NUVEEN PREFERRED CONVERTIBLE INCOME FUND
Form N-CSR
March 08, 2006

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: December 31, 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.

ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT December 31, 2005

Nuveen Investments
Exchange-Traded
Closed-End
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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if you get your Nuveen Fund dividends
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: Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

Chairman's
LETTER TO SHAREHOLDERS

I am very pleased to report that for the year ended December 31, 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 information on your Fund's performance, please read the Portfolio Managers' Comments, the Distribution and Share Price Information, and the Performance Overview sections of this report.
Portfolio diversification is a recognized way to try to reduce some of the risk that comes with investing. Since one part of your portfolio may be going up when another is going down, portfolio diversification may help smooth your investment returns over time. In addition to providing regular monthly income, an investment like your Fund that combines several asset classes may help you achieve and benefit from greater portfolio diversification. Your financial advisor can explain these potential advantages in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

"IN ADDITION TO PROVIDING REGULAR MONTHLY INCOME, AN INVESTMENT LIKE YOUR FUND THAT COMBINES SEVERAL ASSET CLASSES MAY HELP YOU ACHIEVE AND BENEFIT FROM GREATER PORTFOLIO DIVERSIFICATION."

As you look through this report, be sure to review the inside front cover. This contains information on how you can receive future Fund reports and other Fund information faster by using e-mails and the Internet. Sign up is quick and easy - just follow the step-by-step instructions.

As we noted in our last shareholder report, The St. Paul Travelers Companies, Inc., which had owned 79% of Nuveen Investments, Inc. (the parent of your Fund's investment adviser), had sold a substantial portion of its stake in Nuveen. Since then, St. Paul has sold the balance of its shares to Nuveen Investments or to others. Please be assured that these transactions only affected Nuveen's corporate structure, and they do not have any impact on the investment objectives or management of your Fund.

At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives. We are grateful that you have chosen us as a partner as you pursue your financial goals, and we look forward to continuing to earn your trust in the months and years ahead. Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

February 15, 2006

Nuveen Preferred and Convertible Income Funds (JPC, JQC)

Portfolio Managers'
COMMENTS

These Funds are subadvised by a team of specialists from Spectrum Asset Management, Inc., Froley, 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.

Froley, 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, Froley, Revy and Symphony talk about their management strategies and the performance of both Funds for the 12-month period ended December 31, 2005.

WHAT WERE THE GENERAL ECONOMIC CONDITIONS AND MARKET TRENDS OVER THE COURSE OF 2005?

The U.S. economy posted another year of growth in 2005. The Gross Domestic Product grew 3.5% during the year, in line with the rise of the Consumer Price Index. The U.S. equity market, as measured by the Standard & Poor's 500 Index, produced a return of 4.91%. The Federal Reserve continued to be on guard against an increase in the rate of inflation, raising the closely-watched short-term fed funds rate to 4.25% by year end. (On January 31, 2006, after the close of this reporting period, the Fed raised the fed funds rate to 4.50%.)

As with most fixed income investors, participants in the preferred market spent much of the year concerned with rising Fed funds rates, potential inflation, rising energy prices, and the economic impact of natural disasters. Credit spreads began 2005 at historically narrow levels relative to U.S. Treasury and corporate bonds, and individual investors began to shy away from $25 par preferreds early in the year fearing poor performance as the Fed continued to raise the fed funds rate. The $25 par market also suffered from what was at times more new issue supply than could readily be absorbed by the market. Consequently, the Merrill Lynch Preferred Stock Hybrid Index returned only 0.46% in 2005, which was the worst annual performance for this index since 1999. The year also saw significant new issuance of DRD (dividends received deduction) preferred securities. This new DRD supply caused some price weakness during the summer, but DRDs rallied during the fourth quarter and outperformed other preferreds as well as the general bond market.

