

AllianzGI Equity & Convertible Income Fund  
Form N-CSRS  
October 03, 2017

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 811-21989

AllianzGI Equity & Convertible Income Fund  
(Exact name of registrant as specified in charter)

1633 Broadway, New York, New York  
(Address of principal executive offices)

10019  
(Zip code)

Lawrence G. Altadonna 1633 Broadway, New York, New York 10019  
(Name and address of agent for service)

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

Date of fiscal year January 31  
end:

Date of reporting period: July 31, 2017

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ITEM 1. REPORT TO SHAREHOLDERS



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July 31, 2017 | Semi-Annual Report **1**

**Letter from the President**

Dear Shareholder:

The US economy continued to expand during the six-month reporting period ended July 31, 2017, although the overall pace was rather modest. Meanwhile, there were indications that economic activity overseas was improving. Against this backdrop, both US and international equities generated strong results. Elsewhere, the US bond market posted a modest return during the reporting period.

**For the six-month reporting period ended July 31, 2017**

• AllianzGI Diversified Income & Convertible Fund returned 8.60% on net asset value ( NAV ) and 16.31% on market price.

**Thomas J. Fuccillo**

• AllianzGI Equity & Convertible Income Fund returned 6.50% on NAV and 9.68% on market price.

*President & Chief  
Executive Officer*

• AllianzGI NFJ Dividend, Interest & Premium Strategy Fund returned 3.22% on NAV and 7.15% on market price.

During the six months ended July 31, 2017, the Russell 3000 Index, a broad measure of US stock market performance, gained 8.94%; the Russell 1000 Value Index, a measure of large-cap value-style stocks, rose 5.30%; and the Russell 1000 Growth Index, a measure of growth style stocks, gained 13.21%. Convertible securities, as reflected by the BofA Merrill Lynch All Convertibles Index, returned 7.21%.

Turning to the US economy, gross domestic product ( GDP ), the value of goods and services produced in the country, the broadest measure of economic activity and a principal indicator of economic performance, expanded at a 1.8% annual pace during the fourth quarter of 2016. GDP then moderated to a 1.2% annual pace during the first quarter of 2017. The Commerce Department's estimate for the second quarter of 2017 showed that GDP released after the reporting period had ended grew at an annual pace of 3.0%.

The US Federal Reserve (the Fed ) raised interest rates on two separate occasions during the reporting period: in March 2017 and June 2017. In both cases, the Fed's movements were well telegraphed. With the rate hike in June, the federal funds rate moved to a range between 1.00% and 1.25%. In the statement following the July meeting, the Fed indicated that it planned to begin reducing its balance sheet, saying "The Committee expects to begin implementing its balance sheet normalization program relatively soon, provided that the economy evolves broadly as anticipated."



## Outlook

Looking ahead, we believe investors should expect muted growth as the US enters the later portion of an economic cycle, Japan is struggling with its aging population and Europe is suffering from the uncertainties related to Great Britain's anticipated exit from the European Union ( Brexit ). In our view, the US and European Union should ultimately avoid recessions, but remain mired in a relatively weak economic expansion. We expect the Fed to continue modestly increasing rates in 2017, prompting central banks in emerging markets to lower their rates as inflation falls. Elsewhere, we expect the European Central Bank and Bank of Japan to maintain their accommodative monetary policies. In our view, we have passed peak global liquidity, as central banks have pushed past negative interest rate policies to begin supporting government spending.

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[us.allianzgi.com/edelivery](http://us.allianzgi.com/edelivery).

The tides of deregulation continued shifting in 2016, and nationalism and populism gained ground. Politics should remain a key investment consideration given the results from the last U.S. Presidential election and key elections in Europe, including the Netherlands, France and Germany. We also believe that monetary policy will become more political. As to where governments will spend the money their central banks print, we believe domestic infrastructure and defense spending will be the focus of many countries in the coming years.

Against this backdrop, we believe markets are increasingly susceptible to volatility as politics, geopolitics, divergent monetary policies and internal market structures all converge and evolve. We believe that navigating this sea of uncertainty requires a clear direction and an active management approach, with investors staying agile in their asset allocations, confident in their processes and thorough in their research.

On behalf of Allianz Global Investors U.S. LLC, thank you for investing with us. We encourage you to consult with your financial advisor and to visit our website, [us.allianzgi.com](http://us.allianzgi.com), for additional information. We remain dedicated to serving your investment needs.

Sincerely,

Thomas J. Fuccillo

*President & Chief Executive Officer*



## Fund Insights

### AllianzGI Diversified Income & Convertible Fund/AllianzGI Equity & Convertible Income Fund/AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2017 (unaudited)

### AllianzGI Diversified Income & Convertible Fund

For the period of February 1, 2017 through July 31, 2017, as provided by Doug Forsyth, CFA, Portfolio Manager.

For the six-month period ended July 31, 2017, the AllianzGI Diversified Income & Convertible Fund (the Fund) returned 8.60% on net asset value (NAV) and 16.31% on market price.

During the reporting period, the Russell 1000 Growth Index, a measure of growth style stocks, advanced 13.21%; and convertible securities, as reflected by the BofA Merrill Lynch All Convertibles Index, returned 7.21%.

## Market Environment

The performance for the convertible, high yield and large cap equity markets was higher over the trailing six months.

Several factors influenced the three asset classes throughout the reporting period, including corporate fundamentals, economic indicators, moves made by the US Federal Reserve (the Fed), the new US administration's pro-growth agenda and sustained investors' appetite for risk assets.

During the reporting period US companies continued to exhibit improving fundamentals. For example, in the first quarter of 2017 operating results for most US companies met or exceeded expectations while credit metrics showed further improvement, continuing a trend from the fourth quarter of 2016. As an additional example, the first quarter of 2017 was the first time since 2011 where US companies saw double-digit year-over-year earnings growth, on average for the S&P 500 Index. In addition, according to Bank of America Merrill Lynch, net leverage continued to tick lower and interest coverage continued to rise higher, on average for the S&P 500 Index.

Certain economic statistics were positive and factored into the market's strength. In May 2017, the unemployment rate fell to its lowest level since 2001 and private payroll figures were healthy. Housing prices continued their upward trend. Consumer and small business confidence levels came off their recent highs, but remained at bullish levels. Overall, the trend in economic data reinforced the favorable credit conditions for convertible bonds, high yield bonds and equities.

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

As anticipated, the Fed raised interest rates twice during the reporting period, pushing the federal funds rate to a range of 1.00% to 1.25%. The convertible market responded positively to the Fed's rate decision and commentary. Near-term rate hike projections from the Fed remain unchanged, with one more expected this year and three expected in 2018. Additionally, the Fed noted that the process of balance sheet reduction is expected to begin later this year, reflecting their confidence in the

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## Fund Insights

### AllianzGI Diversified Income & Convertible Fund/AllianzGI Equity & Convertible Income Fund/AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2017 (unaudited) (continued)

US economy. Outside of the US, global central banks throughout Europe and Asia maintained aggressive measures to stimulate their respective economies.

The three assets classes also benefited from a persistent appetite among investors for risk assets, which in part, appeared to be centered on the continued optimism surrounding President Trump's policies and pro-growth agenda. Additionally, a weaker dollar and favorable supply/demand dynamics helped lift select base metal and crude oil prices, which supported commodity-related issuers.

The volatility environment remained subdued over the reporting period. The Chicago Board Options Exchange Volatility Index (VIX) started the period in the low double-digits and was range bound between 10.5 and 13.0 throughout February 2017 and March 2017, spiked to a high of 16.0 in mid-April 2017, and reached a new record low of below 9.0 in mid-July 2017. The index started the period at 11.8 and ended the period at 10.3.

## Portfolio Specifics

The Fund provided consistent income and generated a positive total return over the reporting period.

In the equity sleeve, the materials, real estate and health care sectors helped relative performance. Conversely, the information technology, energy and consumer staples sectors hindered relative performance.

In the convertible sleeve, sectors that contributed positively to relative performance were information technology, consumer discretionary and transportation. On the other hand, energy, media and utilities pressured relative performance.

In the high yield sleeve, industries that aided relative performance were health care, chemicals and theatres & entertainment. In contrast, the energy, telecommunications and utilities industries hampered relative performance.

Regarding the covered call strategy, many option positions expired below strike and the portfolio was able to retain the set premiums. With depressed implied volatility levels, fewer equities were subject to written call options during the reporting period than in prior periods.

**Outlook**

US equity markets continue to record new all-time highs, volatility is near all-time lows, and interest rates are trending higher on an improving economic outlook in our view. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

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**Fund Insights**

**AllianzGI Diversified Income & Convertible Fund/AllianzGI Equity & Convertible Income Fund/AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

From a fundamental standpoint, as well as the observed condition of the economy, high yield defaults in 2017 and 2018 are expected to remain below their long-term historical average in our view. This stage of the market cycle can be compared to the mid-1990s and mid-2000s, when market environments exhibited economic stability, low defaults and healthy balance sheets.

Stress in select industries of the market has waned, and overall, we believe balance sheets, leverage ratios and interest-coverage ratios continue to support an investment in these asset classes.

The US economy is expected to expand at a moderate pace for the remainder of 2017, in our view. The stock market's strength and the US Treasury yield curve appear to confirm this expectation. Moreover, any combination of positive tax reform, decreased regulation, and increased fiscal spending could provide upside to growth expectations.

After bottoming in the second quarter of 2016, corporate profits have significantly improved through the first quarter of 2017. Based on bottom-up estimates, we believe they are poised to trend higher throughout year.

US monetary policy continues to be modestly accommodative with the Fed expected to take a gradual approach toward policy adjustments, in our view. Additional Fed rate hikes and balance sheet reduction efforts signal confidence in the US economy's ability to grow and reflect the goal of achieving a normalized environment after an extended period of extreme accommodation. Global monetary policy continues to be constructive and accommodative.

**AllianzGI Equity & Convertible Income Fund**

For the period of February 1, 2017 through July 31, 2017, as provided by Doug Forsyth, CFA, Portfolio Manager.

For the six-month period ended July 31, 2017, the AllianzGI Equity & Convertible Income Fund (the Fund) returned 6.50% on net asset value (NAV) and 9.68% on market price.

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

During the reporting period, the Russell 1000 Growth Index, a measure of growth style stocks, advanced 13.21%; and convertible securities, as reflected by the BofA Merrill Lynch All Convertibles Index, returned 7.21%.

### **Market Environment**

Several factors influenced equities and convertible bonds throughout the reporting period, including corporate fundamentals, economic indicators, the US Federal Reserve (the Fed) moves, the US new administration's pro-growth agenda, and investors sustained appetite for risk assets.

During the reporting period US companies continued to exhibit improving fundamentals.

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## Fund Insights

### AllianzGI Diversified Income & Convertible Fund/AllianzGI Equity & Convertible Income Fund/AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2017 (unaudited) (continued)

For example, in the first quarter operating results for most US companies met or exceeded expectations while credit metrics showed further improvement, continuing a trend from the fourth quarter of 2016. The first quarter of 2017 was the first time since 2011 where US companies saw double-digit year-over-year earnings growth, on average for the S&P 500 Index. In addition, according to Bank of America Merrill Lynch, net leverage ticked lower and interest coverage rose the last two quarters, on average for the S&P 500 Index.

Certain economic statistics were positive and factored into the market's strength. In May 2017, the unemployment rate fell to its lowest level since 2001 and private payroll figures were healthy. Housing prices continued their upward trend. Consumer and small business confidence levels came off their recent highs, but remained at bullish levels. Overall, the trend in economic data reinforced the favorable credit conditions for equities and convertible bonds.

As anticipated, the Fed raised interest rates twice during the reporting period, pushing the federal funds rate to a range of 1.00% to 1.25%. The convertible market responded positively to the Fed's rate decision and commentary. Near-term rate hike projections from the Fed remain unchanged, with one more expected this year and three expected in 2018. Additionally, the Fed noted that the process of balance sheet reduction is expected to begin later this year, reflecting their confidence in the US economy. Outside of the US, global central banks throughout Europe and Asia maintained aggressive measures to stimulate their respective economies.

The asset classes also benefited from a persistent appetite among investors for risk assets, which in part, appeared to be centered on the continued optimism surrounding President Trump's policies and pro-growth agenda. Additionally, a weaker dollar and favorable supply/demand dynamics helped lift select base metal and crude oil prices, which supported commodity-related issuers.

The volatility environment remained subdued over the quarter. The Chicago Board Options Exchange Volatility Index (VIX) started the period in low double-digits and was range bound between 10.5 and 13.0 throughout February and March, spiked to a high of 16.0 in mid-April, and reached a new record low of below 9.0 in mid-July. The index started the period at 11.8 and ended the period at 10.3.

## Portfolio Specifics

The Fund provided consistent income and generated a positive total return over the reporting period.

In the equity sleeve, the materials, real estate and industrials sectors helped relative performance. Conversely the energy, information technology and consumer



## Fund Insights

### AllianzGI Diversified Income & Convertible Fund/AllianzGI Equity & Convertible Income Fund/AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2017 (unaudited) (continued)

discretionary sectors hindered relative performance.

In the convertible sleeve, sectors that contributed positively to relative performance were materials, transportation and consumer staples. On the other hand, information technology, health care and financials pressured relative performance.

The covered call strategy captured fewer gains than anticipated. The covered calls did provide some short-term capital gains for the portfolio, but with the depressed implied volatilities the magnitude of the premiums faced headwinds.

## Outlook

US equity markets continue to record new all-time highs, volatility is near all-time lows, and interest rates are trending higher on an improving economic outlook, in our view. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

Stress in select industries of the market has waned, and overall, we believe balance sheets, leverage ratios and interest-coverage ratios continue to support an investment in the convertible asset class.

The US economy is expected to expand at a moderate pace for the remainder of 2017, in our view. The stock market's strength and the US Treasury yield curve appear to confirm this expectation. Moreover, any combination of positive tax reform, decreased regulation and increased fiscal spending could provide upside to growth expectations.

After bottoming in the second quarter of 2016, corporate profits have significantly improved through the first quarter of 2017. Based on bottom-up estimates, they are poised to trend higher throughout year in our view.

US monetary policy continues to be modestly accommodative with the Fed expected to take a gradual approach toward policy adjustments, in our view. Additional Fed rate hikes and balance sheet reduction efforts signal confidence in the US economy's ability to grow and reflect the goal of achieving a normalized environment after an extended period of extreme accommodation. Global monetary policy continues to be constructive and accommodative.

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

For the period of February 1, 2017 through July 31, 2017, as provided by the Dallas Investment team.

For the six-month period ended July 31, 2017, the AllianzGI NFJ Dividend, Interest & Premium Strategy Fund (the Fund ) returned 3.22% on net asset value ( NAV ) and 7.15% on market price.

## Fund Insights

### AllianzGI Diversified Income & Convertible Fund/AllianzGI Equity & Convertible Income Fund/AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2017 (unaudited) (continued)

During the reporting period, the Russell 1000 Value Index, a measure of large-cap value style stocks, advanced 5.30%; and convertible securities, as reflected by the BofA Merrill Lynch All Convertibles Index, returned 7.21%.

## Market Environment

Several factors influenced equities and convertible bonds throughout the reporting period, including corporate fundamentals, economic indicators, the US Federal Reserve (the Fed) moves, the new US administration's pro-growth agenda, and investors' sustained appetite for risk assets.

During the reporting period US companies continued to exhibit improving fundamentals. For example, in the first quarter of 2017 operating results for most US companies met or exceeded expectations while credit metrics showed further improvement, continuing a trend from the fourth quarter of 2016. As an additional example, the first quarter of 2017 was the first time since 2011 where US companies saw double-digit year-over-year earnings growth, on average for the S&P 500 Index. In addition, according to Bank of America Merrill Lynch, net leverage ticked lower and interest coverage rose the last two quarters, on average for the S&P 500 Index.

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The asset classes also benefited from a persistent appetite among investors for risk assets, which in part, appeared to be centered on continued optimism surrounding President Trump's policies and pro-growth agenda. Additionally, a weaker dollar and favorable supply/demand dynamics helped lift select base metal and crude oil prices, which supported commodity-related issuers.

## Portfolio Specifics

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

Within the Russell 1000 Value Index (the benchmark ), all but two of The Global

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## Fund Insights

### AllianzGI Diversified Income & Convertible Fund/AllianzGI Equity & Convertible Income Fund/AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2017 (unaudited) (continued)

Industry Classification Standards ( GICS ) economic sectors delivered positive returns as shares were boosted by strong corporate earnings and enduring optimism on pro-growth reform. Telecommunication services, a top performer during this period last year, fell 4% during the reporting period as industry competition intensified. Energy stocks lagged the benchmark more than any other sector and posted a return of -8%. High inventory levels contributed to concerns that crude oil supply continues to exceed demand and the oil market tug of war continued throughout the reporting period. Health care stocks bested all sectors while utilities and consumer staples followed as both sectors rose comparably.

The equity portion of the Fund performed largely in line with the benchmark over the reporting period. In terms of relative performance, positive stock selection counterbalanced negative sector allocation. The Fund's holdings in the health care, industrials and materials sectors were the most beneficial and drove overall positive selection. Conversely, negative selection in the information technology, utilities and energy sectors detracted.

From a sector allocation perspective, an underweight to the financial and health care sectors resulted in the largest positive impact on the Fund's performance. However, the Fund's overweight in energy and underweight in consumer staples detracted from results.

During the reporting period, the equity portion of the Fund's largest overweights relative to the Russell 1000 Value Index were in the energy and materials sectors. The Fund's largest relative underweights were in bond-proxy sectors, including consumer staples and real estate.

In the convertibles sleeve, sector allocations that helped relative performance in the period were materials, consumer staples and transportation. In contrast, energy, health care and telecommunications exposure weighed on relative returns.

