey National Capital Trust I	8.963%	12/30/49
6,500	AgFirst Farm Credit Bank	7.300%	12/15/53
3,000	Bank One Capital III	8.750%	9/01/30
1,000	BankAmerica Capital II, Series 2	8.000%	12/15/26
6,000	BankBoston Capital Trust I, Series B	8.250%	12/15/26
2,000	BanPonce Trust I, Series A	8.327%	2/01/27
13,030	Barclays Bank plc, 144A	8.550%	6/15/49
15	BBVA Privanza International Gibraltar, 144A	7.764%	9/30/47
3,000	Centura Capital Trust I, 144A	8.845%	6/01/27
1,500	DBS Capital Funding Corporation, 144A	7.657%	3/15/49
1,000	First Chicago NBD Institutional Capital, 144A	7.950%	12/01/26
6,200	First Empire Capital Trust I	8.234%	2/01/27
2,000	First Midwest Bancorp Inc.	6.950%	12/01/33
2,400	HSBC Capital Funding LP, 144A	9.547%	12/31/49
5,750	HSBC Capital Funding LP, Debt	10.176%	6/30/50
11,000	KBC Bank Fund Trust III, 144A	9.860%	11/02/49
1,000	KeyCorp Capital II	6.875%	3/17/29
6,300	KeyCorp Institutional Capital Trust A	7.826%	12/01/26
18,600	Lloyds TSB Bank plc, Subordinated Note	6.900%	11/22/49
5,000	NB Capital Trust IV	8.250%	4/15/27
1,000	North Fork Capital Trust I, Capital Securities	8.700%	12/15/26
12,000	North Fork Capital Trust II	8.000%	12/15/27
1,000	Popular North American Capital Trust I	6.564%	9/15/34
16,500	RBS Capital Trust B	6.800%	12/31/49
100	Reliance Capital Trust I, Series B	8.170%	5/01/28
3,250	Royal Bank of Scotland Group plc	7.648%	8/31/49
2,365	SocGen Real Estate Company LLC, 144A	7.640%	12/29/49
8,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/01/49
10,500	St. George Funding Company LLC	8.485%	6/30/17
1,650	Swedbank Forenings Sparbanken AB, 144A	9.000%	12/29/49
2,000	Unicredito Italiano Capital Trust, 144A	9.200%	10/05/49
300	Union Planters Preferred Fund, 144A	7.750%	7/15/53
100	Wachovia Capital Trust I, Capital Securities, 144A	7.640%	1/15/27
3,800	Washington Mutual Capital Trust I	8.375%	6/01/27
5,000	Zions Institutional Capital Trust, Series A	8.536%	12/15/26

DIVERSIFIED FINANCIAL SERVICES - 4.6%			
7,750	BNP Paribas Capital Trust	7.200%	12/31/49
18,125	Chase Capital Trust I, Series A	7.670%	12/01/26
36,000	HBOS Capital Funding LP, Notes	6.850%	3/01/49
2,800	Old Mutual Capital Funding, Notes	8.000%	6/22/53

DIVERSIFIED TELECOMMUNICATION SERVICES - 0.9%			
9,957	Centaur Funding Corporation, Series B, 144A	9.080%	4/21/20

INSURANCE - 3.5%			
250	Allstate Financing II	7.830%	12/01/45
2,300	American General Capital II	8.500%	7/01/30
18,596	Berkeley Capital Trust	8.197%	12/15/45
4,000	Mangrove Bay, Class 3, 144A	6.102%	7/15/33
1,000	MIC Financing Trust I	8.375%	2/01/27

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7,250	Prudential plc	6.500%	6/29/49
9,500	Sun Life Canada Capital Trust, Capital Securities, 144A	8.526%	5/06/47
5,000	Zurich Capital Trust I, 144A	8.376%	6/01/37

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PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

	OIL, GAS & CONSUMABLE FUELS - 0.6%		
1,200	KN Capital Trust I, Preferred Securities	8.560%	4/15/27
6,110	KN Capital Trust III	7.630%	4/15/28

	THRIFTS & MORTGAGE FINANCE - 1.0%		
12,250	Dime Capital Trust I, Series A	9.330%	5/06/27
1,000	Great Western Financial Trust II, Series A	8.206%	2/01/27

	Total Capital Preferred Securities (cost \$480,528,268)		

	REPURCHASE AGREEMENTS - 1.5% (1.0% OF TOTAL INVESTMENTS)		
\$ 21,944	State Street Bank, 2.600%, dated 6/30/05, due 7/01/05, repurchase price \$21,945,000		
=====	\$15,495,000, U.S. Treasury Bonds, 8.125%, due 8/15/19, value \$22,382,822		

	Total Repurchase Agreements (cost \$21,943,512)		

	Total Investments (cost \$2,108,500,294) - 148.0%		

	Other Assets Less Liabilities - 0.4%		

	FundPreferred Shares, at Liquidation Value - (48.4)%		

	Net Assets Applicable to Common Shares - 100%		
=====			
INTEREST RATE SWAP CONTRACTS OUTSTANDING AT JUNE 30, 2005:			
COUNTERPARTY	NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE

JPMorgan	\$71,000,000	1.9735%	3.2800
JPMorgan	71,000,000	3.3950	3.1500
Morgan Stanley	71,000,000	2.5670	3.2800
JPMorgan	71,000,000	2.9935	3.2800
Morgan Stanley	71,000,000	3.4060	3.2800

=====			

(1) All percentages shown in the Portfolio of Investments

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are based on net assets applicable to Common shares unless otherwise noted.

* Ratings below Baa by Moody's Investor Service, Inc. or BBB by Standard and Poor's Group are considered to be below investment grade.

** Based on LIBOR (London Interbank Offered Rate)

(a) Security is eligible for the Dividends Received Deduction.

144A 144A securities are those which are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.

(CBTCS) Corporate Backed Trust Certificates.

(CORTS) Corporate Backed Trust Securities.

(PCARS) Public Credit and Repackaged Securities.

(PPLUS) PreferredPlus Trust.

(SATURNS) Structured Asset Trust Unit Repackaging.

NR Security is not rated.