4

The $1000 par Capital Security sector, targeted to institutional investors, also experienced healthy new issuance. Fortunately, institutional investors were ravenous for the incremental yield afforded by this sector, and the strong demand prevented the dislocations we saw in the $25 par preferred stock market. The Lehman Tier 1 Capital Securities Index rise of 3.68% for the year far outpaced returns in the $25 par sector. Many of the new securities in the institutional sector utilized a new structure which provided more equity credit for the issuers and provided higher yields for investors. The advent of these new types of "enhanced equity" preferreds is expected to foster a broad expansion of the hybrid preferred securities market, which reached a size of about $276 billion by year end following record new issuance of $46 billion in 2005. (Hybrid preferred carry stated maturities and fixed coupons, but they can be treated by companies as equity for financial statement purposes.)

Convertible securities had a difficult year in 2005, in part because of rising short term rates. This caused a rocky start to the year for equity markets in the U.S. However, stocks generally moved higher in the latter half of the year due to overall good economic news coupled with little sign of inflation.

Convertibles, having features of both equities and bonds, struggled more than would have been expected due to massive selling by convertible arbitrage hedge funds, which created a supply/demand imbalance. This was mitigated to some extent by a slow new issue calendar and high redemptions by issuers, causing a reduction in supply that tended to support prices. However, values in the convertible market did cheapen significantly last year. (A convertible issue is considered cheap when the value of its bond component is added to the value of the equity option and the result is higher than where the actual security is trading.)

In the high yield debt market, 2005 was highlighted by record leveraged merger financing, near historic low default rates and relatively narrow credit spreads (the difference in yields between higher- and lower-rated securities). We were able to avoid companies with aggressive leverage, such as auto suppliers like Delphi. We also continued to avoid smaller high yield issues because we believed that market liquidity could be challenged if the credit experienced any negative events. The CSFB High Yield Index returned 2.26% for the year.

5

WHAT STRATEGIES AND TACTICS DID YOU USE TO MANAGE THE FUNDS' ASSETS?

In the preferred securities markets, we did some rebalancing between the $25 par and $1000 par Capital Security sectors because of relative value considerations. We sold $1000 par Capital Securities, which had been aggressively bid up in price, and bought the relatively cheaper $25 par securities. Many of the Capital Security sales were high coupon callable securities priced at levels that assumed they would be called at the first opportunity. Therefore, they had little or no upside price appreciation potential. As a result, we also were being proactive in managing upcoming call exposure within the Funds' portfolios.

The overall management strategy for the convertible sleeves of JPC and JQC 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 found these balanced convertible securities generally had an attractive risk/reward trade off between equity sensitivity and downside risk. We maintained a minimum of 50% investment-grade securities, while the Merrill Lynch All Convertibles Index investment-grade weight has dropped to 40% due to redemptions by higher-quality issuers and more sub-investment grade issuance over the last year.

For the high yield debt portion of both Funds, 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. We maintained our investments across a variety of industry sectors and rating tiers. We continued to eliminate 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.

TOTAL RETURN ON NET ASSET VALUE For the 12-month period ended December 31, 2005

JPC	1.32%
JQC	1.41%
Comparative benchmark1	1.73%

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 of: 1) 33% of the Merrill Lynch Preferred Stock Hybrid Securities Index, an unmanaged index of investment-grade, exchange-traded preferred issues with outstanding market values of at least $30 million and at least one year to maturity; 2) 27% of the Lehman Tier 1 Capital Securities Index, an unmanaged index that includes securities that can generally be viewed as hybrid fixed-income securities that either receive regulatory capital treatment or a degree of "equity credit" from a rating agency; 3) 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 4) 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 do not include the effects of any management fees or fund expenses. It is not possible to invest directly in an index.

Over the course of what turned out to be a difficult 12-month period, both Funds underperformed their comparative benchmark.

Taking advantage of the large amount of new issuance in the DRD sector and the attractiveness of their yields compared to other preferreds, we increased our concentration in these securities and reaped the benefits when credit spreads in that market tightened toward the end of the year.

In addition, in keeping with our strategy of selling Capital Securities and purchasing $25 par securities due to their relative values, we sold some high coupon securities which become callable in late 2006 or early 2007. These securities were priced to their first call dates because the market fully expected them to get called. Selling these short duration securities, which had little to no price appreciation upside, throughout 2005 positioned the Funds ahead of the call cycle, especially as the short end of the yield curve sold off. We also bought several of the new "enhanced equity" issues which provided relatively higher income levels and attractive total return opportunities.