In the equity options sleeve, retaining call premium was difficult to start the period, but improved as equity markets slowed from their rapid ascent. Nearly half of the overall gains in the equity market occurred within the first month of the reporting period, led by the health care and technology sectors, which, throughout the reporting period, returned 14.4% and 17.1%, respectively; the consumer discretionary, financial, industrial and utility sectors all contributed high single-digit returns as well. Levels of implied volatility, as measured by the Chicago Board Options Exchange Volatility Index ( VIX ), dropped to a low of 9.36 in July, the lowest the index has been since 1993 and averaged 11.35 during the period, adversely affecting the strike distances on the call options written. Calls written on the energy and financial sectors aided returns; however the strong performance in equities to start the period

## Fund Insights

### AllianzGI Diversified Income & Convertible Fund/AllianzGI Equity & Convertible Income Fund/AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2017 (unaudited) (continued)

resulted in options expiring in-the-money, requiring cash assignments in excess of the premium collected.

## Outlook

US equity markets continue to record new all-time highs, volatility is near all-time lows and interest rates are trending higher on an improving economic outlook, in our view. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

Stress in select industries of the market has waned, and overall, we believe balance sheets, leverage ratios and interest-coverage ratios continue to support an investment in the convertible asset class.

The US economy is expected to expand at a moderate pace for the remainder of 2017, in our view. The stock market's strength and the US Treasury yield curve appear to confirm this expectation. Moreover, any combination of positive tax reform, decreased regulation and increased fiscal spending could provide upside to growth expectations.

After bottoming in the second quarter of 2016, corporate profits have significantly improved through the first quarter of 2017. Based on bottom-up estimates, they are poised to trend higher throughout year, in our view.

US monetary policy continues to be modestly accommodative with the Fed expected to take a gradual approach toward policy adjustments, in our view. Additional Fed rate hikes and balance sheet reduction efforts signal confidence in the US economy's ability to grow and reflect the goal of achieving a normalized environment after an extended period of extreme accommodation. Global monetary policy continues to be constructive and accommodative.

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**Performance & Statistics**

**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited)

| <b>Total Return(1)</b>                          | <b>Market Price</b> | <b>NAV</b> |
|---|---------------------|------------|
| Six Months                                      | 16.31%              | 8.60%      |
| 1 Year  | 25.95%              | 15.85%     |
| Commencement of Operations (5/27/15) to 7/31/17 | 3.48%               | 6.36%      |

**Market Price/NAV Performance**

Commencement of Operations (5/27/15) to 7/31/17

**Market Price/NAV**

|                       |         |
|-----------------------|---------|
| Market Price          | \$21.62 |
| NAV(2)                | \$22.40 |
| Discount to NAV       | -3.48%  |
| Market Price Yield(3) | 9.27%   |
| Leverage Ratio(4)     | 31.33%  |

NAV  
Market Price

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

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

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

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

- (2) The NAV disclosed in the Fund's financial statements may differ due to accounting principles generally accepted in the United States of America.
- (3) Market Price Yield is determined by dividing the annualized current (declared August 1, 2017) monthly dividend per common share (comprised of net investment income and net capital gains, if any) by the market price per common share at July 31, 2017.
- (4) Represents Mandatory Redeemable Preferred Shares, Senior Secured Notes and amounts drawn under the short-term margin loan facility ( Leverage ) outstanding, as a percentage of total managed assets. Total managed assets refer to total assets (including assets attributable to Leverage) minus liabilities (other than liabilities representing Leverage).

**Performance & Statistics**

**AllianzGI Equity & Convertible Income Fund**

July 31, 2017 (unaudited)

| <b>Total Return(1)</b>                          | <b>Market Price</b> | <b>NAV</b> |
|---|---------------------|------------|
| Six Months                                      | 9.68%               | 6.50%      |
| 1 Year  | 12.66%              | 10.59%     |
| 5 Year  | 11.36%              | 10.44%     |
| 10 Year   | 6.62%               | 6.39%      |
| Commencement of Operations (2/27/07) to 7/31/17 | 5.91%               | 6.58%      |

**Market Price/NAV Performance**

Commencement of Operations (2/27/07) to 7/31/17

**Market Price/NAV**

|                       |         |
|-----------------------|---------|
| Market Price          | \$20.08 |
| NAV(2)                | \$22.16 |
| Discount to NAV       | -9.39%  |
| Market Price Yield(3) | 7.57%   |

NAV  
Market Price

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

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

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

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

(2) The NAV disclosed in the Fund's financial statements may differ due to accounting principles generally accepted in the United States of America.

(3) Market Price Yield is determined by dividing the annualized current quarterly dividend per share (comprised of net investment income and net capital gains, if any) by the market price per share at July 31, 2017.

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**Performance & Statistics**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

| <b>Total Return(1)</b>                          | <b>Market Price</b> | <b>NAV</b> |
|---|---------------------|------------|
| Six Months                                      | 7.15%               | 3.22%      |
| 1 Year  | 14.86%              | 9.62%      |
| 5 Year  | 5.64%               | 6.11%      |
| 10 Year   | 3.55%               | 3.14%      |
| Commencement of Operations (2/28/05) to 7/31/17 | 4.08%               | 4.61%      |

**Market Price/NAV Performance**

Commencement of Operations (2/28/05) to 7/31/17

NAV  
Market Price

**Market Price/NAV**

Market Price \$13.34  
 NAV(2) \$14.58  
 Discount to NAV -8.50%  
 Market Price Yield(3) 4.94%

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

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

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

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outstanding. Holdings are subject to change daily.

(2) The NAV disclosed in the Fund's financial statements may differ due to accounting principles generally accepted in the United States of America.

(3) Market Price Yield is determined by dividing the annualized current quarterly dividend per share (comprised of net investment income and net capital gains, if any) by the market price per share at July 31, 2017.

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## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

July 31, 2017 (unaudited)

| Principal<br>Amount<br>(000s)        |   | Value       |
|--------------------------------------|---|-------------|
| <b>Convertible Bonds &amp; Notes</b> | <b>62.4%</b>  |             |
|                                      | <b>Aerospace &amp; Defense 0.8%</b>                       |             |
| \$1,570                              | Aerojet Rocketdyne Holdings, Inc., 2.25%, 12/15/23 (a)(b) | \$1,786,856 |
|                                      | <b>Auto Components 0.6%</b>                               |             |
| 710                                  | Meritor, Inc., 7.875%, 3/1/26                             | 1,243,068   |
|                                      | <b>Auto Manufacturers 0.9%</b>                            |             |
| 1,920                                | Tesla, Inc., 0.25%, 3/1/19 (f)                            | 2,091,600   |
|                                      | <b>Biotechnology 3.0%</b>                                 |             |
| 700                                  | AMAG Pharmaceuticals, Inc., 2.50%, 2/15/19 (f)            | 741,562     |
| 1,290                                | ANI Pharmaceuticals, Inc., 3.00%, 12/1/19 (f)             | 1,375,462   |
|                                      | BioMarin Pharmaceutical, Inc. (f),                        |             |
| 820                                  | 0.75%, 10/15/18   | 905,587     |
| 780                                  | 1.50%, 10/15/20   | 923,325     |
| 1,825                                | Illumina, Inc., 0.50%, 6/15/21 (f)                        | 1,963,016   |
| 525                                  | Ligand Pharmaceuticals, Inc., 0.75%, 8/15/19 (f)          | 867,891     |
| 325                                  | Novavax, Inc., 3.75%, 2/1/23 (a)(f)                       | 137,313     |
|                                      |   | 6,914,156   |
|                                      | <b>Building Materials 0.8%</b>                            |             |
| 1,530                                | Cemex S.A.B de C.V., 3.72%, 3/15/20                       | 1,794,881   |
|                                      | <b>Chemicals 0.2%</b>                                     |             |
| 305                                  | RPM International, Inc., 2.25%, 12/15/20 (f)              | 354,753     |
|                                      | <b>Commercial Services 3.6%</b>                           |             |
| 1,440                                | Euronet Worldwide, Inc., 1.50%, 10/1/44 (f)               | 1,987,200   |
| 1,220                                | LendingTree, Inc., 0.625%, 6/1/22 (a)(b)                  | 1,539,488   |
| 1,280                                | Live Nation Entertainment, Inc., 2.50%, 5/15/19 (f)       | 1,512,000   |
| 1,605                                | Macquarie Infrastructure Corp., 2.875%, 7/15/19 (f)       | 1,761,487   |
| 1,135                                | Square, Inc., 0.375%, 3/1/22 (a)(b)(f)                    | 1,513,806   |
|                                      |   | 8,313,981   |
|                                      | <b>Computers 0.7%</b>                                     |             |
| 1,315                                | Lumentum Holdings, Inc., 0.25%, 3/15/24 (a)(b)            | 1,637,997   |
|                                      | <b>Diversified Financial Services 1.7%</b>                |             |
| 1,775                                | Blackhawk Network Holdings, Inc., 1.50%, 1/15/22 (a)(b)   | 2,000,203   |
| 1,245                                | Encore Capital Group, Inc., 3.25%, 3/15/22 (a)(b)         | 1,343,822   |
| 675                                  | PRA Group, Inc., 3.00%, 8/1/20 (f)                        | 653,906     |
|                                      |   | 3,997,931   |
|                                      | <b>Electrical Equipment 0.8%</b>                          |             |
|                                      | SunPower Corp. (f),                                       |             |
| 1,115                                | 0.875%, 6/1/21  | 906,634     |
| 1,035                                | 4.00%, 1/15/23  | 934,088     |
|                                      |   | 1,840,722   |
|                                      | <b>Electronics 0.8%</b>                                   |             |
| 1,905                                | OSI Systems, Inc., 1.25%, 9/1/22 (a)(b)                   | 1,930,003   |
|                                      | <b>Energy-Alternate Sources 0.8%</b>                      |             |
| 1,915                                | SolarCity Corp., 1.625%, 11/1/19 (f)                      | 1,809,675   |

## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value                   |
|-------------------------------|--|-------------------------|
|                               | <b>Energy-Alternate Sources (continued)</b>  |                         |
| \$3,615                       | SunEdison, Inc., 3.375%, 6/1/25 (a)(b)(c)(f)(g)<br>(acquisition cost-\$3,475,717; purchased 5/27/15-10/5/15) | \$90,375<br>1,900,050   |
|                               | <b>Engineering &amp; Construction 1.1%</b>   |                         |
| 1,125                         | Dycom Industries, Inc., 0.75%, 9/15/21 (f)   | 1,321,172               |
| 1,065                         | Tutor Perini Corp., 2.875%, 6/15/21  | 1,224,084<br>2,545,256  |
|                               | <b>Healthcare-Products 1.1%</b>  |                         |
| 955                           | NuVasive, Inc., 2.25%, 3/15/21 (f)   | 1,197,331               |
| 1,290                         | Wright Medical Group, Inc., 2.00%, 2/15/20   | 1,413,357<br>2,610,688  |
|                               | <b>Healthcare-Services 1.5%</b>  |                         |
| 555                           | Anthem, Inc., 2.75%, 10/15/42  | 1,416,291               |
| 495                           | Molina Healthcare, Inc., 1.625%, 8/15/44 (f)   | 617,512                 |
| 715                           | Tivity Health, Inc., 1.50%, 7/1/18 (f)   | 1,461,728<br>3,495,531  |
|                               | <b>Home Builders 0.4%</b>  |                         |
| 825                           | CalAtlantic Group, Inc., 1.625%, 5/15/18 (f)   | 968,344                 |
|                               | <b>Insurance 1.8%</b>  |                         |
| 2,510                         | AmTrust Financial Services, Inc., 2.75%, 12/15/44 (f)  | 1,973,487               |
| 510                           | Fidelity National Financial, Inc., 4.25%, 8/15/18  | 1,411,425               |
| 815                           | HCI Group, Inc., 4.25%, 3/1/37 (a)(b)(f)   | 776,288<br>4,161,200    |
|                               | <b>Internet 5.6%</b>   |                         |
| 1,530                         | Altaba, Inc., zero coupon, 12/1/18 (f)   | 1,809,225               |
| 1,145                         | Ctrip.com International Ltd., 1.25%, 9/15/22 (a)(b)(f)   | 1,297,428               |
| 1,830                         | Liberty Expedia Holdings, Inc., 1.00%, 6/30/47 (a)(b)  | 1,996,988               |
| 1,160                         | Palo Alto Networks, Inc., zero coupon, 7/1/19 (f)  | 1,510,900               |
| 1,310                         | Pandora Media, Inc., 1.75%, 12/1/20 (f)  | 1,253,506               |
| 2,625                         | Priceline Group, Inc., 0.90%, 9/15/21  | 3,131,953               |
| 600                           | VeriSign, Inc., 4.452%, 8/15/37 (f)  | 1,781,250<br>12,781,250 |
|                               | <b>Iron/Steel 0.4%</b>   |                         |
| 635                           | AK Steel Corp., 5.00%, 11/15/19 (f)  | 863,203                 |
|                               | <b>Media 2.9%</b>  |                         |
| 2,125                         | DISH Network Corp., 3.375%, 8/15/26 (a)(b)   | 2,650,937               |
| 1,820                         | Liberty Interactive LLC, 1.75%, 9/30/46 (a)(b)(f)  | 2,259,075               |
| 1,610                         | Liberty Media Corp-Liberty Formula One, 1.00%, 1/30/23 (a)(b)  | 1,827,350<br>6,737,362  |
|                               | <b>Metal Fabricate/Hardware 0.5%</b>   |                         |
| 1,055                         | RTI International Metals, Inc., 1.625%, 10/15/19   | 1,175,006               |
|                               | <b>Mining 0.1%</b>   |                         |
| 205                           | Royal Gold, Inc., 2.875%, 6/15/19 (f)  | 228,063                 |

**Schedule of Investments**

**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value       |
|-------------------------------|--|-------------|
|                               | <b>Oil, Gas &amp; Consumable Fuels 4.4%</b>                    |             |
| \$1,420                       | Alon USA Energy, Inc., 3.00%, 9/15/18 (f)                      | \$1,614,363 |
| 890                           | Chesapeake Energy Corp., 5.50%, 9/15/26 (a)(b)(f)              | 845,500     |
| 740                           | EnSCO Jersey Finance Ltd., 3.00%, 1/31/24 (a)(b)(f)            | 587,375     |
| 2,620                         | Nabors Industries, Inc., 0.75%, 1/15/24 (a)(b)(f)              | 2,068,163   |
| 1,635                         | Oasis Petroleum, Inc., 2.625%, 9/15/23 (f)                     | 1,607,409   |
| 765                           | PDC Energy, Inc., 1.125%, 9/15/21 (f)                          | 723,403     |
| 1,690                         | SM Energy Co., 1.50%, 7/1/21 (f)                               | 1,576,981   |
| 1,020                         | Weatherford International Ltd., 5.875%, 7/1/21 (f)             | 1,085,025   |
|                               |  | 10,108,219  |
|                               | <b>Pharmaceuticals 5.2%</b>                                    |             |
| 650                           | Depomed, Inc., 2.50%, 9/1/21 (f)                               | 578,500     |
| 610                           | DexCom, Inc., 0.75%, 5/15/22 (a)(b)                            | 604,662     |
| 395                           | Flexion Therapeutics, Inc., 3.375%, 5/1/24 (a)(b)              | 436,969     |
| 1,360                         | Horizon Pharma Investment Ltd., 2.50%, 3/15/22 (f)             | 1,190,000   |
| 1,945                         | Impax Laboratories, Inc., 2.00%, 6/15/22 (f)                   | 1,715,247   |
| 735                           | Ironwood Pharmaceuticals, Inc., 2.25%, 6/15/22                 | 948,150     |
| 1,620                         | Jazz Investments I Ltd., 1.875%, 8/15/21                       | 1,773,900   |
| 1,875                         | Neurocrine Biosciences, Inc., 2.25%, 5/15/24 (a)(b)            | 1,916,016   |
| 1,480                         | Pacira Pharmaceuticals, Inc., 2.375%, 4/1/22 (a)(b)(f)         | 1,493,875   |
| 185                           | Synergy Pharmaceuticals, Inc., 7.50%, 11/1/19 (a)(b)(f)        | 285,594     |
| 960                           | Teva Pharmaceutical Finance Co. LLC, Ser. C, 0.25%, 2/1/26 (f) | 1,032,000   |
|                               |  | 11,974,913  |
|                               | <b>Pipelines 0.7%</b>  |             |
| 2,415                         | Cheniere Energy, Inc., 4.25%, 3/15/45 (f)                      | 1,667,859   |
|                               | <b>Retail 0.5%</b>   |             |
|                               | RH (a)(b)(f),  |             |
| 710                           | zero coupon, 6/15/19   | 634,563     |
| 680                           | zero coupon, 7/15/20   | 563,550     |
|                               |  | 1,198,113   |
|                               | <b>Semiconductors 8.9%</b>                                     |             |
| 540                           | Advanced Micro Devices, Inc., 2.125%, 9/1/26 (f)               | 1,013,850   |
| 1,460                         | Cypress Semiconductor Corp., 4.50%, 1/15/22                    | 1,842,337   |
|                               | Inphi Corp. (f),   |             |
| 980                           | 0.75%, 9/1/21 (a)(b)   | 993,475     |
| 170                           | 1.125%, 12/1/20  | 203,575     |
| 1,000                         | Integrated Device Technology, Inc., 0.875%, 11/15/22 (f)       | 1,063,750   |
| 1,890                         | Intel Corp., 3.25%, 8/1/39 (f)                                 | 3,261,441   |
| 625                           | Lam Research Corp., 1.25%, 5/15/18                             | 1,650,000   |
| 2,805                         | Microchip Technology, Inc., 1.625%, 2/15/27 (a)(b)             | 3,120,562   |
| 2,710                         | Micron Technology, Inc., Ser. G, 3.00%, 11/15/43 (f)           | 2,928,494   |
| 1,650                         | Synaptics, Inc., 0.50%, 6/15/22 (a)(b)                         | 1,697,438   |
| 1,210                         | Teradyne, Inc., 1.25%, 12/15/23 (a)(b)                         | 1,535,944   |
| 1,025                         | Veeco Instruments, Inc., 2.70%, 1/15/23                        | 1,103,156   |
|                               |  | 20,414,022  |