WI Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen Preferred and Convertible Income Fund 2 (JQC)
Portfolio of
INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)
	COMMON STOCKS - 0.5% (0.4% OF TOTAL INVESTMENTS)
	DIVERSIFIED FINANCIAL SERVICES - 0.3%
143,223	Gabelli Asset Management Inc.
	SOFTWARE - 0.2%
172,555	Computer Associates International Inc.
	Total Common Stocks (cost \$11,782,712)

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SHARES	DESCRIPTION(1)	COUPON	MOODY'S
\$25 PAR (OR SIMILAR) SECURITIES - 49.6% (33.8% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.0%			
3,000	DaimlerChrysler AG (CORTS)	7.875%	A3
2,200	DaimlerChrysler Corp. (PPLUS)	7.250%	A3
CAPITAL MARKETS - 4.1%			
113,300	Bear Stearns Capital Trust III	7.800%	A2
27,000	BNY Capital Trust IV, Series E	6.875%	A1
306,984	BNY Capital Trust V, Series F	5.950%	A1
204,700	Compass Capital Trust III	7.350%	A3
31,000	CSFB USA, Series 2002-10 (SATURNS)	7.000%	Aa3
49,000	First Union Capital II, Series II (CORTS)	7.500%	A1
22,600	First Union Institutional Capital II (CORTS)	8.200%	A1
18,800	First Union Institutional Capital II, Series III (CORTS)	7.500%	A1
12,300	Goldman Sachs Group Inc., Series 2003-06 (SATURNS)	6.000%	Aa3
22,000	JPMorgan Chase Capital Trust IX, Series I	7.500%	A1
198,350	Lehman Brothers Holdings Inc., Series C (a)	5.940%	NR
96,800	Lehman Brothers Holdings Inc., Series D (a)	5.670%	A3
425,000	Lehman Brothers Holdings Inc., Series F (a)	6.500%	A3
247,400	Merrill Lynch Capital Trust	7.000%	A1
47,800	Merrill Lynch Preferred Capital Trust	7.750%	A1
188,800	Merrill Lynch Preferred Capital Trust IV	7.120%	A1
283,400	Merrill Lynch Preferred Capital Trust V	7.280%	A1
117,580	Morgan Stanley (PPLUS)	7.050%	Aa3
211,850	Morgan Stanley Capital Trust II	7.250%	A1
203,200	Morgan Stanley Capital Trust III	6.250%	A1
137,900	Morgan Stanley Capital Trust IV	6.250%	A1
21,900	Safeco Capital Trust I (CORTS)	8.750%	Baa2
16,800	Safeco Capital Trust IV (CORTS)	8.375%	Baa2
14,400	UBS Preferred Funding Trust III	7.250%	A1
COMMERCIAL BANKS - 10.7%			
301,600	Abbey National plc	7.375%	A2
53,700	Abbey National plc, Series B	7.250%	A1
34,200	Abbey National plc, Series B	7.375%	A2
863,770	ABN AMRO Capital Fund Trust V	5.900%	A2
80,779	ABN AMRO Capital Fund Trust VI	6.250%	A2
17,021	ABN AMRO Capital Trust Fund VII	6.080%	A2
113,900	ASBC Capital I	7.625%	Baa1
203,410	BAC Capital Trust I	7.000%	Aa3
560,200	BAC Capital Trust II	7.000%	Aa3
163,900	BAC Capital Trust III	7.000%	Aa3
1,010,000	Banco Santander	6.410%	A2

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SHARES	DESCRIPTION(1)	COUPON	MOODY'S
COMMERCIAL BANKS (continued)			
71,750	Banco Totta & Acores Finance, Series A	8.875%	A3
20,400	BancWest Capital I	9.500%	A3
13,400	Banesto Holdings, Series A, 144A	10.500%	A2
167,700	Bank One Capital Trust VI	7.200%	A1
52,800	BankNorth Capital Trust II	8.000%	A3
145,900	Chittenden Capital Trust I	8.000%	Baa1
146,500	Cobank ABC, 144A (a)	7.000%	NR
110,200	Comerica Capital Trust I	7.600%	A3
18,900	Fleet Capital Trust II (CORTS)	8.000%	Aa3
512,200	Fleet Capital Trust VII	7.200%	Aa3
430,300	Fleet Capital Trust VIII	7.200%	Aa3
36,000	KeyCorp (PCARS)	7.500%	A3
105,400	KeyCorp Capital Trust V	5.875%	A3
29,600	KeyCorp, Series 2001-7 (CORTS)	7.750%	A3
34,500	KeyCorp, Series B (CORTS)	8.250%	A3
86,100	National Commerce Capital Trust II	7.700%	A1
63,900	National Westminster Bank plc, Series A	7.875%	Aa2
21,700	ONB Capital Trust II	8.000%	Baa2
54,200	PNC Capital Trust	6.125%	A3
26,000	Regions Finance Trust I	8.000%	A2
270,700	Royal Bank of Scotland Group plc, Series L	5.750%	A1
156,100	SunTrust Capital Trust IV	7.125%	A1
109,100	SunTrust Capital Trust V	7.050%	A1
664,800	USB Capital Trust III	7.750%	Aa3
337,800	USB Capital Trust IV	7.350%	Aa3
298,600	USB Capital Trust V	7.250%	Aa3
39,100	VNB Capital Trust I	7.750%	Baa1
47,600	Washington Mutual Capital Trust I, Series 2001-22, Class A-1 (CORTS)	7.650%	Baa1
40,000	Wells Fargo Capital Trust IV	7.000%	Aa2
480,300	Wells Fargo Capital Trust V	7.000%	Aa2
112,800	Wells Fargo Capital Trust VI	6.950%	Aa2
236,550	Wells Fargo Capital Trust VII	5.850%	Aa2
117,800	Zions Capital Trust B	8.000%	Baa1
COMPUTERS & PERIPHERALS - 0.1%			
17,000	IBM Inc. (CORTS)	7.125%	A1
28,200	IBM Inc., Series 2001-1 (SATURNS)	7.125%	A1
11,100	IBM Trust II (CORTS)	7.125%	A1
4,200	IBM Trust III (CORTS)	7.200%	A1
18,600	IBM Trust IV (CORTS)	7.000%	A1
CONSUMER FINANCE - 0.8%			
40,900	Household Capital Trust VI	8.250%	A2
98,900	Household Capital Trust VII	7.500%	A2
62,200	HSBC Finance Corporation	6.875%	A1
18,300	SLM Corporation	6.000%	A2
174,000	SLM Corporation, Series A (a)	6.970%	Baa1
DIVERSIFIED FINANCIAL SERVICES - 5.3%			