JPC and JQC began 2005 with a relatively light concentration in the automotive industry, when compared with the sector's standing in the preferred market. Nevertheless, in hindsight, the positions were not small enough. Many of these holdings were senior debt which we had bought when it looked cheap compared to their $25 par preferred counterparts. We began selling Ford and General Motors in January 2005 (for a profit) and had been selling Delphi since 2004. We took some losses when we sold much of our position in Delphi early in the year while it was still making payments and thereby avoided the huge price declines that accompanied Delphi's subsequent bankruptcy filing. These three automotive names were the worst performers in 2005. As of year end, we had no automotive exposure to Delphi, Ford, and GM, but did have a relatively small position in Daimler Chrysler in JQC.

The best performing convertible securities sector for the year was energy. In particular, the price of a Chesapeake Energy holding rose more than 130% from the date of purchase in March 2004 through the date of the last sale of this position in October 2005. While we remained positive on the stock and the sector, the high equity sensitivity of this particular security made us look for an attractive exit point. Subsequently, the Funds have purchased new Chesapeake Energy securities. Other energy sector holdings Diamond Offshore, Kerr McGee (which was sold during the period) and Amerada Hess also were positive contributors during the year.

The financial sector represented on average just over 17% of the convertible universe in 2005. The sector return in convertibles was a positive 5.8%. Both Funds benefited from their financial sector holdings of Fortis Insurance, Genworth and MetLife.

Although the utilities sector represents less than 5% of the convertible universe, the Funds had a positive return from their positions in this area, in contrast to a decline in the sector as a whole. FPL Group was the most notable performer in JQC, while Calpine Corp. (currently in Chapter 11) was the most notable company we avoided in both Funds.

Offsetting these solid performers, the convertible securities consumer discretionary sector had a miserable year. We sold our positions in Ford and General Motors when their debt was downgraded to junk status. Similar to the auto industry, airlines also had a negative impact on the Transportation sector. At the beginning of the year, both Funds owned convertibles issued by Pinnacle

Airlines, a partner with Northwest Airlines. We sold these positions well before both airlines declared bankruptcy, but not soon enough to avoid a loss. On the other hand, Continental Airlines (purchased in September) and JetBlue (bought in October) both performed well during the periods they were in the portfolios.

Convertibles issued by firms in the technology sector were down about 2.2% last year. A disappointing return from Digital River convertibles had a negative impact on performance of both Funds. However, we remained interested in the technology sector, and the Funds maintained much of their convertible exposure in this area at year end.

Overall, we were pleased with the performance of the high yield debt portions of both Funds' portfolios. In JPC, Allied Waste North America and Baytex Energy Ltd. performed well, while solid performers in JQC included Global Cash Access LLC and Quintiles Transnational Corporation.

Distribution and Share Price INFORMATION

Each Fund uses financial leverage in an effort to enhance its common share dividend-paying capabilities. While this strategy adds volatility to the Fund's common share 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 the 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 did not provide as much income enhancement to common shareholders as it did before short-term interest rates began to rise. Over this 12-month reporting period, both JPC and JQC announced three reductions in their monthly distribution to common shareholders.

Both Funds seek to pay stable common share 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 December 31, 2005, 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 Funds received two capital gains distribution in 2005 as follows:

	JULY LONG-TERM CAPITAL GAINS (PER SHARE)	DECEMBER LONG-TERM CAPITAL GAINS (PER SHARE)
JPC	$0.0176	$0.1934
JQC	$0.0430	$0.0530

These distributions represented important parts of the Funds' 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. On balance, this had a slight negative impact on the Funds' per share earning power and was a minor factor in the per share distribution reductions noted above.

As of December 31, 2005, the Funds' common shares were trading at discounts to their NAVs as shown in the accompanying chart:

	12/31/05 DISCOUNT	12-MONTH AVERAGE DISCOUNT
JPC	-15.59%	-10.25%
JQC	-14.72%	-11.06%

On February 3, 2006, the Funds' Board of Trustees approved an open market share repurchase program, as part of a broad, ongoing program of activity designed to support the market prices of the Funds' common shares.