Schedule of Investments

AllianzGI Diversified Income & Convertible Fund

July 31, 2017 (unaudited) (continued)

| Principal Amount<br>(000s) |  | Value       |
|----------------------------|--|-------------|
|                            | <b>Software 8.6%</b>                                 |             |
| \$725                      | Evolent Health, Inc., 2.00%, 12/1/21 (a)(b)(f)       | \$925,281   |
| 1,690                      | HubSpot, Inc., 0.25%, 6/1/22 (a)(b)                  | 1,736,475   |
| 1,040                      | Medidata Solutions, Inc., 1.00%, 8/1/18              | 1,435,200   |
| 1,555                      | Nice Systems, Inc., 1.25%, 1/15/24 (a)(b)            | 1,678,428   |
|                            | Nuance Communications, Inc. (f),                     |             |
| 1,405                      | 1.25%, 4/1/25 (a)(b)                                 | 1,422,563   |
| 975                        | 1.50%, 11/1/35                                       | 1,004,859   |
| 1,525                      | Proofpoint, Inc., 0.75%, 6/15/20                     | 1,910,063   |
| 1,900                      | PROS Holdings, Inc., 2.00%, 6/1/47 (a)(b)            | 1,748,000   |
| 1,490                      | RealPage, Inc., 1.50%, 11/15/22 (a)(b)               | 1,701,394   |
| 1,465                      | Salesforce.com, Inc., 0.25%, 4/1/18 (f)              | 2,028,109   |
| 1,755                      | ServiceNow, Inc., zero coupon, 6/1/22 (a)(b)         | 1,838,363   |
| 935                        | Synchronoss Technologies, Inc., 0.75%, 8/15/19 (f)   | 888,834     |
| 1,515                      | Verint Systems, Inc., 1.50%, 6/1/21 (f)              | 1,474,284   |
|                            |  | 19,791,853  |
|                            | <b>Telecommunications 2.4%</b>                       |             |
|                            | Finisar Corp. (f),                                   |             |
| 775                        | 0.50%, 12/15/33                                      | 883,500     |
| 1,315                      | 0.50%, 12/15/36 (a)(b)                               | 1,314,178   |
| 1,495                      | Gogo, Inc., 3.75%, 3/1/20 (f)                        | 1,393,153   |
|                            | Viavi Solutions, Inc.,                               |             |
| 1,170                      | 0.625%, 8/15/33                                      | 1,322,100   |
| 525                        | 1.00%, 3/1/24 (a)(b)                                 | 565,032     |
|                            |  | 5,477,963   |
|                            | <b>Transportation 1.6%</b>                           |             |
| 1,520                      | Atlas Air Worldwide Holdings, Inc., 1.875%, 6/1/24   | 1,809,750   |
| 1,650                      | Greenbrier Cos., Inc., 2.875%, 2/1/24 (a)(b)         | 1,791,281   |
|                            |  | 3,601,031   |
|                            | Total Convertible Bonds & Notes (cost-\$153,155,185) | 143,605,874 |
|                            | <b>Common Stock 35.3%</b>                            |             |
|                            | <b>Aerospace &amp; Defense 0.9%</b>                  |             |
| 8,400                      | Boeing Co. (f)                                       | 2,036,664   |
|                            | <b>Automobiles 0.5%</b>                              |             |
| 104,700                    | Ford Motor Co. (f)                                   | 1,174,734   |
|                            | <b>Banks 1.2%</b>                                    |             |
| 36,000                     | Bank of America Corp. (f)                            | 868,320     |
| 8,500                      | JPMorgan Chase & Co.                                 | 780,300     |
| 20,300                     | Wells Fargo & Co. (f)                                | 1,094,982   |
|                            |  | 2,743,602   |
|                            | <b>Beverages 1.1%</b>                                |             |
| 17,860                     | Coca-Cola Co. (f)                                    | 818,703     |
| 14,200                     | PepsiCo, Inc.  | 1,655,862   |
|                            |  | 2,474,565   |



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

July 31, 2017 (unaudited) (continued)

| Shares |  | Value       |
|--------|--|-------------|
|        | <b>Biotechnology 3.2%</b>                                      |             |
| 25,200 | AbbVie, Inc. (f)   | \$1,761,732 |
| 9,300  | Amgen, Inc. (f)  | 1,622,943   |
| 4,200  | Biogen, Inc. (f)(h)  | 1,216,278   |
| 2,100  | Bioverativ, Inc. (f)(h)  | 130,137     |
| 18,600 | Gilead Sciences, Inc. (f)                                      | 1,415,274   |
| 1,843  | Regeneron Pharmaceuticals, Inc. (f)(h)                         | 906,056     |
| 1,500  | Vertex Pharmaceuticals, Inc. (f)(h)                            | 227,730     |
|        |  | 7,280,150   |
|        | <b>Building Products 0.5%</b>                                  |             |
| 30,252 | Johnson Controls International PLC (f)                         | 1,178,315   |
|        | <b>Chemicals 1.0%</b>  |             |
| 21,400 | Chemours Co.   | 1,018,854   |
| 11,900 | Monsanto Co. (f)   | 1,390,158   |
|        |  | 2,409,012   |
|        | <b>Construction &amp; Engineering 0.3%</b>                     |             |
| 15,300 | Fluor Corp. (f)  | 664,479     |
|        | <b>Diversified Telecommunication Services 0.5%</b>             |             |
| 25,100 | Verizon Communications, Inc. (f)                               | 1,214,840   |
|        | <b>Electronic Equipment, Instruments &amp; Components 0.8%</b> |             |
| 16,300 | Amphenol Corp., Class A (f)                                    | 1,248,906   |
| 19,700 | Corning, Inc. (f)  | 574,058     |
|        |  | 1,822,964   |
|        | <b>Energy Equipment &amp; Services 0.4%</b>                    |             |
| 15,000 | Schlumberger Ltd. (f)  | 1,029,000   |
|        | <b>Food &amp; Staples Retailing 1.8%</b>                       |             |
| 8,400  | Costco Wholesale Corp.   | 1,331,484   |
| 37,600 | Kroger Co. (f)   | 921,952     |
| 22,400 | Walgreens Boots Alliance, Inc. (f)                             | 1,807,008   |
|        |  | 4,060,444   |
|        | <b>Food Products 0.3%</b>                                      |             |
| 11,414 | Tyson Foods, Inc., Class A (f)                                 | 723,191     |
|        | <b>Health Care Equipment &amp; Supplies 0.6%</b>               |             |
| 21,400 | Baxter International, Inc. (f)                                 | 1,294,272   |
|        | <b>Health Care Providers &amp; Services 1.9%</b>               |             |
| 20,825 | Envision Healthcare Corp. (f)(h)                               | 1,175,155   |
| 9,300  | McKesson Corp. (f)   | 1,505,391   |
| 9,500  | UnitedHealth Group, Inc.                                       | 1,822,195   |
|        |  | 4,502,741   |
|        | <b>Hotels, Restaurants &amp; Leisure 1.5%</b>                  |             |
| 9,100  | McDonald's Corp. (f)   | 1,411,774   |
| 19,900 | MGM Resorts International (f)                                  | 655,307     |
| 25,700 | Starbucks Corp. (f)  | 1,387,286   |
|        |  | 3,454,367   |



**Schedule of Investments**

**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

| Shares |  | Value     |
|--------|--|-----------|
|        | <b>Household Durables 0.2%</b>                           |           |
| 10,000 | Lennar Corp., Class A (f)                                | \$524,400 |
|        | <b>Household Products 0.4%</b>                           |           |
| 11,100 | Procter & Gamble Co.                                     | 1,008,102 |
|        | <b>Industrial Conglomerates 1.0%</b>                     |           |
| 7,100  | 3M Co.   | 1,428,307 |
| 35,500 | General Electric Co. (f)                                 | 909,155   |
|        |  | 2,337,462 |
|        | <b>Insurance 0.7%</b>                                    |           |
| 13,400 | Prudential Financial, Inc.                               | 1,517,282 |
|        | <b>Internet &amp; Catalog Retail 1.0%</b>                |           |
| 2,250  | Amazon.com, Inc. (f)(h)                                  | 2,222,505 |
|        | <b>Internet Software &amp; Services 2.6%</b>             |           |
| 7,900  | Alibaba Group Holding Ltd., ADR (f)(h)                   | 1,224,105 |
| 2,400  | Alphabet, Inc., Class A (f)(h)                           | 2,269,200 |
| 14,700 | Facebook, Inc., Class A (f)(h)                           | 2,487,975 |
|        |  | 5,981,280 |
|        | <b>IT Services 1.2%</b>                                  |           |
| 7,400  | International Business Machines Corp. (f)                | 1,070,558 |
| 18,100 | Visa, Inc., Class A                                      | 1,802,036 |
|        |  | 2,872,594 |
|        | <b>Machinery 1.1%</b>                                    |           |
| 11,300 | Caterpillar, Inc. (f)                                    | 1,287,635 |
| 9,500  | Deere & Co. (f)  | 1,218,660 |
|        |  | 2,506,295 |
|        | <b>Media 1.7%</b>  |           |
| 44,000 | Comcast Corp., Class A (f)                               | 1,779,800 |
| 13,573 | LiveStyle, Inc. (d)(h)                                   | 1         |
| 18,700 | Walt Disney Co. (f)                                      | 2,055,691 |
|        |  | 3,835,492 |
|        | <b>Multi-Line Retail 0.6%</b>                            |           |
| 25,100 | Target Corp. (f)   | 1,422,417 |
|        | <b>Oil, Gas &amp; Consumable Fuels 0.7%</b>              |           |
| 8,100  | Occidental Petroleum Corp. (f)                           | 501,633   |
| 15,200 | Valero Energy Corp. (f)                                  | 1,048,344 |
|        |  | 1,549,977 |
|        | <b>Pharmaceuticals 0.5%</b>                              |           |
| 20,300 | Bristol-Myers Squibb Co. (f)                             | 1,155,070 |
|        | <b>Road &amp; Rail 0.7%</b>                              |           |
| 14,900 | Union Pacific Corp.                                      | 1,534,104 |
|        | <b>Semiconductors &amp; Semiconductor Equipment 2.4%</b> |           |
| 4,100  | Broadcom Ltd. (f)  | 1,011,306 |
| 48,300 | Intel Corp. (f)  | 1,713,201 |
| 2,400  | NVIDIA Corp.   | 390,024   |

**Schedule of Investments**
**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

| Shares                                   |   | Value      |
|--|---|------------|
|  | <b>Semiconductors &amp; Semiconductor Equipment (continued)</b> |            |
| 17,200                                   | QUALCOMM, Inc. (f)  | \$914,868  |
| 19,100                                   | Texas Instruments, Inc. (f)                                     | 1,554,358  |
|  |   | 5,583,757  |
|  | <b>Software 2.1%</b>  |            |
| 9,600                                    | Adobe Systems, Inc. (f)(h)                                      | 1,406,304  |
| 34,500                                   | Microsoft Corp. (f)   | 2,508,150  |
| 19,300                                   | Oracle Corp. (f)  | 963,649    |
|  |   | 4,878,103  |
|  | <b>Specialty Retail 0.8%</b>                                    |            |
| 12,300                                   | Home Depot, Inc. (f)  | 1,840,080  |
|  | <b>Technology Hardware, Storage &amp; Peripherals 1.1%</b>      |            |
| 16,800                                   | Apple, Inc. (f)   | 2,498,664  |
| Total Common Stock (cost-\$88,922,874)   |   | 81,330,924 |
|  |   |            |
| Principal<br>Amount<br>(000s)            |   |            |
| <b>Corporate Bonds &amp; Notes 33.1%</b> |   |            |
| \$1,000                                  | <b>Aerospace &amp; Defense 1.1%</b>                             |            |
| 435                                      | KLX, Inc., 5.875%, 12/1/22 (a)(b)(f)                            | 1,055,000  |
| 1,000                                    | Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19       | 445,875    |
|  | TransDigm, Inc., 6.50%, 5/15/25 (f)                             | 1,055,000  |
|  |   | 2,555,875  |
|  | <b>Apparel &amp; Textiles 0.1%</b>                              |            |
| 165                                      | Hanesbrands, Inc., 4.625%, 5/15/24 (a)(b)                       | 169,331    |
|  | <b>Banks 0.4%</b>   |            |
| 160                                      | CIT Group, Inc., 5.00%, 8/15/22 (f)                             | 173,392    |
| 680                                      | Royal Bank of Scotland Group PLC, 5.125%, 5/28/24               | 722,232    |
|  |   | 895,624    |
|  | <b>Building Materials 0.3%</b>                                  |            |
| 565                                      | Builders FirstSource, Inc., 5.625%, 9/1/24 (a)(b)               | 595,369    |
|  | <b>Chemicals 1.5%</b>   |            |
| 1,000                                    | Chemours Co., 7.00%, 5/15/25 (f)                                | 1,120,000  |
| 305                                      | Kraton Polymers LLC, 7.00%, 4/15/25 (a)(b)                      | 329,400    |
| 1,000                                    | Platform Specialty Products Corp., 6.50%, 2/1/22 (a)(b)(f)      | 1,042,500  |
| 540                                      | Tronox Finance LLC, 7.50%, 3/15/22 (a)(b)                       | 568,350    |
| 365                                      | Univar USA, Inc., 6.75%, 7/15/23 (a)(b)(f)                      | 384,162    |
|  |   | 3,444,412  |
|  | <b>Commercial Services 1.8%</b>                                 |            |
| 1,000                                    | Cardtronics, Inc.,<br>5.125%, 8/1/22 (f)                        | 1,025,000  |
| 190                                      | 5.50%, 5/1/25 (a)(b)  | 196,175    |
| 350                                      | Cenveo Corp., 6.00%, 5/15/24 (a)(b)(f)                          | 312,375    |
| 300                                      | Gartner, Inc., 5.125%, 4/1/25 (a)(b)                            | 318,000    |



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |   | Value     |
|-------------------------------|---|-----------|
|                               | <b>Commercial Services (continued)</b>                      |           |
| \$365                         | KAR Auction Services, Inc., 5.125%, 6/1/25 (a)(b)           | \$381,425 |
| 915                           | RR Donnelley & Sons Co., 6.00%, 4/1/24 (f)                  | 894,412   |
| 1,000                         | United Rentals North America, Inc., 5.50%, 7/15/25 (f)      | 1,058,750 |
|                               |   | 4,186,137 |
|                               | <b>Computers 0.6%</b>                                       |           |
| 520                           | Dell International LLC, 7.125%, 6/15/24 (a)(b)(f)           | 578,946   |
| 500                           | Harland Clarke Holdings Corp., 9.25%, 3/1/21 (a)(b)         | 496,250   |
| 310                           | Western Digital Corp., 10.50%, 4/1/24                       | 367,737   |
|                               |   | 1,442,933 |
|                               | <b>Distribution/Wholesale 0.5%</b>                          |           |
| 1,000                         | H&E Equipment Services, Inc., 7.00%, 9/1/22 (f)             | 1,040,000 |
|                               | <b>Diversified Financial Services 2.4%</b>                  |           |
| 1,500                         | Community Choice Financial, Inc., 10.75%, 5/1/19 (f)        | 1,312,500 |
| 1,000                         | International Lease Finance Corp., 8.25%, 12/15/20 (f)      | 1,184,050 |
| 1,000                         | Nationstar Mortgage LLC, 7.875%, 10/1/20 (f)                | 1,026,225 |
| 1,000                         | Navient Corp., 8.45%, 6/15/18 (f)                           | 1,052,700 |
| 1,000                         | Springleaf Finance Corp., 6.90%, 12/15/17 (f)               | 1,017,500 |
|                               |   | 5,592,975 |
|                               | <b>Electric Utilities 0.8%</b>                              |           |
| 1,000                         | NRG Energy, Inc., 6.25%, 5/1/24 (f)                         | 1,042,500 |
| 1,000                         | Talen Energy Supply LLC, 6.50%, 6/1/25 (f)                  | 725,000   |
|                               |   | 1,767,500 |
|                               | <b>Engineering &amp; Construction 0.4%</b>                  |           |
| 500                           | AECOM, 5.875%, 10/15/24 (f)                                 | 548,125   |
| 435                           | Tutor Perini Corp., 6.875%, 5/1/25 (a)(b)                   | 468,713   |
|                               |   | 1,016,838 |
|                               | <b>Entertainment 1.0%</b>                                   |           |
| 185                           | AMC Entertainment Holdings, Inc., 6.125%, 5/15/27 (f)       | 190,763   |
|                               | Cedar Fair L.P.,  |           |
| 750                           | 5.375%, 6/1/24 (f)  | 791,250   |
| 190                           | 5.375%, 4/15/27 (a)(b)                                      | 200,925   |
| 1,000                         | International Game Technology PLC, 6.25%, 2/15/22 (a)(b)(f) | 1,100,000 |
|                               |   | 2,282,938 |
|                               | <b>Equity Real Estate Investment Trusts (REITs) 0.1%</b>    |           |
|                               | CyrusOne L.P. (a)(b),                                       |           |
| 210                           | 5.00%, 3/15/24  | 218,925   |
| 60                            | 5.375%, 3/15/27   | 63,525    |
|                               |   | 282,450   |
|                               | <b>Food &amp; Beverage 0.9%</b>                             |           |
| 170                           | Albertsons Cos. LLC, 6.625%, 6/15/24 (a)(b)                 | 161,500   |
| 380                           | Lamb Weston Holdings, Inc., 4.875%, 11/1/26 (a)(b)          | 399,156   |
| 495                           | Post Holdings, Inc., 5.75%, 3/1/27 (a)(b)                   | 527,175   |
| 1,000                         | SUPERVALU, Inc., 6.75%, 6/1/21 (f)                          | 997,500   |
|                               |   | 2,085,331 |