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13,800	BBVA Preferred Capital Ltd., Series B	7.750%	A1
26,700	CIT Group Incorporated (CORTS)	7.750%	A3
268,800	Citigroup Capital Trust IX	6.000%	Aa2
193,600	Citigroup Capital Trust VII	7.125%	Aa2
1,073,422	Citigroup Capital Trust VIII	6.950%	Aa2
24,000	Citigroup Inc., Series H (a)	6.231%	Aa3
2,800	Citigroup, Series CIT (CORTS)	6.750%	A3
40,100	General Electric Capital Corporation	6.625%	Aaa
2,300	Goldman Sachs Group Incorporated, Series 2004-04 (SATURNS)	6.000%	A1
755,475	ING Group NV	7.050%	NR
584,220	ING Group NV	7.200%	A2
43,200	JPM Capital Trust (CORTS)	7.200%	A2
9,900	JPM Capital Trust I, Series 2001-1, Class A-1 (CORTS)	7.850%	A1

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Nuveen Preferred and Convertible Income Fund 2 (JQC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
DIVERSIFIED FINANCIAL SERVICES (continued)			
71,965	JPMorgan Chase & Company (PCARS)	7.125%	A2
712,420	JPMorgan Chase Capital Trust X	7.000%	A1
32,200	JPMorgan Chase Capital Trust XVI	6.350%	A1
73,600	JPMorgan Chase Trust, Series 2002-6, Class A (SATURNS)	7.125%	A1
71,500	Merrill Lynch Capital Trust II	8.000%	A1
124,740	Royal Bank of Scotland Group plc, Series N	6.350%	A1
DIVERSIFIED TELECOMMUNICATION SERVICES - 0.6%			
37,900	BellSouth Capital Funding (CORTS)	7.100%	A1
25,800	BellSouth Corporation (CORTS)	7.000%	Aa3
49,200	BellSouth Corporation, Series 2001-3 (SATURNS)	7.125%	A2
30,800	BellSouth Inc. (CORTS)	7.000%	A2
71,000	BellSouth Telecommunications (PPLUS)	7.300%	Aa3
60,600	Deutsche Telekom International Finance B.V., Series 2001-24, Class A-1 (CORTS)	7.875%	A3
59,500	SBC Communications Inc.	7.000%	A2
27,300	Verizon Communications (CORTS)	7.625%	A2
48,100	Verizon Communications (CORTS)	7.375%	A2
50,700	Verizon New England Inc., Series B	7.000%	A2
30,300	Verizon South Inc., Series F	7.000%	A2
ELECTRIC UTILITIES - 0.8%			
5,000	Consolidated Edison Company	7.250%	A2
16,300	Consolidated Edison Company of New York Inc.	7.500%	A1
21,100	DTE Energy Trust I	7.800%	Baa3
27,400	Entergy Louisiana Inc.	7.600%	Baa1
7,300	Entergy Mississippi Inc.	7.250%	Baa2
3,000	Georgia Power Capital Trust V	7.125%	A3
130,000	Interstate Power and Light Company (a)	7.100%	Baa3

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11,300	Mississippi Power Capital Trust II	7.200%	A2
4,500	National Rural Utilities Cooperative Finance Corporation	7.600%	A3
41,200	National Rural Utilities Cooperative Finance Corporation	6.100%	A3
138,200	National Rural Utilities Cooperative Finance Corporation	5.950%	A3
33,600	Northern States Power Company	8.000%	A3
32,200	Southern Company Capital Trust I (CORTS)	7.375%	Baa1
14,700	Southern Company Capital Trust I (CORTS)	8.190%	Baa1
13,100	Southern Company Capital Trust VI	7.125%	Baa1
3,400	Tennessee Valley Authority, Series A	3.064%	Aaa
122,500	Virginia Power Capital Trust	7.375%	Baa1

FOOD PRODUCTS - 0.4%			
75,000	Dairy Farmers of America Inc., 144A (a)	7.875%	Ba1

GAS UTILITIES - 0.1%			
75,300	AGL Capital Trust II	8.000%	Baa2

HEALTHCARE PROVIDERS & SERVICES - 0.8%			
587,500	Aetna Incorporated	8.500%	Baa1

INDUSTRIAL CONGLOMERATES - 0.0%			
3,000	General Electric Company (CORTS)	6.800%	Aaa

INSURANCE - 10.3%			
157,500	ACE Capital Trust I, Series 1999	8.875%	Baa1
1,171,383	Ace Ltd., Series C	7.800%	Baa2
1,181,300	Aegon NV	6.375%	A3
6,100	Allstate Corporation (PCARS)	7.150%	A2
1,100	AMBAC Financial Group Inc.	7.000%	Aa2
89,800	AMBAC Financial Group Inc.	5.950%	Aa2
675,101	Delphi Financial Group Inc.	8.000%	Baa3
196,956	EverestRe Capital Trust II	6.200%	Baa1
94,500	EverestRe Group Limited	7.850%	Baa1
12,600	Financial Security Assurance Holdings	6.875%	Aa2
285,600	Hartford Capital Trust III, Series C	7.450%	Baa1

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SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S

INSURANCE (continued)			
45,700	Hartford Life Capital Trust II, Series B	7.625%	Baa1

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56,500	Lincoln National Capital Trust V, Series E	7.650%	Baa1
1,403,200	Lincoln National Capital Trust VI	6.750%	Baa1
827,600	MetLife Inc., Series B (a)	6.500%	Baa1
82,600	PartnerRe Limited	7.900%	A3
902,402	PartnerRe Limited, Series C	6.750%	Baa1
80,000	PLC Capital Trust III	7.500%	Baa1
67,900	PLC Capital Trust IV	7.250%	Baa1
14,300	PLC Capital Trust V	6.125%	Baa1
38,800	Prudential plc	6.750%	Baa1
124,700	RenaissanceRe Holdings Ltd., Series B	7.300%	Baa2
3,400	RenaissanceRe Holdings Ltd., Series C	6.080%	Baa2
115,800	RenaissanceRe Holdings Ltd., Series A	8.100%	Baa2
25,400	Safeco Capital Trust I (CORTS)	8.700%	Baa2
21,700	Safeco Capital Trust I, Series 2001-4 (CORTS)	8.750%	Baa2
46,900	Safeco Capital Trust III (CORTS)	8.072%	Baa2
38,200	Safeco Corporation, Series 2001-7 (SATURNS)	8.250%	Baa2
38,600	Safeco Corporation, Series 2002-5 (SATURNS)	8.250%	Baa2
61,500	Torchmark Capital Trust I	7.750%	Baa1
119,400	W.R. Berkley Capital Trust, Series 2002-1, (CBTCS)	8.125%	Baa3
68,800	XL Capital Ltd., Series A	8.000%	Baa1
103,900	XL Capital Ltd., Series B	7.625%	Baa1