Nuveen Preferred and Convertible Income Fund
JPC

Performance
OVERVIEW As of December 31, 2005

Pie Chart:
PORTFOLIO ALLOCATION
(as a % of total investments)

$25 Par (or similar) Securities	36.6%
Convertible Bonds	24.3%
Capital Preferred Securities	20.0%
Corporate Bonds	10.4%
Convertible Preferred Securities	7.6%
Short-Term Investments	1.1%

Bar Chart:
2005 MONTHLY DISTRIBUTIONS PER SHARE

Jan	0.1005
Feb	0.1005
Mar	0.096
Apr	0.096
May	0.096
Jun	0.09
Jul	0.09
Aug	0.09
Sep	0.085
Oct	0.085
Nov	0.085
Dec	0.085

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

1/01/05	14.26

14.34
14.32
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13.69
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13.22
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12.08
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12.05
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12.04
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11.88
11.79
11.7
11.78
11.69

	11.77
	11.88
	11.94
	11.93
	11.97
12/31/05	11.97

(Sidebar)

PORTFOLIO STATISTICS

Common Share Price	$11.97
Common Share Net Asset Value	$14.18
Premium/(Discount) to NAV	-15.59%
Latest Dividend	$.0850
Market Yield	8.52%
Net Assets Applicable to Common Shares ($000)	$1,419,946

AVERAGE ANNUAL TOTAL RETURN
(Inception 3/26/03)

	ON SHARE PRICE	ON NAV
1-Year	-7.63%	1.32%
Since Inception	1.16%	8.73%

INDUSTRIES
(as a % of total investments)

Commercial Banks	21.5%
Insurance	12.0%
Real Estate	8.7%
Capital Markets	6.7%
Diversified Financial Services	5.5%
Media	4.7%
Hotels, Restaurants & Leisure	3.4%
Oil, Gas & Consumable Fuels	3.2%
Thrifts & Mortgage Finance	2.5%
Pharmaceuticals	2.2%
Semiconductors & Equipment	1.9%

Specialty Retail	1.7%
Energy Equipment & Services	1.7%
Biotechnology	1.6%
Electric Utilities	1.6%
Short-Term Investments	1.1%
Other	20.0%

TOP FIVE ISSUERS
(EXCLUDING SHORT-TERM INVESTMENTS)
(as a % of total investments)

Wachovia Corporation	2.0%
HBSC Holdings Public Limited Company	1.8%
JPMorgan Chase & Company	1.7%
ING Group NV	1.7%
Union Planters Corporation	1.6%

10

Nuveen Preferred and Convertible Income Fund 2
JQC

Performance
OVERVIEW As of December 31, 2005

Pie Chart:
PORTFOLIO ALLOCATION
(as a % of total investments)

$25 Par (or similar) Securities	34.8%
Convertible Bonds	23.0%
Capital Preferred Securities	21.9%
Corporate Bonds	10.3%
Convertible Preferred Securities	8.5%
Short-Term Investments	1.5%

Bar Chart:
2005 MONTHLY DISTRIBUTIONS PER SHARE

Jan	0.0975
Feb	0.0975
Mar	0.093
Apr	0.093
May	0.093
Jun	0.0885
Jul	0.0885
Aug	0.0885
Sep	0.084
Oct	0.084

Nov	0.084
Dec	0.084

Line Chart:
SHARE PRICE PERFORMANCE
Weekly Closing Price
Past performance is not predictive of future results.