**Schedule of Investments**

**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |   | Value     |
|-------------------------------|---|-----------|
|                               | <b>Healthcare-Products 0.3%</b>                                     |           |
| \$260                         | Hill-Rom Holdings, Inc., 5.00%, 2/15/25 (a)(b)                      | \$268,450 |
| 360                           | Hologic, Inc., 5.25%, 7/15/22 (a)(b)(f)                             | 381,600   |
|                               |   | 650,050   |
|                               | <b>Healthcare-Services 2.0%</b>                                     |           |
| 1,000                         | Community Health Systems, Inc., 6.875%, 2/1/22 (f)                  | 855,000   |
| 310                           | DaVita, Inc., 5.125%, 7/15/24 (f)                                   | 319,300   |
| 185                           | Envision Healthcare Corp., 6.25%, 12/1/24 (a)(b)                    | 199,800   |
| 1,000                         | HCA, Inc., 7.50%, 2/15/22 (f)                                       | 1,157,500 |
| 1,000                         | Kindred Healthcare, Inc., 8.75%, 1/15/23 (f)                        | 1,001,250 |
| 1,000                         | Tenet Healthcare Corp., 8.125%, 4/1/22 (f)                          | 1,077,500 |
|                               |   | 4,610,350 |
|                               | <b>Home Builders 0.8%</b>   |           |
| 375                           | Beazer Homes USA, Inc., 8.75%, 3/15/22                              | 419,464   |
| 365                           | Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (a)(b)(f)  | 378,687   |
| 1,000                         | KB Home, 8.00%, 3/15/20 (f)   | 1,126,250 |
|                               |   | 1,924,401 |
|                               | <b>Internet 0.2%</b>  |           |
| 305                           | Symantec Corp., 5.00%, 4/15/25 (a)(b)                               | 320,250   |
| 90                            | Zayo Group LLC, 5.75%, 1/15/27 (a)(b)                               | 95,625    |
|                               |   | 415,875   |
|                               | <b>Iron/Steel 0.4%</b>  |           |
|                               | AK Steel Corp.,   |           |
| 205                           | 7.00%, 3/15/27  | 215,506   |
| 265                           | 7.50%, 7/15/23 (f)  | 291,169   |
| 445                           | United States Steel Corp., 8.375%, 7/1/21 (a)(b)                    | 493,394   |
|                               |   | 1,000,069 |
|                               | <b>Lodging 1.0%</b>   |           |
| 1,000                         | MGM Resorts International, 6.625%, 12/15/21 (f)                     | 1,127,500 |
| 1,000                         | Wynn Las Vegas LLC, 5.50%, 3/1/25 (a)(b)(f)                         | 1,054,790 |
|                               |   | 2,182,290 |
|                               | <b>Machinery-Construction &amp; Mining 0.2%</b>                     |           |
| 360                           | Terex Corp., 5.625%, 2/1/25 (a)(b)                                  | 375,750   |
|                               | <b>Machinery-Diversified 0.2%</b>                                   |           |
| 250                           | Tennant Co., 5.625%, 5/1/25 (a)(b)                                  | 267,187   |
| 250                           | Zebra Technologies Corp., 7.25%, 10/15/22                           | 266,563   |
|                               |   | 533,750   |
|                               | <b>Media 2.5%</b>   |           |
| 1,000                         | Cablevision Systems Corp., 8.00%, 4/15/20 (f)                       | 1,123,500 |
|                               | CCO Holdings LLC,   |           |
| 125                           | 5.125%, 5/1/27 (a)(b)   | 129,531   |
| 500                           | 5.75%, 1/15/24 (f)  | 527,500   |
| 1,000                         | Clear Channel Worldwide Holdings, Inc., Ser. B, 6.50%, 11/15/22 (f) | 1,041,250 |
| 425                           | CSC Holdings LLC, 6.75%, 11/15/21 (f)                               | 474,156   |
| 750                           | DISH DBS Corp., 5.875%, 7/15/22 (f)                                 | 818,205   |



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value     |
|-------------------------------|--|-----------|
|                               | <b>Media (continued)</b>   |           |
| \$500                         | LIN Television Corp., 5.875%, 11/15/22                                 | \$526,875 |
| 1,000                         | Mediacom Broadband LLC, 6.375%, 4/1/23 (f)                             | 1,052,500 |
|                               |  | 5,693,517 |
|                               | <b>Metal Fabricate/Hardware 0.1%</b>                                   |           |
| 270                           | Park-Ohio Industries, Inc., 6.625%, 4/15/27 (a)(b)                     | 286,200   |
|                               | <b>Mining 0.6%</b>   |           |
| 305                           | Alcoa Nederland Holding BV, 6.75%, 9/30/24 (a)(b)                      | 337,788   |
| 560                           | Freeport-McMoRan, Inc., 3.55%, 3/1/22                                  | 544,600   |
|                               | Hudbay Minerals, Inc. (a)(b),  |           |
| 80                            | 7.25%, 1/15/23   | 87,100    |
| 270                           | 7.625%, 1/15/25  | 297,675   |
|                               |  | 1,267,163 |
|                               | <b>Miscellaneous Manufacturing 0.1%</b>                                |           |
| 285                           | Koppers, Inc., 6.00%, 2/15/25 (a)(b)                                   | 304,238   |
|                               | <b>Oil, Gas &amp; Consumable Fuels 4.1%</b>                            |           |
| 235                           | AmeriGas Partners L.P., 5.875%, 8/20/26                                | 242,050   |
| 1,000                         | BreitBurn Energy Partners L.P., 8.625%, 10/15/20 (c)(f)                | 225,000   |
| 250                           | Callon Petroleum Co., 6.125%, 10/1/24                                  | 261,250   |
| 560                           | Calumet Specialty Products Partners L.P., 6.50%, 4/15/21 (f)           | 513,800   |
| 1,000                         | Carrizo Oil & Gas, Inc., 6.25%, 4/15/23 (f)                            | 998,750   |
| 1,000                         | Chesapeake Energy Corp., 6.625%, 8/15/20 (f)                           | 1,017,500 |
| 2,030                         | Cobalt International Energy, Inc., 10.75%, 12/1/21 (a)(b)(f)           | 2,004,625 |
| 1,000                         | CVR Refining LLC, 6.50%, 11/1/22 (f)                                   | 1,020,000 |
| 1,000                         | Rice Energy, Inc., 6.25%, 5/1/22 (f)                                   | 1,046,250 |
| 1,000                         | Sanchez Energy Corp., 6.125%, 1/15/23 (f)                              | 823,125   |
| 1,000                         | Sunoco L.P., 6.375%, 4/1/23 (f)  | 1,057,500 |
| 165                           | Weatherford International Ltd., 8.25%, 6/15/23                         | 167,887   |
|                               |  | 9,377,737 |
|                               | <b>Paper &amp; Forest Products 0.2%</b>                                |           |
| 525                           | Mercer International, Inc., 7.75%, 12/1/22                             | 563,719   |
|                               | <b>Pharmaceuticals 1.0%</b>  |           |
| 615                           | Endo Finance LLC, 5.375%, 1/15/23 (a)(b)(f)                            | 528,900   |
| 1,000                         | Horizon Pharma, Inc., 6.625%, 5/1/23 (f)                               | 952,500   |
| 1,000                         | Valeant Pharmaceuticals International, Inc., 6.125%, 4/15/25 (a)(b)(f) | 855,000   |
|                               |  | 2,336,400 |
|                               | <b>Pipelines 1.0%</b>  |           |
| 1,000                         | Energy Transfer Equity L.P., 5.875%, 1/15/24 (f)                       | 1,082,500 |
| 1,000                         | Sabine Pass Liquefaction LLC, 5.75%, 5/15/24 (f)                       | 1,125,825 |
|                               |  | 2,208,325 |
|                               | <b>Real Estate 0.8%</b>  |           |
| 500                           | Equinix, Inc., 5.375%, 1/1/22 (f)                                      | 525,000   |
| 1,000                         | Kennedy-Wilson, Inc., 5.875%, 4/1/24 (f)                               | 1,031,250 |
| 360                           | Uniti Group L.P., 8.25%, 10/15/23 (f)                                  | 372,600   |
|                               |  | 1,928,850 |



**Schedule of Investments**
**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value      |
|-------------------------------|--|------------|
|                               | <b>Retail 0.5%</b>   |            |
| \$500                         | Dollar Tree, Inc., 5.75%, 3/1/23 (f)                         | \$531,875  |
| 1,000                         | Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b)(f)      | 557,500    |
|                               |  | 1,089,375  |
|                               | <b>Semiconductors 1.3%</b>                                   |            |
| 1,000                         | Amkor Technology, Inc., 6.375%, 10/1/22 (f)                  | 1,043,750  |
| 1,000                         | Micron Technology, Inc., 5.875%, 2/15/22 (f)                 | 1,041,250  |
| 500                           | Qorvo, Inc., 7.00%, 12/1/25                                  | 571,250    |
| 400                           | Sensata Technologies BV, 5.625%, 11/1/24 (a)(b)(f)           | 436,500    |
|                               |  | 3,092,750  |
|                               | <b>Software 0.3%</b>   |            |
| 340                           | Camelot Finance S.A., 7.875%, 10/15/24 (a)(b)                | 370,600    |
| 290                           | SS&C Technologies Holdings, Inc., 5.875%, 7/15/23            | 309,575    |
|                               |  | 680,175    |
|                               | <b>Telecommunications 3.5%</b>                               |            |
| 390                           | Cincinnati Bell, Inc., 7.00%, 7/15/24 (a)(b)(f)              | 395,850    |
| 1,000                         | Consolidated Communications, Inc., 6.50%, 10/1/22 (f)        | 985,000    |
| 700                           | Frontier Communications Corp., 10.50%, 9/15/22 (f)           | 659,750    |
| 355                           | GTT Communications, Inc., 7.875%, 12/31/24 (a)(b)            | 382,512    |
| 1,000                         | Hughes Satellite Systems Corp., 7.625%, 6/15/21 (f)          | 1,151,250  |
| 500                           | Level 3 Financing, Inc., 5.375%, 5/1/25 (f)                  | 532,500    |
| 1,000                         | Sprint Communications, Inc., 6.00%, 11/15/22 (f)             | 1,057,500  |
| 1,000                         | T-Mobile USA, Inc., 6.836%, 4/28/23 (f)                      | 1,063,750  |
| 1,000                         | West Corp., 5.375%, 7/15/22 (a)(b)(f)                        | 1,015,100  |
| 1,000                         | Windstream Services LLC, 7.50%, 6/1/22 (f)                   | 860,000    |
|                               |  | 8,103,212  |
|                               | <b>Transportation 0.1%</b>                                   |            |
| 200                           | XPO Logistics, Inc., 6.50%, 6/15/22 (a)(b)(f)                | 208,500    |
|                               |  | 76,190,409 |
|                               | <b>Total Corporate Bonds &amp; Notes (cost-\$76,011,821)</b> |            |
|                               |  | 76,190,409 |
|                               | <b>Convertible Preferred Stock 10.9%</b>                     |            |
|                               | <b>Banks 1.2%</b>  |            |
| 2,000                         | Wells Fargo & Co., Ser. L, 7.50% (e)                         | 2,655,000  |
|                               | <b>Commercial Services &amp; Supplies 0.6%</b>               |            |
| 23,485                        | Stericycle, Inc., 5.25%, 9/15/18 (f)                         | 1,479,790  |
|                               | <b>Computers 0.4%</b>  |            |
| 591                           | NCR Corp., Ser. A, 5.50%, PIK (e)(f)                         | 869,361    |
|                               | <b>Diversified Telecommunication Services 0.3%</b>           |            |
| 24,375                        | Frontier Communications Corp., Ser. A, 11.125%, 6/29/18 (f)  | 618,394    |
|                               | <b>Electric Utilities 0.3%</b>                               |            |
| 11,470                        | NextEra Energy, Inc., 6.123%, 9/1/19                         | 637,273    |

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**Schedule of Investments**
**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

| Shares |  | Value       |
|--------|--|-------------|
|        | <b>Equity Real Estate Investment Trusts (REITs) 1.6%</b>     |             |
| 14,540 | American Tower Corp., 5.50%, 2/15/18 (f)                     | \$1,777,544 |
| 1,800  | Crown Castle International Corp., Ser. A, 6.875%, 8/1/20     | 1,920,915   |
|        |  | 3,698,459   |
|        | <b>Food &amp; Beverage 0.3%</b>                              |             |
| 4,595  | Post Holdings, Inc., 2.50% (e)(f)                            | 723,138     |
|        | <b>Hand/Machine Tools 0.8%</b>                               |             |
| 17,475 | Stanley Black & Decker, Inc., 5.375%, 5/15/20                | 1,875,592   |
|        | <b>Health Care Providers &amp; Services 0.8%</b>             |             |
| 37,540 | Anthem, Inc., 5.25%, 5/1/18 (f)                              | 1,932,559   |
|        | <b>Healthcare-Products 0.8%</b>                              |             |
| 33,275 | Becton Dickinson and Co., Ser. A, 6.125%, 5/1/20             | 1,868,058   |
|        | <b>Independent Power Producers &amp; Energy Traders 0.2%</b> |             |
| 6,130  | Dynegy, Inc., 7.00%, 7/1/19 (f)                              | 395,079     |
|        | <b>Oil, Gas &amp; Consumable Fuels 0.7%</b>                  |             |
| 20,135 | Hess Corp., 8.00%, 2/1/19 (f)                                | 1,132,594   |
| 27,685 | Southwestern Energy Co., Ser. B, 6.25%, 1/15/18 (f)          | 382,883     |
|        |  | 1,515,477   |
|        | <b>Pharmaceuticals 2.3%</b>                                  |             |
| 4,560  | Allergan PLC, Ser. A, 5.50%, 3/1/18 (f)                      | 4,076,686   |
| 2,310  | Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18 (f)     | 1,339,915   |
|        |  | 5,416,601   |
|        | <b>Wireless Telecommunication Services 0.6%</b>              |             |
| 13,960 | T-Mobile U.S., Inc., 5.50%, 12/15/17 (f)                     | 1,399,490   |
|        | Total Convertible Preferred Stock (cost-\$31,272,779)        | 25,084,271  |
|        | <b>Preferred Stock (a)(d)(h) 0.6%</b>                        |             |
|        | <b>Media 0.6%</b>  |             |
| 1,248  | LiveStyle, Inc., Ser. A                                      | 124,800     |
| 11,496 | LiveStyle, Inc., Ser. B                                      | 1,149,600   |
| 1,250  | LiveStyle, Inc., Ser. B                                      | 13          |
|        | Total Preferred Stock (cost-\$2,499,840)                     | 1,274,413   |
|        | Units  |             |
|        | <b>Warrants (a)(d)(h) 0.0%</b>                               |             |
|        | <b>Commercial Services 0.0%</b>                              |             |
| 37,000 | Cenveo Corp., strike price \$12.00, expires 6/10/24          | 8,385       |
|        | <b>Media 0.0%</b>  |             |
| 3,000  | LiveStyle, Inc. Ser. C, expires 11/30/21                     |             |
|        | Total Warrants (cost-\$10,113)                               | 8,385       |

**Schedule of Investments**

**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s)  |   | Value                |
|--|---|----------------------|
| <b>Repurchase Agreements 3.6%</b>  |   |                      |
| \$8,248  | State Street Bank and Trust Co.,<br>dated 7/31/17, 0.12%, due<br>8/1/17, proceeds \$8,248,027;<br>collateralized by U.S. Treasury Notes,<br>2.00%, due 2/15/25, valued at<br>\$8,416,015 including accrued<br>interest (cost-\$8,248,000) | \$8,248,000          |
| <b>Total Investments, before options written</b><br>(cost-\$360,120,612) <b>145.9%</b> |   | 335,742,276          |
| <b>Options Written (0.0)%</b>  |   |                      |
|  | <b>Call Options Written (CBOE) (h) (0.0)%</b>   |                      |
| 125  | AbbVie, Inc., strike price \$77.50, expires 8/18/17   | (1,937)              |
| 55   | Adobe Systems, Inc., strike price \$155.00, expires 8/18/17   | (1,925)              |
| 40   | Alibaba Group Holding Ltd., strike price \$177.50, expires 8/18/17  | (1,520)              |
| 10   | Alphabet, Inc., strike price \$1,060.00, expires 8/18/17  | (675)                |
| 13   | Amazon.com, Inc., strike price \$1,200.00, expires 9/15/17  | (877)                |
| 45   | Amgen, Inc., strike price \$185.00, expires 8/18/17   | (450)                |
| 80   | Amphenol Corp., strike price \$80.00, expires 8/18/17   | (800)                |
| 85   | Apple, Inc., strike price \$162.50, expires 8/18/17   | (2,763)              |
| 130  | Baxter International, Inc., strike price \$65.00, expires 8/18/17   | (845)                |
| 10   | Bioverativ, Inc., strike price \$70.00, expires 8/18/17   | (350)                |
| 20   | Broadcom Ltd., strike price \$272.50, expires 8/18/17   | (550)                |
| 60   | Caterpillar, Inc., strike price \$115.00, expires 8/18/17   | (7,680)              |
| 125  | Coca-Cola Co., strike price \$46.50, expires 8/18/17  | (1,938)              |
| 265  | Comcast Corp., strike price \$42.50, expires 8/18/17  | (2,253)              |
| 50   | Corning, Inc., strike price \$33.00, expires 8/18/17  | (75)                 |
| 55   | Deere & Co., strike price \$130.00, expires 8/18/17   | (13,145)             |
| 80   | Facebook, Inc., strike price \$180.00, expires 8/18/17  | (3,800)              |
| 75   | Home Depot, Inc., strike price \$165.00, expires 8/18/17  | (262)                |
| 65   | McDonald's Corp., strike price \$160.00, expires 8/18/17  | (2,275)              |
| 75   | MGM Resorts International, strike price \$37.00, expires 8/18/17  | (375)                |
| 205  | Microsoft Corp., strike price \$80.00, expires 8/18/17  | (410)                |
| 115  | Texas Instruments, Inc., strike price \$85.00, expires 8/18/17  | (2,300)              |
| 75   | Valero Energy Corp., strike price \$72.50, expires 8/18/17  | (900)                |
|  | <b>Total Call Options Written (cost-\$84,372)</b>   | <b>(48,105)</b>      |
| <b>Total Investments, net of options written</b><br>(cost-\$360,036,240) <b>145.9%</b> |   | 335,694,171          |
| Other liabilities in excess of other assets (45.9)%                                    |   | (105,545,239)        |
| <b>Net Assets 100.0%</b>   |   | <b>\$230,148,932</b> |

**Schedule of Investments**

**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

**Notes to Schedule of Investments:**

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$77,175,762, representing 33.5% of net assets.
- (b) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Securities with an aggregate value of \$75,755,651, representing 32.9% of net assets.
- (c) In default.
- (d) Fair-Valued Securities with an aggregate value of \$1,282,799, representing 0.6% of net assets. See Note 1(a) and Note 1(b) in the Notes to Financial Statements.
- (e) Perpetual maturity. The date shown, if any, is the next call date.
- (f) All or partial amount segregated for the benefit of the counterparty as collateral for options written and long-term and short-term loan financing.
- (g) Restricted. The aggregate acquisition cost of such security is \$3,475,717. The aggregate value is \$90,375, representing less than 0.05% of net assets.
- (h) Non-income producing.
- (i) Transactions in options written for the six months ended July 31, 2017:

|  | Contracts | Premiums  |
|--|-----------|-----------|
| Options outstanding, January 31, 2017      | 2,136     | \$79,800  |
| Options written                            | 7,345     | 308,720   |
| Options terminated in closing transactions | (2,170)   | (93,366)  |
| Options expired                            | (5,453)   | (210,782) |
| Options outstanding, July 31, 2017         | 1,858     | \$84,372  |

- (k) Fair Value Measurements See Note 1(b) in the Notes to Financial Statements.