	MEDIA - 0.1%		
52,700	Viacom Inc.	7.300%	A3

	MULTI-UTILITIES & UNREGULATED POWER - 0.2%		
52,400	Dominion CNG Capital Trust I	7.800%	Baa1
30,700	Dominion Resources Capital Trust II	8.400%	Baa2
85,700	Energy East Capital Trust I	8.250%	Baa3

	OIL, GAS & CONSUMABLE FUELS - 0.9%		
685,000	Nexen Inc.	7.350%	Baa3

	PHARMACEUTICALS - 0.1%		
50,000	Bristol Myers Squibb Company (CORTS)	6.250%	A1

	REAL ESTATE - 11.4%		
318,355	AMB Property Corporation, Series L	6.500%	Baa2
77,100	AvalonBay Communities, Inc., Series H	8.700%	Baa2
220,400	BRE Properties, Series B	8.080%	Baa3
111,466	BRE Properties, Series D	6.750%	Baa3
939,184	CarrAmerica Realty Corporation, Series E	7.500%	Baa3
104,100	Developers Diversified Realty Corporation, Series G	8.000%	Ba1
1,264,845	Developers Diversified Realty Corporation, Series H	7.375%	Ba1
124,800	Duke Realty Corporation, Series L	6.600%	Baa2
98,000	Duke-Weeks Realty Corporation	6.625%	Baa2
25,000	Duke-Weeks Realty Corporation, Series B	7.990%	Baa2
5,400	Duke-Weeks Realty Corporation, Series I	8.450%	Baa2
192,100	Equity Office Properties Trust, Series G	7.750%	Baa3
3,200	Equity Residential Properties Trust, Series C	9.125%	Baa2
15,400	Equity Residential Properties Trust, Series D	8.600%	Baa2
348,622	Equity Residential Properties Trust, Series N	6.480%	Baa2

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140,000	Federal Realty Investment Trust	8.500%	Baa3
11,600	First Industrial Realty Trust Inc., Series C	8.625%	Baa3
426,229	HRPT Properties Trust, Series A	9.875%	Baa3
458,600	HRPT Properties Trust, Series B	8.750%	Baa3
99,800	New Plan Excel Realty Trust, Series E	7.625%	NR
3,997	Prologis Trust, Series C	8.540%	Baa2
96,275	Prologis Trust, Series G	6.750%	Baa2
299,600	PS Business Parks Inc.	7.000%	Ba1
700	PS Business Parks Inc., Series K	7.950%	Ba1
240,000	PS Business Parks Inc., Series L	7.600%	Ba1

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Nuveen Preferred and Convertible Income Fund 2 (JQC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S
REAL ESTATE (continued)			
149,000	Public Storage Inc., Series E	6.750%	Baa2
31,400	Public Storage Inc., Series Q	8.600%	Baa2
149,850	Public Storage Inc., Series R	8.000%	Baa2
55,860	Public Storage Inc., Series S	7.875%	Baa2
44,100	Public Storage Inc., Series T	7.625%	Baa2
174,300	Public Storage Inc., Series U	7.625%	Baa2
31,500	Public Storage Inc., Series V	7.500%	Baa2
166,100	Regency Centers Corporation	7.450%	Baa3
20,500	Simon Property Group, Inc., Series F	8.750%	Baa2
20,650	Simon Property Group, Inc., Series G	7.890%	Baa2
165,000	Vornado Realty Trust, Series G	6.625%	Baa3
1,987,734	Wachovia Preferred Funding Corporation	7.250%	A2
130,000	Weingarten Realty Trust, Series E	6.950%	Baa1
SPECIALTY RETAIL - 0.0%			
28,100	Sherwin Williams Company, Series III (CORTS)	7.250%	A2
THRIFTS & MORTGAGE FINANCE - 2.0%			
79,000	Countrywide Capital Trust II, Series II (CORTS)	8.000%	Baa1
69,800	Countrywide Capital Trust III (PPLUS)	8.050%	Baa1
666,900	Countrywide Capital Trust IV	6.750%	Baa1
30,700	Fannie Mae (a)	0.000%	Aa3
23,100	Fannie Mae (a)	5.125%	Aa3
44,300	Fannie Mae (a)	3.780%	Aa3
55,000	Fannie Mae (a)	5.810%	Aa3
61,800	Federal Home Loan Mortgage Corporation (a)	6.000%	Aa3
108,000	Federal Home Loan Mortgage Corporation (a)	6.140%	Aa3
48,300	Federal Home Loan Mortgage Corporation (a)	5.100%	Aa3
12,700	Federal Home Loan Mortgage Corporation (a)	5.000%	Aa3
U.S. AGENCY - 0.1%			

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40,000	Federal Home Loan Mortgage Corporation (a)	5.100%	Aa3
23,000	Federal Home Loan Mortgage Corporation (a)	5.300%	Aa3

WIRELESS TELECOMMUNICATION SERVICES - 0.8%			
28,000	AT&T Wireless Services Equity, Series 2002-B (SATURNS)	9.250%	Baa2
58,200	AT&T Wireless, Series 2002-7 (CORTS)	8.000%	Baa2
117,300	Telephone and Data Systems Inc.	7.600%	Baal
50,600	United States Cellular Corporation	8.750%	Baal
343,500	United States Cellular Corporation	7.500%	Baal

Total \$25 Par (or similar) Securities (cost \$1,008,443,007)			

CONVERTIBLE PREFERRED SECURITIES- 16.2% (11.0% OF TOTAL INVESTMENTS)			
AUTOMOBILES - 0.6%			
327,225	Ford Motor Company Capital Trust II	6.500%	Ba1