1/01/05	13.87
	13.88
	13.83
	13.91
	13.94
	13.99
	14.02
	13.93
	13.93
	13.89
	13.88
	13.83
	13.85
	13.85
	13.85
	13.8
	13.76
	13.86
	13.95
	13.98
	14.05
	14.04
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	14.12
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	14.25
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	14.04
	13.91
	13.84
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13.04
13.06
12.94
12.9

12.86
12.76
12.6
12.58
12.57
12.47
12.37
12.37
12.24
12.46
12.42
12.54
12.49
12.45
12.4
12.26
12.29
12.25
12.27
11.97
11.81
11.86
11.89
11.88
11.87
11.75
11.89
11.83
11.83
11.74
11.74
11.84
11.95
11.91
11.88
11.98
11.91
11.89
11.95
12
11.93
11.87
11.88
11.85
11.87
11.91
11.98
11.9
11.81
11.94
12.02
12.02
12.01
12
11.99
12.04
12.02
11.92
11.89
11.89
11.85
11.82

	11.72
	11.71
	11.7
	11.7
	11.66
	11.63
	11.68
	11.67
	11.79
	12.03
	12.01
	12.01
	12.11
12/31/05	12.11

(Sidebar)

PORTFOLIO STATISTICS

Common Share Price	$12.11
Common Share Net Asset Value	$14.20
Premium/(Discount) to NAV	-14.72%
Latest Dividend	$.0840
Market Yield	8.32%
Net Assets Applicable to Common Shares ($000)	$2,002,079

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

	ON SHARE PRICE	ON NAV
1-Year	-4.40%	1.41%
Since Inception	-0.19%	7.64%

INDUSTRIES
(as a % of total investments)

Commercial Banks	21.6%
Insurance	12.8%
Real Estate	7.7%
Capital Markets	7.0%
Diversified Financial Services	6.0%
Media	5.0%
Oil, Gas & Consumable Fuels	3.5%

Hotels, Restaurants & Leisure	3.4%
Pharmaceuticals	2.0%
Specialty Retail	2.0%
Biotechnology	1.8%
Semiconductors & Equipment	1.8%
Energy Equipment & Services	1.5%
Diversified Telecommunication Services	1.5%
Electric Utilities	1.4%
Short-Term Investments	1.5%
Other	19.5%

TOP FIVE ISSUERS
(EXCLUDING SHORT-TERM INVESTMENTS)
(as a % of total investments)

Wachovia Corporation	2.2%
JPMorgan Chase & Company	2.1%
Banco Santander Central Hispano S.A.	1.6%
HBOS Public Limited Company	1.6%
ING Group NV	1.6%

11

Shareholder
MEETING REPORT

Approval of the new investment management agreement and sub-advisory agreements were the proposals voted upon at the July 26, 2005, shareholder meeting held at The Northern Trust Bank.

Approval of the Board Members was the proposal voted upon at the November 15, 2005, shareholder meeting held at the offices of Nuveen Investments.

JP

APPROVAL OF THE NEW INVESTMENT MANAGEMENT AGREEMENT WAS
REACHED AS FOLLOWS:

Commo
Preferred s
voting tog

	as a
For	95,40
Against	88
Abstain	1,03
Total	97,32

APPROVAL OF THE NEW SUB-ADVISORY AGREEMENT BETWEEN NUVEEN ASSET MANAGEMENT AND FROLEY, REVY INVESTMENT CO., INC. WAS REACHED AS FOLLOWS:

	Commo Preferred voting to as a
For	95,41
Against	89
Abstain	1,01
Total	97,32

12

JP

APPROVAL OF THE NEW SUB-ADVISORY AGREEMENT BETWEEN NUVEEN ASSET MANAGEMENT AND SPECTRUM ASSET MANAGEMENT, INC. WAS REACHED AS FOLLOWS:

	Commo Preferred s voting tog as a
For	95,37
Against	91
Abstain	1,03
Total	97,32

APPROVAL OF THE NEW SUB-ADVISORY AGREEMENT BETWEEN NUVEEN ASSET MANAGEMENT AND SYMPHONY ASSET MANAGEMENT LLC WAS REACHED AS FOLLOWS:

	Commo Preferred s voting tog as a
For	95,35
Against	91
Abstain	1,05
Total	97,32

Report of
INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

THE BOARD OF TRUSTEES AND SHAREHOLDERS
NUVEEN PREFERRED AND CONVERTIBLE INCOME FUND
NUVEEN PREFERRED AND CONVERTIBLE INCOME FUND 2

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Preferred and Convertible Income Fund and Nuveen Preferred and Convertible Income Fund 2 as of December 31, 2005, and the related statements of operations for the year then ended, and the statements of changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circ