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|  | Level 1<br>Quoted Prices | Level 2<br>Other Significant<br>Observable<br>Inputs | Level 3<br>Significant<br>Unobservable<br>Inputs | Value at<br>7/31/17 |
|--|--------------------------|--|--|---------------------|
| <b>Investments in Securities Assets</b>      |                          |  |  |                     |
| Convertible Bonds & Notes:                   |                          |  |  |                     |
| Insurance                                    | \$                       | \$2,749,775  | \$1,411,425                                      | \$4,161,200         |
| All Other                                    |                          | 139,444,674  |  | 139,444,674         |
| Common Stock:                                |                          |  |  |                     |
| Media  | 3,835,491                |  | 1  | 3,835,492           |
| All Other                                    | 77,495,432               |  |  | 77,495,432          |
| Corporate Bonds & Notes                      |                          | 76,190,409   |  | 76,190,409          |
| Convertible Preferred Stock:                 |                          |  |  |                     |
| Computers                                    |                          | 869,361  |  | 869,361             |
| Equity Real Estate Investment Trusts (REITs) | 1,920,915                | 1,777,544  |  | 3,698,459           |
| Food & Beverage                              |                          | 723,138  |  | 723,138             |
| Healthcare-Products                          |                          | 1,868,058  |  | 1,868,058           |
| Pharmaceuticals                              | 4,076,686                | 1,339,915  |  | 5,416,601           |
| All Other                                    | 12,508,654               |  |  | 12,508,654          |
| Preferred Stock                              |                          |  | 1,274,413  | 1,274,413           |
| Warrants                                     |                          |  | 8,385  | 8,385               |
| Repurchase Agreements                        |                          | 8,248,000  |  | 8,248,000           |
|  | 99,837,178               | 233,210,874  | 2,694,224  | 335,742,276         |

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**Schedule of Investments**

**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

| <b>Investments in Securities</b> | <b>Liabilities</b> | Level 1<br>Quoted Prices | Level 2<br>Other Significant<br>Observable<br>Inputs | Level 3<br>Significant<br>Unobservable<br>Inputs | Value at<br>7/31/17 |
|----------------------------------|--------------------|--------------------------|--|--|---------------------|
| Options Written:                 |                    |                          |  |  |                     |
| Market Price                     |                    | \$(48,105)               | \$   | \$   | \$(48,105)          |
| <b>Totals</b>                    |                    | \$99,789,073             | \$233,210,874  | \$2,694,224                                      | \$335,694,171       |

At July 31, 2017, a security valued at \$1,777,544 was transferred from Level 1 to Level 2. This transfer was a result of a security with an exchange-traded closing price at January 31, 2017, which was not available on July 31, 2017.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the six months ended July 31, 2017, was as follows:

| <b>Investments in Securities</b> | <b>Assets</b> | Beginning<br>Balance<br>1/31/17 | Purchases   | Sales       | Accrued<br>Discount<br>(Premiums) | Net<br>Realized<br>Gain<br>(Loss) | Net<br>Change in<br>Unrealized<br>Appreciation/<br>Depreciation | Transfers<br>into<br>Level 3 | Transfers<br>out of<br>Level 3 | Ending<br>Balance<br>7/31/17 |
|----------------------------------|---------------|---------------------------------|-------------|-------------|-----------------------------------|-----------------------------------|---|------------------------------|--------------------------------|------------------------------|
| Convertible                      |               |                                 |             |             |                                   |                                   |   |                              |                                |                              |
| Bonds & Notes                    |               | \$                              | \$1,355,503 | \$(190,837) |                                   | \$18,676                          | \$228,083   |                              |                                | \$1,411,425                  |
| Common Stock:                    |               |                                 |             |             |                                   |                                   |   |                              |                                |                              |
| Media                            |               | 1                               |             |             |                                   |                                   |   |                              |                                | 1                            |
| Preferred Stock                  |               | 1,165,086                       |             |             |                                   |                                   | 109,327   |                              |                                | 1,274,413                    |
| Warrants                         |               | 10,634                          |             |             |                                   |                                   | (2,249)   |                              |                                | 8,385                        |
| <b>Totals</b>                    |               | \$1,175,721                     | \$1,355,503 | \$(190,837) |                                   | \$18,676                          | \$335,161   |                              |                                | \$2,694,224                  |

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 at July 31, 2017:

| <b>Investments in Securities</b> | <b>Assets</b> | Ending Balance<br>at 7/31/17 | Valuation<br>Technique Used | Unobservable<br>Inputs | Input<br>Values |
|----------------------------------|---------------|------------------------------|-----------------------------|------------------------|-----------------|
|----------------------------------|---------------|------------------------------|-----------------------------|------------------------|-----------------|

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|                           |             |  |                                   |           |
|---------------------------|-------------|--|-----------------------------------|-----------|
| Convertible Bonds & Notes | \$1,411,425 | Third-Party Pricing Vendor                                   | Single Broker Quote               | \$276.75  |
| Common Stock              | 1           | Model Price  | Proprietary Data Used<br>in Model | \$0.0001  |
| Preferred Stock           | 1,274,400   | Model Price  | Proprietary Data Used<br>in Model | \$100.00  |
| Preferred Stock           | 13          | Liquidation Value  | Price of Stock                    | \$0.01*   |
| Warrants                  | 8,385       | Fundamental Analytical<br>Data Relating to the<br>Investment | Price of Warrant                  | \$0.22663 |

\* Preferred stock trades are in lots of 1,000.

The net change in unrealized appreciation/depreciation of Level 3 investments held at July 31, 2017, was \$335,161. Net change in unrealized appreciation/depreciation is reflected on the Statements of Operations.

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**Schedule of Investments**

**AllianzGI Diversified Income & Convertible Fund**

July 31, 2017 (unaudited) (continued)

(1) The following is a summary of the Fund's derivatives categorized by risk exposure:

The effect of derivatives on the Fund's Statements of Assets and Liabilities at July 31, 2017:

| Location                      | Market Price |
|-------------------------------|--------------|
| <b>Liability derivatives:</b> |              |
| Options written, at value     | \$(48,105)   |

The effect of derivatives on the Fund's Statements of Operations for the six months ended July 31, 2017:

| Location  | Market Price |
|---|--------------|
| <b>Net realized loss on:</b>                                  |              |
| Options written   | \$(180,279)  |
| <b>Net change in unrealized appreciation/depreciation of:</b> |              |
| Options written   | \$17,328     |

The average volume (based on the open positions at each fiscal month-end) of derivative activity during the six months ended July 31, 2017 was 1,494 call options written contracts.

**Glossary:**

- ADR - American Depositary Receipt
- CBOE - Chicago Board Options Exchange
- PIK - Payment-in-Kind
- REIT - Real Estate Investment Trust

**Schedule of Investments**

**AllianzGI Equity & Convertible Income Fund**

July 31, 2017 (unaudited)

| Common Stock | Shares       |  | Value        |
|--------------|--------------|--|--------------|
|              | <b>64.3%</b> |  |              |
|              | 42,300       | <b>Aerospace &amp; Defense 2.0%</b>                            |              |
|              | 15,390       | Boeing Co.   | \$10,256,058 |
|              |              | United Technologies Corp.                                      | 1,824,792    |
|              |              |  | 12,080,850   |
|              | 547,300      | <b>Automobiles 1.0%</b>  |              |
|              |              | Ford Motor Co.   | 6,140,706    |
|              | 96,000       | <b>Banks 1.9%</b>  |              |
|              | 42,700       | Bank of America Corp.  | 2,315,520    |
|              | 101,000      | JPMorgan Chase & Co.   | 3,919,860    |
|              |              | Wells Fargo & Co.  | 5,447,940    |
|              |              |  | 11,683,320   |
|              | 90,718       | <b>Beverages 2.0%</b>  |              |
|              | 72,000       | Coca-Cola Co. (e)  | 4,158,513    |
|              |              | PepsiCo, Inc.  | 8,395,920    |
|              |              |  | 12,554,433   |
|              | 138,100      | <b>Biotechnology 4.9%</b>                                      |              |
|              | 52,700       | AbbVie, Inc. (e)   | 9,654,571    |
|              | 9,700        | Amgen, Inc. (e)  | 9,196,677    |
|              | 4,850        | Biogen, Inc. (i)   | 2,809,023    |
|              | 91,000       | Bioerativ, Inc. (e)(i)   | 300,554      |
|              | 7,600        | Gilead Sciences, Inc.  | 6,924,190    |
|              |              | Vertex Pharmaceuticals, Inc. (i)                               | 1,153,832    |
|              |              |  | 30,038,847   |
|              | 133,544      | <b>Building Products 0.8%</b>                                  |              |
|              |              | Johnson Controls International PLC                             | 5,201,539    |
|              | 46,400       | <b>Chemicals 1.4%</b>  |              |
|              | 56,400       | Chemours Co.   | 2,209,104    |
|              |              | Monsanto Co.   | 6,588,648    |
|              |              |  | 8,797,752    |
|              | 15,200       | <b>Construction &amp; Engineering 0.1%</b>                     |              |
|              |              | Fluor Corp.  | 660,136      |
|              | 140,400      | <b>Diversified Telecommunication Services 1.1%</b>             |              |
|              |              | Verizon Communications, Inc.                                   | 6,795,360    |
|              | 97,185       | <b>Electric Utilities 0.6%</b>                                 |              |
|              |              | Exelon Corp.   | 3,726,073    |
|              | 77,100       | <b>Electronic Equipment, Instruments &amp; Components 1.9%</b> |              |
|              | 208,900      | Amphenol Corp., Class A (e)                                    | 5,907,402    |
|              |              | Corning, Inc. (e)  | 6,087,346    |
|              |              |  | 11,994,748   |
|              | 103,271      | <b>Energy Equipment &amp; Services 1.7%</b>                    |              |
|              | 53,600       | Baker Hughes a GE Co.  | 3,809,667    |
|              | 72,000       | National Oilwell Varco, Inc.                                   | 1,753,256    |
|              |              | Schlumberger Ltd.  | 4,939,200    |
|              |              |  | 10,502,123   |



## Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund

July 31, 2017 (unaudited) (continued)

| Shares  |  | Value       |
|---------|--|-------------|
|         | <b>Food &amp; Staples Retailing 2.9%</b>         |             |
| 44,900  | Costco Wholesale Corp.                           | \$7,117,099 |
| 182,400 | Kroger Co.                                       | 4,472,448   |
| 74,100  | Walgreens Boots Alliance, Inc.                   | 5,977,647   |
|         |  | 17,567,194  |
|         | <b>Health Care Equipment &amp; Supplies 0.9%</b> |             |
| 93,300  | Baxter International, Inc. (e)                   | 5,642,784   |
|         | <b>Health Care Providers &amp; Services 2.6%</b> |             |
| 46,400  | McKesson Corp.                                   | 7,510,768   |
| 44,400  | UnitedHealth Group, Inc.                         | 8,516,364   |
|         |  | 16,027,132  |
|         | <b>Hotels, Restaurants &amp; Leisure 2.5%</b>    |             |
| 46,400  | McDonald's Corp. (e)                             | 7,198,496   |
| 33,700  | MGM Resorts International (e)                    | 1,109,741   |
| 128,900 | Starbucks Corp.                                  | 6,958,022   |
|         |  | 15,266,259  |
|         | <b>Household Products 0.9%</b>                   |             |
| 57,900  | Procter & Gamble Co.                             | 5,258,478   |
|         | <b>Industrial Conglomerates 2.0%</b>             |             |
| 37,100  | 3M Co.   | 7,463,407   |
| 184,485 | General Electric Co.                             | 4,724,661   |
|         |  | 12,188,068  |
|         | <b>Insurance 1.2%</b>                            |             |
| 67,300  | Prudential Financial, Inc.                       | 7,620,379   |
|         | <b>Internet &amp; Catalog Retail 1.8%</b>        |             |
| 11,300  | Amazon.com, Inc. (e)(i)                          | 11,161,914  |
|         | <b>Internet Software &amp; Services 5.5%</b>     |             |
| 55,700  | Alibaba Group Holding Ltd., ADR (e)(i)           | 8,630,715   |
| 12,400  | Alphabet, Inc., Class A (e)(i)                   | 11,724,200  |
| 78,100  | Facebook, Inc., Class A (e)(i)                   | 13,218,425  |
|         |  | 33,573,340  |
|         | <b>IT Services 2.4%</b>                          |             |
| 42,400  | International Business Machines Corp.            | 6,134,008   |
| 85,600  | Visa, Inc., Class A                              | 8,522,336   |
|         |  | 14,656,344  |
|         | <b>Machinery 2.1%</b>                            |             |
| 57,700  | Caterpillar, Inc. (e)                            | 6,574,915   |
| 47,800  | Deere & Co. (e)                                  | 6,131,784   |
|         |  | 12,706,699  |
|         | <b>Media 3.0%</b>                                |             |
| 222,800 | Comcast Corp., Class A (e)                       | 9,012,260   |
| 88,200  | Walt Disney Co.                                  | 9,695,826   |
|         |  | 18,708,086  |

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

July 31, 2017 (unaudited) (continued)

| Shares  |  | Value       |
|---------|--|-------------|
|         | <b>Metals &amp; Mining 0.1%</b>                            |             |
| 23,400  | Freeport-McMoRan, Inc. (i)                                 | \$342,108   |
|         | <b>Multi-Line Retail 1.6%</b>                              |             |
| 126,482 | Macy's, Inc.   | 3,003,948   |
| 118,000 | Target Corp.   | 6,687,060   |
|         |  | 9,691,008   |
|         | <b>Oil, Gas &amp; Consumable Fuels 1.7%</b>                |             |
| 83,400  | Occidental Petroleum Corp.                                 | 5,164,962   |
| 72,400  | Valero Energy Corp. (e)                                    | 4,993,428   |
|         |  | 10,158,390  |
|         | <b>Pharmaceuticals 0.9%</b>                                |             |
| 99,100  | Bristol-Myers Squibb Co.                                   | 5,638,790   |
|         | <b>Road &amp; Rail 0.9%</b>                                |             |
| 51,300  | Union Pacific Corp.  | 5,281,848   |
|         | <b>Semiconductors &amp; Semiconductor Equipment 4.8%</b>   |             |
| 13,000  | Broadcom Ltd. (e)  | 3,206,580   |
| 275,700 | Intel Corp.  | 9,779,079   |
| 12,200  | NVIDIA Corp.   | 1,982,622   |
| 128,100 | QUALCOMM, Inc.   | 6,813,639   |
| 96,000  | Texas Instruments, Inc. (e)                                | 7,812,480   |
|         |  | 29,594,400  |
|         | <b>Software 3.6%</b>                                       |             |
| 37,300  | Adobe Systems, Inc. (e)(i)                                 | 5,464,077   |
| 166,900 | Microsoft Corp. (e)  | 12,133,630  |
| 96,500  | Oracle Corp.   | 4,818,245   |
|         |  | 22,415,952  |
|         | <b>Specialty Retail 1.4%</b>                               |             |
| 57,800  | Home Depot, Inc. (e)                                       | 8,646,880   |
|         | <b>Technology Hardware, Storage &amp; Peripherals 2.1%</b> |             |
| 84,800  | Apple, Inc. (e)  | 12,612,304  |
|         |  | 394,934,244 |
|         | Total Common Stock (cost-\$437,669,118)                    |             |
|         | Principal Amount (000s)                                    |             |
|         | <b>Convertible Bonds &amp; Notes 23.9%</b>                 |             |
| \$2,595 | <b>Apparel &amp; Textiles 0.4%</b>                         |             |
|         | Iconix Brand Group, Inc., 1.50%, 3/15/18                   | 2,543,100   |
| 2,525   | <b>Auto Components 0.7%</b>                                |             |
|         | Meritor, Inc., 7.875%, 3/1/26                              | 4,420,770   |
|         | <b>Auto Manufacturers 0.7%</b>                             |             |
| 2,820   | Tesla, Inc., 0.25%, 3/1/19                                 | 3,072,038   |
| 1,000   | 2.375%, 3/15/22  | 1,186,250   |
|         |  | 4,258,288   |