CAPITAL MARKETS - 0.6%			
144,555	Goldman Sachs Group Inc., Series EMC	6.125%	Aa3
143,200	Lehman Brothers Holdings Inc., Series GIS	6.250%	A1
29,725	State Street Corporation	6.750%	NR

CHEMICALS - 1.0%			
179,435	Celanese Corporation	4.250%	NR
152,195	Huntsman Corporation	5.000%	NR
84,400	The Mosaic Company	7.500%	Caal

COMMERCIAL BANKS - 2.3%			
12,090,000	Fortis Insurance NV, 144A	7.750%	A1
130,500	HSBC Finance Corporation	8.875%	A1
273,600	National Australia Bank Limited	7.875%	NR
217,375	Sovereign Capital Trust IV, Convertible Security	4.375%	Ba1
115,725	Washington Mutual Inc., Unit 1 Trust	5.375%	Baal

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SHARES	DESCRIPTION(1)	COUPON	RATING MOODY'S

CONSTRUCTION MATERIALS - 0.5%			
216,700	TXI Capital Trust I	6.500%	B2

DIVERSIFIED FINANCIAL SERVICES - 0.7%			
281,600	Citigroup Global Markets	2.000%	Aa1

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ELECTRIC UTILITIES - 1.1%				
260,000	Centerpoint Energy Inc.		2.000%	Ba2
154,500	FPL Group Inc.		8.000%	NR
76,430	PNM Resources Inc.		6.750%	Baa3

FOOD & STAPLES RETAILING - 0.2%				
180,520	Albertson's, Inc.		7.250%	Baa2

GAS UTILITIES - 0.1%				
30,150	Southern Union Company, Series B		5.750%	Baa3

HEALTHCARE EQUIPMENT & SUPPLIES - 0.3%				
124,000	Baxter International Inc.		7.000%	Baa1

HOTELS, RESTAURANTS & LEISURE - 0.4%				
157,000	Host Marriott Financial Trust		6.750%	B2

HOUSEHOLD DURABLES - 0.4%				
187,325	Newell Financial Trust I		5.250%	Baa3

INSURANCE - 3.2%				
108,450	Conseco Inc., Series B		5.500%	Caa2
543,600	Genworth Financial Inc.		6.000%	A2
570,475	MetLife Inc., Convertible, Series B		6.375%	NR
167,000	Reinsurance Group of America Inc.		5.750%	Baa2
147,000	The Chubb Corporation		7.000%	NR
100,000	UnumProvident Corporation		8.250%	Ba1
340,650	XL Capital Ltd		6.500%	A2

MEDIA - 0.4%				
137,000	Emmis Communications Corporation, Series A		6.250%	Caa1
70,350	Interpublic Group Companies Inc., Series A		5.375%	NR

MULTI-UTILITIES & UNREGULATED POWER - 1.2%				
76,500	Aquila Inc.		6.750%	B2
181,625	Dominion Resources Inc.		8.750%	Baa1
151,300	Public Service Enterprise Group		10.250%	Baa3

OIL, GAS & CONSUMABLE FUELS - 1.4%				
54,125	Amerada Hess Corporation		7.000%	Ba3
8,955	Chesapeake Energy Corporation, 144A		4.125%	NR
222,100	Teekay Shipping Corporation		7.250%	NR

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PHARMACEUTICALS - 0.5%				
217,875	Schering-Plough Corporation		6.000%	Baa3

REAL ESTATE - 0.6%				
225,250	Equity Office Properties Trust, Series B		5.250%	Baa2

THRIFTS & MORTGAGE FINANCE - 0.7%				
111	Fannie Mae		5.375%	Aa3
140,000	PMI Group Inc.		5.875%	A1

Total Convertible Preferred Securities (cost \$302,860,600)				

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Nuveen Preferred and Convertible Income Fund 2 (JQC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)		COUPON	MATURITY

CONVERTIBLE BONDS - 27.8% (19.0% OF TOTAL INVESTMENTS)				
AEROSPACE & DEFENSE - 0.4%				
3,860	AAR Corporation, 144A		2.875%	2/01/24
4,900	EDO Corporation, Convertible Subordinate Note		5.250%	4/15/07

AIRLINES - 0.1%				
3,550	Pinnacle Airlines Corporation, 144A		3.250%	2/15/25

AUTOMOBILES - 0.1%				
1,025	Fleetwood Enterprises Inc., 144A		5.000%	12/15/23

BIOTECHNOLOGY - 1.2%				
5,000	Cephalon Inc.		0.000%	6/15/33
1,780	CV Therapeutics Inc.		2.750%	5/16/12
2,250	CV Therapeutics Inc.		3.250%	8/16/13
5,975	Ivax Corporation, Convertible Bonds, 144A		1.500%	3/01/24
8,500	Ivax Corporation, Convertible Senior Subordinated Notes		4.500%	5/15/08

COMMERCIAL SERVICES & SUPPLIES - 0.6%				

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5,500	DST Systems Inc.	4.125%	8/15/23
7,000	Electronic Data Systems, Convertible Senior Notes, 144A	3.875%	7/15/23

COMMUNICATIONS EQUIPMENT - 1.8%			
9,265	JDS Uniphase Corporation	0.000%	11/15/10
14,725	Liberty Media Corporation, Senior Debentures Exchangeable for Motorola Common Stock	3.500%	1/15/31
2,720	Lucent Technologies Inc.	2.750%	6/15/23
2,645	Lucent Technologies Inc., Series B	2.750%	6/15/25
3,905	Nortel Networks Corp	4.250%	9/01/08
4,475	Powerwave Technologies Inc.	1.825%	11/15/24
1,700	Powerwave Technologies Inc.	1.875%	11/15/24

COMPUTERS & PERIPHERALS - 0.2%			
3,250	Mercury Computer Systems Inc., 144A	2.000%	5/01/24

CONSTRUCTION & ENGINEERING - 0.4%			
8,500	Quanta Services Incorporated	4.000%	7/01/07

CONSUMER FINANCE - 0.4%			
8,000	Providian Financial Corporation, Convertible Senior Notes	3.250%	8/15/05

CONTAINERS & PACKAGING - 0.2%			
4,600	Sealed Air Corporation, 144A	3.000%	6/30/33

DIVERSIFIED FINANCIAL SERVICES - 0.3%			
2,650	JMH Finance Limited	4.750%	9/06/07
2,620	Leucadia National Corporation, 144A	3.750%	4/15/14

ELECTRIC UTILITIES - 0.4%			
2,630	PG&E Corporation	9.500%	6/30/10
1,035	Unisource Energy Corporation, Convertible Bonds, 144A	4.500%	3/01/35

ELECTRONIC EQUIPMENT & INSTRUMENTS - 0.9%			
340	Gateway Inc.	1.500%	12/31/09
4,450	Gateway Inc., 144A	1.500%	12/31/09
2,395	Gateway Inc., 144A	2.000%	12/31/11
9,050	Solectron Corporation, Series B	0.500%	2/15/34
7,020	Vishay Intertechnology Inc.	3.625%	8/01/23

ENERGY EQUIPMENT & SERVICES - 2.4%			
3,495	Cal Dive International Inc.	3.250%	12/15/25

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8,400	Diamond Offshore Drilling Inc.	1.500%	4/15/31
8,500	Maverick Tube Corporation	4.000%	6/15/33
3,185	Oil States International Inc., 144A	2.375%	7/01/25
7,115	Pride International Inc.	3.250%	5/01/33

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PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY
ENERGY EQUIPMENT & SERVICES (continued)			
9,250	Schlumberger Limited	2.125%	6/01/23
625	Willbros Group Inc., 144A	2.750%	3/15/24
HEALTHCARE EQUIPMENT & SUPPLIES - 0.7%			
5,745	Advanced Medical Optics	2.500%	7/15/24
8,195	Fisher Scientific International Inc.	3.250%	3/01/24
HEALTHCARE PROVIDERS & SERVICES - 0.5%			
4,200	Health Management Associates Inc.	1.500%	8/01/23
8,510	Roche Holdings Inc., 144A	0.000%	7/25/21
HOTELS, RESTAURANTS & LEISURE - 3.1%			
18,205	Carnival Corporation	1.132%	4/29/33
7,500	Hilton Hotels Corporation	3.375%	4/15/23
7,125	Kerzner International Limited, 144A	2.375%	4/15/24
16,000	Royal Caribbean Cruises Limited, Senior Convertible Liquid Yield Option Notes	0.000%	2/02/21
8,475	Scientific Games Corporation	0.750%	12/01/24
4,750	Six Flags Inc.	4.500%	5/15/15
7,755	Starwood Hotels and Resorts Worldwide Inc.	3.500%	5/16/23
INDUSTRIAL CONGLOMERATES - 0.8%			
7,200	Tyco International Group SA	3.125%	1/15/23
4,650	Tyco International Group SA, Convertible Notes, 144A	3.125%	1/15/23
INSURANCE - 0.4%			
6,925	American Equity Investment Life Holding Company	5.250%	12/06/24
INTERNET & CATALOG RETAIL - 0.1%			
295	Overstock.com, Inc.	3.750%	12/01/11
2,780	Overstock.com, Inc.	3.750%	12/01/11

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INTERNET SOFTWARE & SERVICES - 0.2%

7,885	Open Solutions Inc., 144A	1.467%	2/02/35
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IT SERVICES - 0.3%

7,100	Digital River Inc., 144A	1.250%	1/01/24
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LEISURE EQUIPMENT & PRODUCTS - 0.7%

4,850	Collegiate Pacific Inc.	5.750%	12/01/09
7,000	Hasbro Inc.	2.750%	12/01/21
1,165	K2 Corporation, Convertible Notes, 144A	5.000%	6/15/10

MACHINERY - 0.3%

5,635	AGCO Corporation, Series B	1.750%	12/31/33
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MEDIA - 4.0%

415,000	Comcast Corporation	2.000%	10/15/29
4,500	Interpublic Group Companies Inc.	4.500%	3/15/23
6,990	Liberty Media Corporation	0.750%	3/30/23
11,000	Liberty Media Corporation, Senior Debentures, Exchangeable for Class B Viacom Common Stock	3.250%	3/15/31
26,800	Liberty Media Corporation, Senior Debentures, Exchangeable for PCS Common Stock, Series 1	4.000%	11/15/29
3,540	Lions Gate Entertainment Corporation, 144A	2.938%	10/15/24
3,300	Lions Gate Entertainment Corporation, 144A	3.625%	3/15/25
4,875	Sinclair Broadcast Group	6.000%	9/15/12
3,500	Sirius Satellite Radio Inc.	3.250%	10/15/11
8,050	The Walt Disney Company, Convertible Senior Notes	2.125%	4/15/23

OIL, GAS & CONSUMABLE FUELS - 0.7%

8,565	Devon Energy Corporation	4.900%	8/15/08
3,440	McMoran Exploration Corporation, Notes, 144A	6.000%	7/02/08

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Nuveen Preferred and Convertible Income Fund 2 (JQC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

PHARMACEUTICALS - 2.1%			
1,845	Abgenix Inc., Senior Convertible Note, 144A	1.750%	12/15/11
4,580	Alexion Pharmaceuticals Inc., 144A	1.375%	2/01/12
9,530	Allergan Inc., Convertible Senior Notes	0.000%	11/06/22
1,255	Atherogenics, Inc., 144A	4.500%	9/01/08
7,000	OSI Pharmaceuticals, Inc.	3.250%	9/08/23

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4,400	Sepracor Inc.	0.000%	10/15/24
4,350	Valeant Pharmaceuticals International, 144A	3.000%	8/16/10
2,545	Valeant Pharmaceuticals International, 144A	4.000%	11/15/13
8,500	Wyeth, 144A	1.000%	1/15/24

REAL ESTATE - 0.2%			
3,625	Avatar Holdings Inc., 144A	4.500%	4/01/24

SEMICONDUCTORS & EQUIPMENT - 1.5%			
8,325	Agere Systems Inc.	6.500%	12/15/09
7,850	ASM International NV	4.250%	12/06/11
5,500	ASM Lithography Holding NV	5.750%	10/15/06
8,900	LSI Logic Corporation	4.000%	5/15/10

SOFTWARE - 0.6%			
7,100	Mentor Graphics Corporation, Convertible Subordinated Notes	6.875%	6/15/07
4,525	Sybase Inc., 144A	1.750%	2/22/25