**Schedule of Investments**

**AllianzGI Equity & Convertible Income Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |   | Value       |
|-------------------------------|---|-------------|
|                               | <b>Biotechnology 0.8%</b>                                       |             |
| \$1,210                       | BioMarin Pharmaceutical, Inc., 1.50%, 10/15/20                  | \$1,432,338 |
| 1,500                         | Illumina, Inc., 0.50%, 6/15/21                                  | 1,613,437   |
| 700                           | Ionis Pharmaceuticals, Inc., 1.00%, 11/15/21                    | 756,000     |
| 1,205                         | Medicines Co., 2.75%, 7/15/23                                   | 1,288,597   |
|                               |   | 5,090,372   |
|                               | <b>Commercial Services 0.3%</b>                                 |             |
| 1,505                         | Live Nation Entertainment, Inc., 2.50%, 5/15/19                 | 1,777,781   |
|                               | <b>Computers 0.4%</b>   |             |
| 690                           | Carbonite, Inc., 2.50%, 4/1/22 (a)(b)                           | 803,850     |
| 1,500                         | Electronics For Imaging, Inc., 0.75%, 9/1/19                    | 1,621,875   |
|                               |   | 2,425,725   |
|                               | <b>Diversified Financial Services 0.8%</b>                      |             |
| 1,000                         | Blackhawk Network Holdings, Inc., 1.50%, 1/15/22 (a)(b)         | 1,126,875   |
| 410                           | Encore Capital Group, Inc., 3.25%, 3/15/22 (a)(b)               | 442,544     |
| 3,625                         | PRA Group, Inc., 3.00%, 8/1/20                                  | 3,511,718   |
|                               |   | 5,081,137   |
|                               | <b>Electric Utilities 0.4%</b>                                  |             |
| 2,265                         | NRG Yield, Inc., 3.25%, 6/1/20 (a)(b)                           | 2,263,584   |
|                               | <b>Electrical Equipment 0.6%</b>                                |             |
| 2,100                         | SunPower Corp.,<br>0.875%, 6/1/21                               | 1,707,563   |
| 2,135                         | 4.00%, 1/15/23  | 1,926,837   |
|                               |   | 3,634,400   |
|                               | <b>Energy-Alternate Sources 0.3%</b>                            |             |
| 1,700                         | SolarCity Corp., 1.625%, 11/1/19                                | 1,606,500   |
|                               | SunEdison, Inc. (a)(b)(c)(h),                                   |             |
| 4,000                         | 2.625%, 6/1/23 (acquisition cost \$4,134,388; purchased 6/5/15) | 100,000     |
| 1,000                         | 3.375%, 6/1/25 (acquisition cost \$361,809; purchased 1/8/16)   | 25,000      |
|                               |   | 1,731,500   |
|                               | <b>Equity Real Estate Investment Trusts (REITs) 0.7%</b>        |             |
| 2,225                         | Extra Space Storage L.P., 3.125%, 10/1/35 (a)(b)                | 2,414,125   |
| 2,000                         | Two Harbors Investment Corp., 6.25%, 1/15/22                    | 2,116,250   |
|                               |   | 4,530,375   |
|                               | <b>Healthcare-Products 1.1%</b>                                 |             |
| 1,930                         | Hologic, Inc., 2.00%, 3/1/42 (g)                                | 2,767,138   |
| 1,375                         | NuVasive, Inc., 2.25%, 3/15/21                                  | 1,723,906   |
| 2,135                         | Wright Medical Group, Inc., 2.00%, 2/15/20                      | 2,339,159   |
|                               |   | 6,830,203   |
|                               | <b>Healthcare-Services 0.3%</b>                                 |             |
| 1,625                         | Molina Healthcare, Inc., 1.625%, 8/15/44                        | 2,027,188   |
|                               | <b>Internet 2.4%</b>  |             |
| 1,540                         | Altaba, Inc., zero coupon, 12/1/18                              | 1,821,050   |
| 2,500                         | FireEye, Inc., Ser. A, 1.00%, 6/1/35                            | 2,368,750   |
| 1,380                         | Liberty Expedia Holdings, Inc., 1.00%, 6/30/47 (a)(b)           | 1,505,925   |
| 1,700                         | Pandora Media, Inc., 1.75%, 12/1/20                             | 1,626,688   |



## Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value       |
|-------------------------------|--|-------------|
|                               | <b>Internet (continued)</b>                                |             |
| \$3,500                       | Priceline Group, Inc., 0.35%, 6/15/20                      | \$5,516,875 |
| 535                           | VeriSign, Inc., 4.452%, 8/15/37                            | 1,588,281   |
|                               |  | 14,427,569  |
|                               | <b>Media 1.6%</b>  |             |
| 3,780                         | DISH Network Corp., 3.375%, 8/15/26 (a)(b)                 | 4,715,550   |
| 1,765                         | Liberty Interactive LLC, 1.75%, 9/30/46 (a)(b)             | 2,190,806   |
|                               | Liberty Media Corp.,                                       |             |
| 860                           | 1.375%, 10/15/23   | 1,089,448   |
| 1,950                         | 2.25%, 9/30/46 (a)(b)                                      | 2,104,781   |
|                               |  | 10,100,585  |
|                               | <b>Metal Fabricate/Hardware 0.3%</b>                       |             |
| 1,635                         | RTI International Metals, Inc., 1.625%, 10/15/19           | 1,820,981   |
|                               | <b>Mining 0.3%</b>   |             |
| 1,500                         | Royal Gold, Inc., 2.875%, 6/15/19                          | 1,668,750   |
|                               | <b>Oil, Gas &amp; Consumable Fuels 1.3%</b>                |             |
| 2,235                         | Chesapeake Energy Corp., 5.50%, 9/15/26 (a)(b)             | 2,123,250   |
| 750                           | Helix Energy Solutions Group, Inc., 4.25%, 5/1/22          | 736,406     |
| 2,000                         | Nabors Industries, Inc., 0.75%, 1/15/24 (a)(b)             | 1,578,750   |
| 1,500                         | SM Energy Co., 1.50%, 7/1/21                               | 1,399,688   |
| 2,240                         | Weatherford International Ltd., 5.875%, 7/1/21             | 2,382,800   |
|                               |  | 8,220,894   |
|                               | <b>Pharmaceuticals 0.5%</b>                                |             |
| 900                           | Jazz Investments I Ltd., 1.875%, 8/15/21                   | 985,500     |
| 270                           | TESARO, Inc., 3.00%, 10/1/21                               | 999,338     |
| 1,115                         | Teva Pharmaceutical Finance Co. LLC, Ser. C, 0.25%, 2/1/26 | 1,198,625   |
|                               |  | 3,183,463   |
|                               | <b>Pipelines 0.5%</b>                                      |             |
| 4,000                         | Cheniere Energy, Inc., 4.25%, 3/15/45                      | 2,762,500   |
|                               | <b>Retail 0.5%</b>   |             |
| 3,495                         | RH, zero coupon, 6/15/19 (a)(b)                            | 3,123,656   |
|                               | <b>Semiconductors 5.2%</b>                                 |             |
| 870                           | Advanced Micro Devices, Inc., 2.125%, 9/1/26               | 1,633,425   |
| 2,025                         | Cypress Semiconductor Corp., 4.50%, 1/15/22                | 2,555,297   |
| 2,615                         | Inphi Corp., 0.75%, 9/1/21 (a)(b)                          | 2,650,956   |
| 2,000                         | Integrated Device Technology, Inc., 0.875%, 11/15/22       | 2,127,500   |
|                               | Intel Corp.,   |             |
| 2,270                         | 3.25%, 8/1/39  | 3,917,180   |
| 1,895                         | 3.493%, 12/15/35   | 2,566,541   |
| 1,350                         | Lam Research Corp., 1.25%, 5/15/18                         | 3,564,000   |
| 4,575                         | Microchip Technology, Inc., 1.625%, 2/15/27 (a)(b)         | 5,089,687   |
| 215                           | Micron Technology, Inc., Ser. D, 3.125%, 5/1/32            | 615,841     |
| 3,865                         | Micron Technology, Inc., Ser. G, 3.00%, 11/15/43           | 4,176,616   |
| 345                           | Novellus Systems, Inc., 2.625%, 5/15/41                    | 1,631,850   |
| 1,000                         | Teradyne, Inc., 1.25%, 12/15/23 (a)(b)                     | 1,269,375   |
|                               |  | 31,798,268  |



Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2017 (unaudited) (continued)

| Principal Amount<br>(000s) |  | Value       |
|----------------------------|--|-------------|
|                            | <b>Software 2.1%</b>                                     |             |
| \$2,000                    | CSG Systems International, Inc., 4.25%, 3/15/36          | \$2,180,000 |
| 500                        | Medidata Solutions, Inc., 1.00%, 8/1/18                  | 690,000     |
| 1,750                      | Nuance Communications, Inc., 1.25%, 4/1/25 (a)(b)        | 1,771,875   |
| 1,200                      | Proofpoint, Inc., 0.75%, 6/15/20                         | 1,503,000   |
| 1,030                      | Red Hat, Inc., 0.25%, 10/1/19                            | 1,463,888   |
| 1,550                      | Salesforce.com, Inc., 0.25%, 4/1/18                      | 2,145,781   |
| 1,250                      | ServiceNow, Inc., zero coupon, 11/1/18                   | 1,904,687   |
| 825                        | Workday, Inc., 0.75%, 7/15/18                            | 1,061,156   |
|                            |  | 12,720,387  |
|                            | <b>Telecommunications 0.9%</b>                           |             |
| 40                         | Ciena Corp., 3.75%, 10/15/18                             | 55,100      |
|                            | Finisar Corp.,   |             |
| 1,200                      | 0.50%, 12/15/33  | 1,368,000   |
| 2,785                      | 0.50%, 12/15/36 (a)(b)                                   | 2,783,259   |
| 1,300                      | Gogo, Inc., 3.75%, 3/1/20                                | 1,211,438   |
|                            |  | 5,417,797   |
|                            | <b>Tobacco 0.3%</b>                                      |             |
| 1,700                      | Vector Group Ltd., 1.75%, 4/15/20 (f)                    | 1,901,875   |
|                            | <b>Transportation 0.5%</b>                               |             |
| 1,380                      | Atlas Air Worldwide Holdings, Inc., 2.25%, 6/1/22        | 1,539,562   |
| 1,260                      | Greenbrier Cos., Inc., 2.875%, 2/1/24 (a)(b)             | 1,367,888   |
|                            |  | 2,907,450   |
|                            | Total Convertible Bonds & Notes (cost-\$148,228,856)     | 146,668,598 |
|                            | <b>Convertible Preferred Stock 8.5%</b>                  |             |
|                            | <b>Agriculture 0.2%</b>                                  |             |
| 9,550                      | Bunge Ltd., 4.875% (d)                                   | 1,043,934   |
|                            | <b>Banks 1.5%</b>  |             |
| 3,965                      | Bank of America Corp., Ser. L, 7.25% (d)                 | 5,146,570   |
| 770                        | Huntington Bancshares, Inc., Ser. A, 8.50% (d)           | 1,112,650   |
| 2,335                      | Wells Fargo & Co., Ser. L, 7.50% (d)                     | 3,099,712   |
|                            |  | 9,358,932   |
|                            | <b>Commercial Services &amp; Supplies 0.3%</b>           |             |
| 29,890                     | Stericycle, Inc., 5.25%, 9/15/18                         | 1,883,369   |
|                            | <b>Computers 0.5%</b>                                    |             |
| 2,164                      | NCR Corp., Ser. A, 5.50%, PIK (d)                        | 3,183,244   |
|                            | <b>Diversified Telecommunication Services 0.2%</b>       |             |
| 42,905                     | Frontier Communications Corp., Ser. A, 11.125%, 6/29/18  | 1,088,500   |
|                            | <b>Electric Utilities 0.4%</b>                           |             |
| 50,000                     | NextEra Energy, Inc., 6.123%, 9/1/19                     | 2,778,000   |
|                            | <b>Equity Real Estate Investment Trusts (REITs) 1.0%</b> |             |
| 19,480                     | American Tower Corp., 5.50%, 2/15/18                     | 2,381,469   |
| 1,850                      | Crown Castle International Corp., Ser. A, 6.875%, 8/1/20 | 1,974,274   |
| 30,000                     | Welltower, Inc., Ser. I, 6.50% (d)                       | 1,962,000   |
|                            |  | 6,317,743   |



**Schedule of Investments**

**AllianzGI Equity & Convertible Income Fund**

July 31, 2017 (unaudited) (continued)

| Shares   |  | Value       |
|--|--|-------------|
|  | <b>Food &amp; Beverage 0.3%</b>  |             |
| 11,900   | Post Holdings, Inc., 2.50% (d)   | \$1,872,762 |
|  | <b>Hand/Machine Tools 0.3%</b>   |             |
| 17,030   | Stanley Black & Decker, Inc., 5.375%, 5/15/20  | 1,827,830   |
|  | <b>Health Care Providers &amp; Services 0.7%</b>   |             |
| 85,670   | Anthem, Inc., 5.25%, 5/1/18  | 4,410,292   |
|  | <b>Healthcare-Products 0.4%</b>  |             |
| 40,000   | Becton Dickinson and Co., Ser. A, 6.125%, 5/1/20   | 2,245,600   |
|  | <b>Investment Companies 0.4%</b>   |             |
| 12,660   | Mandatory Exchangeable Trust, 5.75%, 6/3/19 (a)(b)   | 2,263,418   |
|  | <b>Oil, Gas &amp; Consumable Fuels 0.7%</b>  |             |
|  | ATP Oil & Gas Corp., 8.00% (a)(b)(d)(h)  |             |
| 25,000   | (acquisition cost \$3,160,750; purchased 4/21/10)  | 3           |
| 46,870   | Kinder Morgan, Inc., Ser. A, 9.75%, 10/26/18   | 2,074,935   |
| 39,900   | Southwestern Energy Co., Ser. B, 6.25%, 1/15/18  | 551,817     |
| 35,410   | WPX Energy, Inc., Ser. A, 6.25%, 7/31/18   | 1,778,644   |
|  |  | 4,405,399   |
|  | <b>Pharmaceuticals 1.2%</b>  |             |
| 6,005  | Allergan PLC, Ser. A, 5.50%, 3/1/18  | 5,368,530   |
| 2,960  | Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18   | 1,716,948   |
|  |  | 7,085,478   |
|  | <b>Wireless Telecommunication Services 0.4%</b>  |             |
| 25,160   | T-Mobile U.S., Inc., 5.50%, 12/15/17   | 2,522,290   |
| Total Convertible Preferred Stock (cost-\$58,640,644)                            |  | 52,286,791  |
| Principal Amount (000s)  |  |             |
| <b>Corporate Bonds &amp; Notes (a)(b) 0.8%</b>                                   |  |             |
|  | <b>Oil, Gas &amp; Consumable Fuels 0.8%</b>  |             |
|  | Cobalt International Energy, Inc.,   |             |
| \$2,509  | 7.75%, 12/1/23   | 1,643,395   |
| 3,200  | 10.75%, 12/1/21  | 3,160,000   |
| Total Corporate Bonds & Notes (cost-\$6,337,612)                                 |  | 4,803,395   |
|  | <b>Repurchase Agreements 3.1%</b>  |             |
| 19,047   | State Street Bank and Trust Co.,<br>dated 7/31/17, 0.12%, due<br>8/1/17, proceeds \$19,047,063;<br>collateralized by U.S. Treasury Notes,<br>2.00%, due 2/15/25, valued at<br>\$19,432,708 including accrued<br>interest (cost-\$19,047,000) | 19,047,000  |
| <b>Total Investments, before options written<br/>(cost-\$669,923,230) 100.6%</b> |  | 617,740,028 |



**Schedule of Investments**

**AllianzGI Equity & Convertible Income Fund**

July 31, 2017 (unaudited) (continued)

| Contracts  | Value                |
|--|----------------------|
| <b>Call Options Written (CBOE) (i) (0.1)%</b>                          |                      |
| 690 AbbVie, Inc., strike price \$77.50, expires 8/18/17                | \$(10,695)           |
| 225 Adobe Systems, Inc., strike price \$155.00, expires 8/18/17        | (7,875)              |
| 280 Alibaba Group Holding Ltd., strike price \$177.50, expires 8/18/17 | (10,640)             |
| 75 Alphabet, Inc., strike price \$1,060.00, expires 8/18/17            | (5,062)              |
| 60 Amazon.com, Inc., strike price \$1,200.00, expires 9/15/17          | (4,050)              |
| 265 Amgen, Inc., strike price \$185.00, expires 8/18/17                | (2,650)              |
| 390 Amphenol Corp., strike price \$80.00, expires 8/18/17              | (3,900)              |
| 425 Apple, Inc., strike price \$162.50, expires 8/18/17                | (13,813)             |
| 560 Baxter International, Inc., strike price \$65.00, expires 8/18/17  | (3,640)              |
| 15 Bioerativ, Inc., strike price \$70.00, expires 8/18/17              | (525)                |
| 80 Broadcom Ltd., strike price \$272.50, expires 8/18/17               | (2,200)              |
| 290 Caterpillar, Inc., strike price \$115.00, expires 8/18/17          | (37,120)             |
| 635 Coca-Cola Co., strike price \$46.50, expires 8/18/17               | (9,843)              |
| 1,335 Comcast Corp., strike price \$42.50, expires 8/18/17             | (11,348)             |
| 815 Corning, Inc., strike price \$33.00, expires 8/18/17               | (1,222)              |
| 290 Deere & Co., strike price \$130.00, expires 8/18/17                | (69,310)             |
| 390 Facebook, Inc., strike price \$180.00, expires 8/18/17             | (18,525)             |
| 345 Home Depot, Inc., strike price \$165.00, expires 8/18/17           | (1,207)              |
| 325 McDonald's Corp., strike price \$160.00, expires 8/18/17           | (11,375)             |
| 170 MGM Resorts International, strike price \$37.00, expires 8/18/17   | (850)                |
| 1,000 Microsoft Corp., strike price \$80.00, expires 8/18/17           | (2,000)              |
| 575 Texas Instruments, Inc., strike price \$85.00, expires 8/18/17     | (11,500)             |
| 365 Valero Energy Corp., strike price \$72.50, expires 8/18/17         | (4,380)              |
| Total Call Options Written (cost-\$437,045)                            | (243,730)            |
| <b>Total Investments, net of options written</b>                       |                      |
| (cost-\$669,486,185) <b>100.5%</b>                                     | 617,496,298          |
| Other liabilities in excess of other assets (0.5)%                     | (3,367,697)          |
| <b>Net Assets 100.0%</b>   | <b>\$614,128,601</b> |

**Notes to Schedule of Investments:**

(a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$46,518,552, representing 7.6% of net assets.

(b) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Securities with an aggregate value of \$46,518,552, representing 7.6% of net assets.

(c) In default.

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- (d) Perpetual maturity. The date shown, if any, is the next call date.
- (e) All or partial amount segregated for the benefit of the counterparty as collateral for options written.
- (f) In addition to the coupon rate shown, the issuer is expected to pay additional interest based on the actual dividends paid on its common stock.
- (g) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (h) Restricted. The aggregate acquisition cost of such securities is \$7,656,947. The aggregate value is \$125,003, representing less than 0.05% of net assets.
- (i) Non-income producing.

**Schedule of Investments**

**AllianzGI Equity & Convertible Income Fund**

July 31, 2017 (unaudited) (continued)

(j) Transactions in options written for the six months ended July 31, 2017:

|  | Contracts | Premiums  |
|--|-----------|-----------|
| Options outstanding, January 31, 2017      | 9,220     | \$278,983 |
| Options written                            | 35,576    | 1,464,740 |
| Options terminated in closing transactions | (10,940)  | (407,940) |
| Options expired                            | (24,256)  | (898,738) |
| Options outstanding, July 31, 2017         | 9,600     | \$437,045 |

(m) Fair Value Measurements See Note 1(b) in the Notes to Financial Statements.

|  | Level 1<br>Quoted Prices | Level 2<br>Other Significant<br>Observable<br>Inputs | Level 3<br>Significant<br>Unobservable<br>Inputs | Value at<br>7/31/17  |
|--|--------------------------|--|--|----------------------|
| <b>Investments in Securities Assets</b>      |                          |  |  |                      |
| Common Stock                                 | \$394,934,244            | \$   |  | \$394,934,244        |
| Convertible Bonds & Notes                    |                          | 146,668,598  |  | 146,668,598          |
| Convertible Preferred Stock:                 |                          |  |  |                      |
| Agriculture                                  |                          | 1,043,934  |  | 1,043,934            |
| Computers                                    |                          | 3,183,244  |  | 3,183,244            |
| Equity Real Estate Investment Trusts (REITs) | 3,936,274                | 2,381,469  |  | 6,317,743            |
| Food & Beverage                              |                          | 1,872,762  |  | 1,872,762            |
| Healthcare-Products                          |                          | 2,245,600  |  | 2,245,600            |
| Investment Companies                         |                          | 2,263,418  |  | 2,263,418            |
| Oil, Gas & Consumable Fuels                  | 4,405,396                | 3  |  | 4,405,399            |
| Pharmaceuticals                              | 5,368,530                | 1,716,948  |  | 7,085,478            |
| All Other                                    | 23,869,213               |  |  | 23,869,213           |
| Corporate Bonds & Notes                      |                          | 4,803,395  |  | 4,803,395            |
| Repurchase Agreements                        |                          | 19,047,000   |  | 19,047,000           |
|  | 432,513,657              | 185,226,371  |  | 617,740,028          |
| <b>Investments in Securities Liabilities</b> |                          |  |  |                      |
| Options Written:                             |                          |  |  |                      |
| Market Price                                 | (243,730)                |  |  | (243,730)            |
| <b>Totals</b>                                | <b>\$432,269,927</b>     | <b>\$185,226,371</b>                                 |  | <b>\$617,496,298</b> |

At July 31, 2017, a security valued at \$2,381,469 was transferred from Level 1 to Level 2. This transfer was a result of a security with an exchange-traded closing price at January 31, 2017, which was not available on July 31, 2017.

(n) The following is a summary of the Fund's derivatives categorized by risk exposure:

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**Schedule of Investments**

**AllianzGI Equity & Convertible Income Fund**

July 31, 2017 (unaudited) (continued)

The effect of derivatives on the Fund's Statements of Assets and Liabilities at July 31, 2017:

| Location                      | Market Price |
|-------------------------------|--------------|
| <b>Liability derivatives:</b> |              |
| Options written, at value     | \$(243,730)  |

The effect of derivatives on the Fund's Statements of Operations for the six months ended July 31, 2017:

| Location  | Market Price  |
|---|---------------|
| <b>Net realized loss on:</b>                                  |               |
| Options written   | \$(1,083,751) |
| <b>Net change in unrealized appreciation/depreciation of:</b> |               |
| Options written   | \$147,987     |

The average volume (based on the open positions at each fiscal month-end) of derivative activity during the six months ended July 31, 2017 was 7,129 call options written contracts.

**Glossary:**

- ADR - American Depositary Receipt
- CBOE - Chicago Board Options Exchange
- PIK - Payment-in-Kind
- REIT - Real Estate Investment Trust

**Schedule of Investments**
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

| Common Stock | Shares       |  | Value        |
|--------------|--------------|--|--------------|
|              | <b>68.1%</b> |  |              |
|              |              | <b>Aerospace &amp; Defense 2.6%</b>                |              |
|              | 93,000       | General Dynamics Corp. (f)                         | \$18,258,690 |
|              | 155,000      | United Technologies Corp. (f)                      | 18,378,350   |
|              |              |  | 36,637,040   |
|              |              | <b>Automobiles 1.1%</b>                            |              |
|              | 428,900      | General Motors Co. (f)                             | 15,431,822   |
|              |              | <b>Banks 12.3%</b>                                 |              |
|              | 821,500      | Bank of America Corp.                              | 19,814,580   |
|              | 318,300      | Citigroup, Inc.                                    | 21,787,635   |
|              | 774,200      | Fifth Third Bancorp (f)                            | 20,671,140   |
|              | 478,100      | JPMorgan Chase & Co. (f)                           | 43,889,580   |
|              | 173,600      | PNC Financial Services Group, Inc.                 | 22,359,680   |
|              | 410,100      | U.S. Bancorp (f)                                   | 21,645,078   |
|              | 359,200      | Wells Fargo & Co. (f)                              | 19,375,248   |
|              |              |  | 169,542,941  |
|              |              | <b>Beverages 1.4%</b>                              |              |
|              | 210,700      | Dr. Pepper Snapple Group, Inc.                     | 19,207,412   |
|              |              | <b>Biotechnology 1.2%</b>                          |              |
|              | 228,900      | AbbVie, Inc. (f)                                   | 16,002,399   |
|              |              | <b>Capital Markets 2.0%</b>                        |              |
|              | 76,500       | Ameriprise Financial, Inc.                         | 11,083,320   |
|              | 360,000      | Morgan Stanley (f)                                 | 16,884,000   |
|              |              |  | 27,967,320   |
|              |              | <b>Chemicals 1.5%</b>                              |              |
|              | 244,600      | Eastman Chemical Co. (f)                           | 20,340,936   |
|              |              | <b>Communications Equipment 0.9%</b>               |              |
|              | 377,000      | Cisco Systems, Inc.                                | 11,856,650   |
|              |              | <b>Consumer Finance 1.3%</b>                       |              |
|              | 214,300      | American Express Co. (f)                           | 18,264,789   |
|              |              | <b>Containers &amp; Packaging 1.4%</b>             |              |
|              | 350,000      | International Paper Co. (f)                        | 19,243,000   |
|              |              | <b>Diversified Telecommunication Services 2.8%</b> |              |
|              | 508,200      | AT&T, Inc. (f)                                     | 19,819,800   |
|              | 398,400      | Verizon Communications, Inc.                       | 19,282,560   |
|              |              |  | 39,102,360   |
|              |              | <b>Electric Utilities 2.4%</b>                     |              |
|              | 242,600      | American Electric Power Co., Inc. (f)              | 17,113,004   |
|              | 215,000      | Entergy Corp. (f)                                  | 16,494,800   |
|              |              |  | 33,607,804   |
|              |              | <b>Electrical Equipment 0.7%</b>                   |              |
|              | 124,700      | Eaton Corp. PLC (f)                                | 9,757,775    |
|              |              | <b>Energy Equipment &amp; Services 3.5%</b>        |              |
|              | 2,800,900    | Nabors Industries Ltd. (f)                         | 21,594,939   |

## Schedule of Investments

## AllianzGI NFJ Dividend, Interest &amp; Premium Strategy Fund

July 31, 2017 (unaudited) (continued)

| Shares  |  | Value                      |
|---------|--|----------------------------|
|         | <b>Energy Equipment &amp; Services (continued)</b> |                            |
| 385,100 | Schlumberger Ltd. (f)                              | \$26,417,860<br>48,012,799 |
|         | <b>Food &amp; Staples Retailing 1.5%</b>           |                            |
| 261,000 | Wal-Mart Stores, Inc. (f)                          | 20,877,390                 |
|         | <b>Health Care Equipment &amp; Supplies 1.0%</b>   |                            |
| 171,900 | Medtronic PLC (f)                                  | 14,434,443                 |
|         | <b>Health Care Providers &amp; Services 2.6%</b>   |                            |
| 125,700 | Aetna, Inc. (f)                                    | 19,396,767                 |
| 153,900 | Quest Diagnostics, Inc. (f)                        | 16,668,909<br>36,065,676   |
|         | <b>Hotels, Restaurants &amp; Leisure 0.7%</b>      |                            |
| 145,700 | Carnival Corp. (f)                                 | 9,729,846                  |
|         | <b>Household Products 1.1%</b>                     |                            |
| 175,000 | Procter & Gamble Co. (f)                           | 15,893,500                 |
|         | <b>Industrial Conglomerates 1.4%</b>               |                            |
| 141,800 | Honeywell International, Inc. (f)                  | 19,301,816                 |
|         | <b>Insurance 3.5%</b>                              |                            |
| 51,900  | Everest Re Group Ltd. (f)                          | 13,618,041                 |
| 375,700 | MetLife, Inc. (f)                                  | 20,663,500                 |
| 107,600 | Travelers Cos., Inc. (f)                           | 13,782,484<br>48,064,025   |
|         | <b>IT Services 0.7%</b>                            |                            |
| 66,140  | International Business Machines Corp.              | 9,568,474                  |
|         | <b>Media 1.1%</b>                                  |                            |
| 226,000 | CBS Corp., Class B (f)                             | 14,877,580                 |
|         | <b>Multi-Utilities 1.2%</b>                        |                            |
| 25      | Dominion Energy, Inc.                              | 1,930                      |
| 369,100 | Public Service Enterprise Group, Inc. (f)          | 16,598,427<br>16,600,357   |
|         | <b>Oil, Gas &amp; Consumable Fuels 9.3%</b>        |                            |
| 572,000 | Apache Corp. (f)                                   | 28,302,560                 |
| 254,200 | Chevron Corp. (f)                                  | 27,756,098                 |
| 322,900 | Exxon Mobil Corp. (f)                              | 25,844,916                 |
| 832,500 | Royal Dutch Shell PLC, Class A, ADR (f)            | 47,061,225                 |
| 29,338  | Sanchez Energy Corp. (i)                           | 165,466<br>129,130,265     |
|         | <b>Pharmaceuticals 2.8%</b>                        |                            |
| 110,500 | Johnson & Johnson (f)                              | 14,665,560                 |
| 733,384 | Pfizer, Inc. (f)                                   | 24,319,013<br>38,984,573   |
|         | <b>Road &amp; Rail 1.2%</b>                        |                            |
| 158,900 | Kansas City Southern (f)                           | 16,396,891                 |

**Schedule of Investments**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

| Shares                        |  | Value              |
|-------------------------------|--|--------------------|
|                               | <b>Semiconductors &amp; Semiconductor Equipment 2.1%</b>                       |                    |
| 563,800                       | Intel Corp. (f)  | \$19,997,986       |
| 59,600                        | Lam Research Corp. (f)   | 9,503,816          |
|                               |  | 29,501,802         |
|                               | <b>Software 1.0%</b>   |                    |
| 266,000                       | Oracle Corp. (f)   | 13,281,380         |
|                               | <b>Technology Hardware, Storage &amp; Peripherals 1.8%</b>                     |                    |
| 67,900                        | Apple, Inc. (f)  | 10,098,767         |
| 753,700                       | HP, Inc. (f)   | 14,395,670         |
|                               |  | 24,494,437         |
|                               | <b>Total Common Stock (cost-\$850,287,505)</b>                                 | <b>942,177,502</b> |
|                               |  |                    |
| Principal<br>Amount<br>(000s) |  |                    |
|                               | <b>Convertible Bonds &amp; Notes 19.6%</b>                                     |                    |
| \$5,720                       | <b>Apparel &amp; Textiles 0.4%</b><br>Iconix Brand Group, Inc., 1.50%, 3/15/18 | 5,605,600          |
| 4,850                         | <b>Auto Components 0.6%</b><br>Meritor, Inc., 7.875%, 3/1/26                   | 8,491,380          |
| 4,580                         | <b>Auto Manufacturers 0.6%</b><br>Tesla, Inc.,<br>0.25%, 3/1/19                | 4,989,337          |
| 3,000                         | 2.375%, 3/15/22  | 3,558,750          |
|                               |  | 8,548,087          |
|                               | <b>Biotechnology 0.8%</b>  |                    |
| 725                           | BioMarin Pharmaceutical, Inc.,<br>0.75%, 10/15/18                              | 800,672            |
| 2,290                         | 1.50%, 10/15/20  | 2,710,787          |
| 3,000                         | Illumina, Inc., 0.50%, 6/15/21   | 3,226,875          |
| 1,300                         | Ionis Pharmaceuticals, Inc., 1.00%, 11/15/21                                   | 1,404,000          |
| 2,295                         | Medicines Co., 2.75%, 7/15/23  | 2,454,216          |
|                               |  | 10,596,550         |
|                               | <b>Commercial Services 0.2%</b>  |                    |
| 2,000                         | Live Nation Entertainment, Inc., 2.50%, 5/15/19                                | 2,362,500          |
|                               | <b>Computers 0.4%</b>  |                    |
| 1,310                         | Carbonite, Inc., 2.50%, 4/1/22 (a)(b)  | 1,526,150          |
| 3,570                         | Electronics For Imaging, Inc., 0.75%, 9/1/19                                   | 3,860,062          |
|                               |  | 5,386,212          |
|                               | <b>Diversified Financial Services 1.0%</b>                                     |                    |
| 2,000                         | Blackhawk Network Holdings, Inc., 1.50%, 1/15/22 (a)(b)                        | 2,253,750          |
| 5,000                         | Encore Capital Group, Inc., 2.875%, 3/15/21                                    | 4,834,375          |
| 7,130                         | PRA Group, Inc., 3.00%, 8/1/20   | 6,907,187          |
|                               |  | 13,995,312         |

**Schedule of Investments**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |   | Value       |
|-------------------------------|---|-------------|
|                               | <b>Electric Utilities 0.3%</b>  |             |
| \$4,300                       | NRG Yield, Inc., 3.25%, 6/1/20 (a)(b)   | \$4,297,313 |
|                               | <b>Electrical Equipment 0.4%</b>  |             |
| 3,900                         | SunPower Corp.,<br>0.875%, 6/1/21   | 3,171,187   |
| 2,365                         | 4.00%, 1/15/23  | 2,134,413   |
|                               |   | 5,305,600   |
|                               | <b>Electronics 0.0%</b>   |             |
| 400                           | Fluidigm Corp., 2.75%, 2/1/34   | 229,000     |
|                               | <b>Energy-Alternate Sources 0.3%</b>  |             |
| 4,175                         | SolarCity Corp., 1.625%, 11/1/19  | 3,945,375   |
| 2,915                         | SunEdison, Inc. (a)(b)(c)(h),<br>2.625%, 6/1/23 (acquisition cost-\$2,777,292; purchased 7/24/15) | 72,875      |
| 3,820                         | 3.375%, 6/1/25 (acquisition cost-\$1,849,469; purchased 10/7/15-1/7/16)                           | 95,500      |
|                               |   | 4,113,750   |
|                               | <b>Equity Real Estate Investment Trusts (REITs) 0.3%</b>  |             |
| 4,000                         | Two Harbors Investment Corp., 6.25%, 1/15/22  | 4,232,500   |
|                               | <b>Healthcare-Products 0.9%</b>   |             |
| 3,750                         | Hologic, Inc., zero coupon, 12/15/43 (g)  | 4,694,531   |
| 2,625                         | NuVasive, Inc., 2.25%, 3/15/21  | 3,291,094   |
| 4,040                         | Wright Medical Group, Inc., 2.00%, 2/15/20  | 4,426,325   |
|                               |   | 12,411,950  |
|                               | <b>Healthcare-Services 0.3%</b>   |             |
| 2,235                         | Molina Healthcare, Inc., 1.125%, 1/15/20  | 3,799,500   |
|                               | <b>Home Builders 0.2%</b>   |             |
| 2,000                         | KB Home, 1.375%, 2/1/19   | 2,145,000   |
|                               | <b>Insurance 0.1%</b>   |             |
| 2,530                         | AmTrust Financial Services, Inc., 2.75%, 12/15/44   | 1,989,213   |
|                               | <b>Internet 2.3%</b>  |             |
| 2,950                         | Altaba, Inc., zero coupon, 12/1/18  | 3,488,375   |
| 1,000                         | FireEye, Inc., Ser. A, 1.00%, 6/1/35  | 947,500     |
| 4,500                         | FireEye, Inc., Ser. B, 1.625%, 6/1/35   | 4,109,063   |
| 2,620                         | Liberty Expedia Holdings, Inc., 1.00%, 6/30/47 (a)(b)   | 2,859,075   |
| 2,610                         | Palo Alto Networks, Inc., zero coupon, 7/1/19   | 3,399,525   |
|                               | Priceline Group, Inc.,  |             |
| 2,000                         | 0.35%, 6/15/20  | 3,152,500   |
| 5,000                         | 0.90%, 9/15/21  | 5,965,625   |
| 5,530                         | Twitter, Inc., 0.25%, 9/15/19   | 5,253,500   |
| 1,015                         | VeriSign, Inc., 4.452%, 8/15/37   | 3,013,281   |
|                               |   | 32,188,444  |
|                               | <b>Iron/Steel 0.1%</b>  |             |
| 1,000                         | AK Steel Corp., 5.00%, 11/15/19   | 1,359,375   |
|                               | <b>Media 0.8%</b>   |             |
| 7,195                         | DISH Network Corp., 3.375%, 8/15/26 (a)(b)  | 8,975,762   |
| 1,640                         | Liberty Media Corp., 1.375%, 10/15/23   | 2,077,552   |
|                               |   | 11,053,314  |