SPECIALTY RETAIL - 1.6%			
7,820	Charming Shoppes Inc.	4.750%	6/01/12
11,450	Lowes Companies Inc.	0.000%	2/16/21
8,700	Sonic Automotive Inc., Convertible Senior Subordinated Notes	5.250%	5/07/09
5,900	The TJX Companies, Inc.	0.000%	2/13/21

TEXTILES & APPAREL - 0.3%			
6,565	Reebok International Limited, Series B	2.000%	5/01/24

WIRELESS TELECOMMUNICATION SERVICES - 0.3%			
4,100	NII Holdings Inc., 144A	2.875%	2/01/34

Total Convertible Bonds (cost \$548,834,876)			

CORPORATE BONDS - 15.7% (10.6% OF TOTAL INVESTMENTS)			
AEROSPACE & DEFENSE - 0.2%			
3,500	K&F Acquisition Inc.	7.750%	11/15/14

AUTO COMPONENTS - 0.3%			
2,450	Affinia Group Inc.	9.000%	11/30/14
3,000	Tenneco Auto, Inc.	10.250%	7/15/13

AUTOMOBILES - 1.1%			

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5,570	Ford Motor Company, Debentures	7.700%	5/15/97
17,095	Ford Motor Company, Debentures	9.980%	2/15/47
1,300	Keystone Automotive Operations Inc.	9.750%	11/01/13

BUILDING PRODUCTS - 0.2%			
4,000	Jacuzzi Brands Inc.	9.625%	7/01/10

CHEMICALS - 0.6%			
6,500	OM Group Inc.	9.250%	12/15/11
3,500	Resolution Performance Products LLC	8.000%	12/15/09
3,000	Rockwood Specialties Group	7.500%	11/15/14

COMMERCIAL SERVICES & SUPPLIES - 0.2%			
1,518	IOS Capital LLC, Senior Notes	7.250%	6/30/08
2,000	Williams Scotsman Inc.	10.000%	8/15/08

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PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

COMMUNICATIONS EQUIPMENT - 0.4%			
9,200	Ciena Corporation	3.750%	2/01/08

CONSTRUCTION MATERIALS - 0.1%			
2,000	Texas Industries Inc.	10.250%	6/15/11

CONTAINERS & PACKAGING - 0.6%			
2,000	Berry Plastics Corporation	10.750%	7/15/12
3,450	MDP Acquisitions plc, Senior Notes	9.625%	10/01/12
3,000	Owens-Brockway Glass Containers, Guaranteed Senior Note	8.250%	5/15/13
3,000	Owens-Illinois Inc.	7.500%	5/15/10

DIVERSIFIED TELECOMMUNICATION SERVICES - 0.1%			
2,000	INTELSAT Bermuda Limited, 144A	8.250%	1/15/13

ELECTRIC UTILITIES - 0.1%			
2,000	Midwest Generation LLC	8.750%	5/01/34

ENERGY EQUIPMENT & SERVICES - 0.1%			

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2,500	Pride International Inc.	7.375%	7/15/14

	FOOD & STAPLES RETAILING - 0.1%		
3,000	Stater Brothers Holdings Inc.	8.125%	6/15/12

	FOOD PRODUCTS - 0.8%		
7,610	Del Monte Corporation	8.625%	12/15/12
7,000	Dole Foods Company	7.875%	7/15/13
1,096	Dole Foods Company	8.625%	5/01/09

	HEALTHCARE EQUIPMENT & SUPPLIES - 0.1%		
2,500	Fisher Scientific International Inc.	8.000%	9/01/13

	HEALTHCARE PROVIDERS & SERVICES - 0.5%		
3,000	Quintiles Transnational Corporation	10.000%	10/01/13
1,000	Select Medical Corporation, 144A	7.625%	2/01/15
2,000	Service Corporation International	7.700%	4/15/09
3,000	US Oncology Inc.	10.750%	8/15/14

	HOTELS, RESTAURANTS & LEISURE - 2.3%		
5,190	Aztar Corporation	9.000%	8/15/11
2,345	Boyd Gaming Corporation	8.750%	4/15/12
4,075	Boyd Gaming Corporation	7.750%	12/15/12
3,172	Dominos Inc.	8.250%	7/01/11
1,500	Herbst Gaming Inc.	7.000%	11/15/14
4,100	Intrawest Corporation	7.500%	10/15/13
2,000	Landry's Restaurants Inc., Series B	7.500%	12/15/14
2,000	MGM Mirage, Inc.	6.750%	8/01/07
3,500	Park Place Entertainment	7.875%	12/15/05
1,000	Park Place Entertainment	9.375%	2/15/07
1,000	Park Place Entertainment	7.875%	3/15/10
4,000	Penn National Gaming Inc., Senior Subordinated Notes	8.875%	3/15/10
3,000	Pinnacle Entertainment Inc.	8.750%	10/01/13
2,000	Pinnacle Entertainment Inc.	8.250%	3/15/12
4,000	Universal City Development Partners	11.750%	4/01/10

	HOUSEHOLD DURABLES - 0.5%		
4,500	K. Hovnanian Enterprises Inc., Senior Subordinated Notes	8.875%	4/01/12
5,000	KB Home	8.625%	12/15/08

	INSURANCE - 0.1%		
2,500	Fairfax Financial Holdings Ltd	7.750%	4/26/12

	IT SERVICES - 0.2%		

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3,000 Global Cash Access LLC 8.750% 3/15/12

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Nuveen Preferred and Convertible Income Fund 2 (JQC) (continued)
Portfolio of INVESTMENTS June 30, 2005 (Unaudited)

PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

	MACHINERY - 0.4%		
3,000	Terex Corporation, Senior Subordinated Notes	10.375%	4/01/11
3,000	Terex Corporation, Senior Subordinated Notes	9.250%	7/15/11

	MEDIA - 4.0%		
6,900	Allbritton Communications Company, Series B	7.750%	12/15/12
2,000	AMC Entertainment Inc.	8.000%	3/01/14
1,345	American Media Operations Inc.	8.875%	1/15/11
6,000	American Media Operations Inc., Series B	10.250%	5/01/09
3,000	Cablevision Systems Corporation	7.250%	7/15/08
2,000	Cablevision Systems Corporation	8.125%	7/15/09
5,000	Cablevision Systems Corporation, Series B	8.125%	8/15/09
2,000	Charter Communications Operating LLC, 144A	8.000%	4/30/12
6,000	Cinemark USA Inc.	9.000%	2/01/13
1,000	Dex Media West LLC	8.500%	8/15/10
2,198	Dex Media West LLC	9.875%	8/15/13
1,000	DIRECTV Holdings LLC, 144A	6.375%	6/15/15
3,000	Loews Cineplex Entertainment Corporation, 144A	9.000%	8/01/14
3,855	Mail-Well I Corporation, Senior Unsecured Note, 144A	9.625%	3/15/12
4,000	Medianews Group Inc.	6.375%	4/01/14
1,950	Panamsat Corporation	9.000%	8/15/14
7,000	Primedia Inc., Senior Notes	8.875%	5/15/11
2,000	R. H. Donnelley Finance Corp 1	10.875%	12/15/12
2,000	Sun Media Corporation	7.625%	2/15/13
8,200	Vertis Inc.	9.750%	4/01/09
2,000	Young Broadcasting Inc.	8.750%	1/15/14
5,500	Young Broadcasting Inc., Senior Subordinated Notes	10.000%	3/01/11

	METALS & MINING - 0.2%		
3,000	Chaparral Steel Company, 144A (WI, settling 7/06/05)	10.000%	7/15/13
1,682	United States Steel Corporation	9.750%	5/15/10

	MULTI-UTILITIES & UNREGULATED POWER - 0.1%		
500	Northwestern Corporation	5.875%	11/01/14
1,500	NRG Energy Inc., 144A	8.000%	12/15/13

	OIL, GAS & CONSUMABLE FUELS - 0.3%		
2,345	Chesapeake Energy Corporation	7.750%	1/15/15
2,000	Premcor Refining Group Inc.	7.500%	6/15/15

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1,000	Tesoro Petroleum Corporation	8.000%	4/15/08
1,000	Tesoro Petroleum Corporation, Senior Subordinated Notes, Series B	9.625%	11/01/08

PAPER & FOREST PRODUCTS - 0.4%			
2,000	Georgia Pacific Corporation, Debentures	7.700%	6/15/15
5,000	Georgia Pacific Corporation, Notes	8.125%	5/15/11

PERSONAL PRODUCTS - 0.1%			
1,600	Prestige Brands Inc.	9.250%	4/15/12

PHARMACEUTICALS - 0.0%			
1,000	Alpharma Inc., 144A	8.625%	5/01/11

REAL ESTATE - 0.1%			
1,000	TruStreet Properties Inc., 144A	7.500%	4/01/15
500	Ventas Realty LP, 144A	7.125%	6/01/15

ROAD AND RAIL - 0.2%			
1,000	Greenbrier Companies Inc., 144A	8.375%	5/15/15
3,000	Laidlaw International Inc.	10.750%	6/15/11

SPECIALTY RETAIL - 0.8%			
6,000	Asbury Automotive Group Inc.	9.000%	6/15/12
2,000	Movie Gallery Inc., 144A	11.000%	5/01/12
8,000	Warnaco Inc., Senior Notes	8.875%	6/15/13

TEXTILES & APPAREL - 0.2%			
4,000	Jostens IH Corporation	7.625%	10/01/12

TRADING COMPANIES & DISTRIBUTORS - 0.1%			
2,000	United Rentals North America Inc.	6.500%	2/15/12

WIRELESS TELECOMMUNICATION SERVICES - 0.2%			

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PRINCIPAL AMOUNT (000)/ SHARES	DESCRIPTION(1)	COUPON	MATURITY

SPECIALTY RETAIL - 0.8%			
6,000	Asbury Automotive Group Inc.	9.000%	6/15/12
2,000	Movie Gallery Inc., 144A	11.000%	5/01/12
8,000	Warnaco Inc., Senior Notes	8.875%	6/15/13

TEXTILES & APPAREL - 0.2%			
4,000	Jostens IH Corporation	7.625%	10/01/12

TRADING COMPANIES & DISTRIBUTORS - 0.1%			
2,000	United Rentals North America Inc.	6.500%	2/15/12

WIRELESS TELECOMMUNICATION SERVICES - 0.2%			

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4,000	Nextel Communications Inc.	7.375%	8/01/15

Total Corporate Bonds (cost \$319,228,200)			

CAPITAL PREFERRED SECURITIES- 34.1% (23.3% OF TOTAL INVESTMENTS)			
CAPITAL MARKETS - 5.0%			
6,273	BT Capital Trust, Series B1	7.900%	1/15/27
15,000	BT Institutional Capital Trust A, 144A	8.090%	12/01/26
2,000	BT Institutional Capital Trust B, 144A	7.750%	12/01/26
1,250	C.A. Preferred Fund Trust II	7.000%	10/30/49
32,750	C.A. Preferred Funding Trust	7.000%	1/30/49
3,000	Compass Trust I, Series A	8.230%	1/15/27
3,500	First Union Capital Trust II, Series A	7.950%	11/15/29
500	First Union Institutional Capital II	7.850%	1/01/27
2,000	First Union Institutional Capital Securities I	8.040%	12/01/26
19,335	Mellon Capital Trust I, Series A	7.720%	12/01/26
9,000	State Street Institutional Capital Trust, 144A	8.035%	3/15/27

COMMERCIAL BANKS - 17.3%			
2,000	AB Svensk Exportkredit, 144A	6.375%	10/27/49
10,000	Abbey National Capital Trust I	8.963%	12/30/49
43,100	AgFirst Farm Credit Bank	7.300%	12/15/53
12,120	Bank One Capital III	8.750%	9/01/30
1,974	BankAmerica Capital II, Series 2	8.000%	12/15/26
2,600	BankAmerica Institutional Capital Trust, Series B, 144A	7.700%	12/31/26
5,000	BankAmerica Institutional Trust, 144A	8.070%	12/31/26
2,000	BankBoston Capital Trust I, Series B	8.250%	12/15/26
1,000	BanPonce Trust I, Series A	8.327%	2/01/27
4,000	Barclays Bank plc, 144A	8.550%	6/15/49
500	Barnett Capital I	8.060%	12/01/26
13,000	CBA Capital Trust I, 144A	5.805%	12/30/49
2,200	DBS Capital Funding Corporation, 144A	7.657%	3/15/49
4,315	First Chicago NBD Institutional Capital Trust, Series B, 144A	7.750%	12/01/26
6,000	First Chicago NBD Institutional Capital, 144A	7.950%	12/01/26