**Schedule of Investments**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value       |
|-------------------------------|--|-------------|
|                               | <b>Metal Fabricate/Hardware 0.2%</b>                       |             |
| \$3,110                       | RTI International Metals, Inc., 1.625%, 10/15/19           | \$3,463,763 |
|                               | <b>Mining 0.1%</b>   |             |
| 1,500                         | Royal Gold, Inc., 2.875%, 6/15/19                          | 1,668,750   |
|                               | <b>Oil, Gas &amp; Consumable Fuels 1.0%</b>                |             |
| 4,240                         | Chesapeake Energy Corp., 5.50%, 9/15/26 (a)(b)             | 4,028,000   |
| 600                           | Helix Energy Solutions Group, Inc., 4.25%, 5/1/22          | 589,125     |
| 2,000                         | Nabors Industries, Inc., 0.75%, 1/15/24 (a)(b)             | 1,578,750   |
| 3,000                         | SM Energy Co., 1.50%, 7/1/21                               | 2,799,375   |
| 4,260                         | Weatherford International Ltd., 5.875%, 7/1/21             | 4,531,575   |
|                               |  | 13,526,825  |
|                               | <b>Pharmaceuticals 0.5%</b>                                |             |
| 3,600                         | Jazz Investments I Ltd., 1.875%, 8/15/21                   | 3,942,000   |
| 515                           | TESARO, Inc., 3.00%, 10/1/21                               | 1,906,144   |
| 885                           | Teva Pharmaceutical Finance Co. LLC, Ser. C, 0.25%, 2/1/26 | 951,375     |
|                               |  | 6,799,519   |
|                               | <b>Pipelines 0.2%</b>                                      |             |
| 4,335                         | Cheniere Energy, Inc., 4.25%, 3/15/45                      | 2,993,859   |
|                               | <b>Retail 0.4%</b>   |             |
| 5,950                         | RH, zero coupon, 7/15/20 (a)(b)                            | 4,931,063   |
|                               | <b>Semiconductors 4.3%</b>                                 |             |
| 1,655                         | Advanced Micro Devices, Inc., 2.125%, 9/1/26               | 3,107,263   |
| 3,875                         | Cypress Semiconductor Corp., 4.50%, 1/15/22                | 4,889,766   |
| 155                           | Inphi Corp., 0.75%, 9/1/21 (a)(b)                          | 157,131     |
| 5,000                         | Integrated Device Technology, Inc., 0.875%, 11/15/22       | 5,318,750   |
|                               | Intel Corp.,   |             |
| 4,155                         | 3.25%, 8/1/39  | 7,169,993   |
| 3,605                         | 3.493%, 12/15/35   | 4,882,522   |
| 2,550                         | Lam Research Corp., 1.25%, 5/15/18                         | 6,732,000   |
|                               | Microchip Technology, Inc. (a)(b),                         |             |
| 8,685                         | 1.625%, 2/15/27  | 9,662,062   |
| 2,000                         | 2.25%, 2/15/37   | 2,195,000   |
| 400                           | Micron Technology, Inc., Ser. D, 3.125%, 5/1/32            | 1,145,750   |
| 7,925                         | Micron Technology, Inc., Ser. G, 3.00%, 11/15/43           | 8,563,953   |
| 655                           | Novellus Systems, Inc., 2.625%, 5/15/41                    | 3,098,150   |
| 2,000                         | Veeco Instruments, Inc., 2.70%, 1/15/23                    | 2,152,500   |
|                               |  | 59,074,840  |
|                               | <b>Software 1.6%</b>                                       |             |
| 1,000                         | Evolent Health, Inc., 2.00%, 12/1/21 (a)(b)                | 1,276,250   |
| 950                           | Medidata Solutions, Inc., 1.00%, 8/1/18                    | 1,311,000   |
|                               | Nuance Communications, Inc.,                               |             |
| 1,450                         | 1.00%, 12/15/35  | 1,405,594   |
| 1,950                         | 1.25%, 4/1/25 (a)(b)                                       | 1,974,375   |
| 2,300                         | Proofpoint, Inc., 0.75%, 6/15/20                           | 2,880,750   |
| 1,970                         | Red Hat, Inc., 0.25%, 10/1/19                              | 2,799,862   |
| 2,950                         | Salesforce.com, Inc., 0.25%, 4/1/18                        | 4,083,906   |



**Schedule of Investments**
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s) |  | Value       |
|-------------------------------|--|-------------|
|                               | <b>Software (continued)</b>                          |             |
| \$2,500                       | ServiceNow, Inc., zero coupon, 11/1/18               | \$3,809,375 |
| 2,000                         | Workday, Inc., 0.75%, 7/15/18                        | 2,572,500   |
|                               |  | 22,113,612  |
|                               | <b>Telecommunications 0.9%</b>                       |             |
| 785                           | Ciena Corp., 3.75%, 10/15/18                         | 1,081,338   |
|                               | Finisar Corp.,                                       |             |
| 3,300                         | 0.50%, 12/15/33                                      | 3,762,000   |
| 2,980                         | 0.50%, 12/15/36 (a)(b)                               | 2,978,137   |
| 5,000                         | Gogo, Inc., 3.75%, 3/1/20                            | 4,659,375   |
|                               |  | 12,480,850  |
|                               | <b>Transportation 0.4%</b>                           |             |
| 2,620                         | Atlas Air Worldwide Holdings, Inc., 2.25%, 6/1/22    | 2,922,937   |
| 2,390                         | Greenbrier Cos., Inc., 2.875%, 2/1/24 (a)(b)         | 2,594,644   |
|                               |  | 5,517,581   |
|                               | Total Convertible Bonds & Notes (cost-\$270,092,433) | 270,681,262 |

| Shares                                  |   |            |
|---|---|------------|
| <b>Convertible Preferred Stock 7.6%</b> |   |            |
| 18,080                                  | <b>Agriculture 0.2%</b>                                   |            |
|   | Bunge Ltd., 4.875% (e)                                    | 1,976,370  |
|   | <b>Banks 1.3%</b>   |            |
| 7,465                                   | Bank of America Corp., Ser. L, 7.25% (e)                  | 9,689,570  |
| 1,455                                   | Huntington Bancshares, Inc., Ser. A, 8.50% (e)            | 2,102,475  |
| 4,440                                   | Wells Fargo & Co., Ser. L, 7.50% (e)                      | 5,894,100  |
|   |   | 17,686,145 |
| 34,000                                  | <b>Chemicals 0.3%</b>                                     |            |
|   | Rayonier Advanced Materials, Inc., Ser. A, 8.00%, 8/15/19 | 3,802,900  |
| 30,390                                  | <b>Commercial Services &amp; Supplies 0.1%</b>            |            |
|   | Stericycle, Inc., 5.25%, 9/15/18                          | 1,914,874  |
| 3,984                                   | <b>Computers 0.4%</b>                                     |            |
|   | NCR Corp., Ser. A, 5.50%, PIK (e)                         | 5,860,464  |
| 110,050                                 | <b>Diversified Telecommunication Services 0.2%</b>        |            |
|   | Frontier Communications Corp., Ser. A, 11.125%, 6/29/18   | 2,791,968  |
| 100,000                                 | <b>Electric Utilities 0.4%</b>                            |            |
|   | NextEra Energy, Inc., 6.123%, 9/1/19                      | 5,556,000  |
| 10,000                                  | <b>Equity Real Estate Investment Trusts (REITs) 0.6%</b>  |            |
|   | American Tower Corp., 5.50%, 2/15/18                      | 1,222,520  |
| 3,530                                   | Crown Castle International Corp., Ser. A, 6.875%, 8/1/20  | 3,767,128  |
| 55,725                                  | Welltower, Inc., Ser. I, 6.50% (e)                        | 3,644,415  |
|   |   | 8,634,063  |
| 17,500                                  | <b>Food &amp; Beverage 0.2%</b>                           |            |
|   | Post Holdings, Inc., 2.50% (e)                            | 2,754,063  |

**Schedule of Investments**
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

| Shares  |   | Value              |
|---------|---|--------------------|
|         | <b>Hand/Machine Tools 0.2%</b>  |                    |
| 31,000  | Stanley Black & Decker, Inc., 5.375%, 5/15/20                                   | \$3,327,230        |
|         | <b>Health Care Providers &amp; Services 0.5%</b>                                |                    |
| 125,775 | Anthem, Inc., 5.25%, 5/1/18   | 6,474,897          |
|         | <b>Healthcare-Products 0.4%</b>   |                    |
| 108,135 | Becton Dickinson and Co., Ser. A, 6.125%, 5/1/20                                | 6,070,699          |
|         | <b>Independent Power Producers &amp; Energy Traders 0.1%</b>                    |                    |
| 57,635  | Dynegy, Inc., Ser. A, 5.375%, 11/1/17   | 1,732,508          |
|         | <b>Investment Companies 0.3%</b>  |                    |
| 24,100  | Mandatory Exchangeable Trust, 5.75%, 6/3/19 (a)(b)                              | 4,308,718          |
|         | <b>Oil, Gas &amp; Consumable Fuels 1.0%</b>                                     |                    |
| 45,100  | ATP Oil & Gas Corp., 8.00% (a)(b)(e)(h)   | 5                  |
|         | (acquisition cost-\$4,510,000; purchased 9/23/09)                               |                    |
| 16,265  | Energy XXI Ltd., 5.625% (e)(i)  | 8,295              |
| 56,750  | Kinder Morgan, Inc., Ser. A, 9.75%, 10/26/18                                    | 2,512,322          |
| 224,530 | Sanchez Energy Corp., Ser. B, 6.50% (e)   | 4,894,754          |
| 89,005  | Southwestern Energy Co., Ser. B, 6.25%, 1/15/18                                 | 1,230,939          |
| 96,625  | WPX Energy, Inc., Ser. A, 6.25%, 7/31/18  | 4,853,474          |
|         |   | 13,499,789         |
|         | <b>Pharmaceuticals 1.0%</b>   |                    |
| 11,410  | Allergan PLC, Ser. A, 5.50%, 3/1/18   | 10,200,654         |
| 6,225   | Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18                            | 3,610,811          |
|         |   | 13,811,465         |
|         | <b>Wireless Telecommunication Services 0.4%</b>                                 |                    |
| 47,835  | T-Mobile U.S., Inc., 5.50%, 12/15/17  | 4,795,459          |
|         | <b>Total Convertible Preferred Stock (cost-\$128,678,175)</b>                   | <b>104,997,612</b> |
|         | <b>Principal Amount (000s)</b>  |                    |
|         | <b>Corporate Bonds &amp; Notes (a)(b) 0.6%</b>                                  |                    |
|         | <b>Oil, Gas &amp; Consumable Fuels 0.6%</b>                                     |                    |
| \$4,647 | Cobalt International Energy, Inc., 7.75%, 12/1/23                               | 3,043,785          |
| 5,350   | 10.75%, 12/1/21   | 5,283,125          |
|         | <b>Total Corporate Bonds &amp; Notes (cost-\$11,153,991)</b>                    | <b>8,326,910</b>   |
|         | <b>Units</b>  |                    |
|         | <b>Warrants (a)(d)(i) 0.0%</b>  |                    |
|         | <b>Commercial Services 0.0%</b>   |                    |
| 97,838  | Cenveo Corp., strike price \$12.00, expires 6/10/24, expires 6/10/24 (cost-\$0) | 22,173             |



**Schedule of Investments**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

| Principal<br>Amount<br>(000s)  |  | Value         |
|--|--|---------------|
| <b>Repurchase Agreements 4.1%</b>  |  |               |
| \$56,516   | State Street Bank and Trust Co.,<br>dated 7/31/17, 0.12%, due<br>8/1/17, proceeds \$56,516,188;<br>collateralized by U.S. Treasury Notes,<br>2.00%, due 2/15/25, valued at<br>\$57,654,193 including accrued<br>interest (cost-\$56,516,000) | \$56,516,000  |
| <b>Total Investments, before options written<br/>(cost-\$1,316,728,104) 100.0%</b> |  | 1,382,721,459 |

| Contracts                              |  |           |
|--|--|-----------|
| <b>Call Options Written (i) (0.4)%</b> |  |           |
| 2,500                                  | Consumer Discretionary Select Sector SPDR Index, (CBOE),<br>strike price \$91.00, expires 8/4/17 | (171,250) |
| 1,800                                  | strike price \$90.50, expires 8/11/17  | (220,500) |
| 1,800                                  | strike price \$91.00, expires 8/18/17  | (186,300) |
| 1,800                                  | strike price \$92.00, expires 8/25/17  | (122,400) |
| 2,000                                  | strike price \$92.50, expires 9/1/17   | (122,000) |
|  | KBW Bank Index, (OTC),   |           |
| 3,200                                  | strike price \$96.50, expires 8/4/17   | (115,482) |
| 2,800                                  | strike price \$100.50, expires 8/11/17   | (4,372)   |
| 2,800                                  | strike price \$100.00, expires 8/18/17   | (29,089)  |
| 2,800                                  | strike price \$97.50, expires 8/25/17  | (232,420) |
| 2,800                                  | strike price \$98.50, expires 9/1/17   | (175,925) |
|  | Nasdaq 100 Stock Index, (OTC),   |           |
| 20                                     | strike price \$5,850.00, expires 8/4/17  | (116,900) |
| 15                                     | strike price \$5,775.00, expires 8/11/17   | (200,550) |
| 10                                     | strike price \$5,925.00, expires 8/18/17   | (48,600)  |
| 15                                     | strike price \$5,990.00, expires 8/25/17   | (50,925)  |
| 20                                     | strike price \$6,000.00, expires 9/1/17  | (81,400)  |
|  | PHLX Oil Service Index, (OTC),   |           |
| 1,500                                  | strike price \$140.00, expires 8/4/17  | (20,307)  |
| 1,400                                  | strike price \$139.00, expires 8/11/17   | (124,319) |
| 1,400                                  | strike price \$142.50, expires 8/18/17   | (99,010)  |
| 1,300                                  | strike price \$143.50, expires 8/25/17   | (118,332) |
| 1,400                                  | strike price \$144.00, expires 9/1/17  | (156,575) |
|  | S&P 500 Index, (OTC),  |           |
| 125                                    | strike price \$2,445.00, expires 8/4/17  | (343,125) |
| 150                                    | strike price \$2,450.00, expires 8/4/17  | (344,250) |
| 105                                    | strike price \$2,435.00, expires 8/11/17   | (410,025) |
| 105                                    | strike price \$2,440.00, expires 8/11/17   | (363,300) |
| 105                                    | strike price \$2,440.00, expires 8/18/17   | (387,450) |
| 105                                    | strike price \$2,455.00, expires 8/18/17   | (263,025) |
| 105                                    | strike price \$2,470.00, expires 8/18/17   | (151,200) |



**Schedule of Investments**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

| Contracts  |  | Value                  |
|--|--|------------------------|
| 105  | strike price \$2,465.00, expires 8/25/17 | \$(219,975)            |
| 105  | strike price \$2,475.00, expires 8/25/17 | (154,875)              |
| 120  | strike price \$2,480.00, expires 8/25/17 | (144,600)              |
| 105  | strike price \$2,465.00, expires 9/1/17  | (250,425)              |
| 105  | strike price \$2,480.00, expires 9/1/17  | (154,875)              |
| 120  | strike price \$2,480.00, expires 9/8/17  | (208,200)              |
| 120  | strike price \$2,480.00, expires 9/15/17 | (242,400)              |
| Total Call Options Written (cost-\$5,994,457)    |  | (6,034,381)            |
| <b>Total Investments, net of options written</b> |  |                        |
| (cost-\$1,310,733,647) <b>99.6%</b>              |  | 1,376,687,078          |
| Other assets less other liabilities 0.4%         |  | 5,498,858              |
| <b>Net Assets 100.0%</b>                         |  | <b>\$1,382,185,936</b> |

**Notes to Schedule of Investments:**

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$55,786,733, representing 4.0% of net assets.
- (b) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Securities with an aggregate value of \$55,764,560, representing 4.0% of net assets.
- (c) In default.
- (d) Fair-Valued Security with a value of \$22,173, representing less than 0.05% of net assets. See Note 1(a) and Note 1(b) in the Notes to Financial Statements.
- (e) Perpetual maturity. The date shown, if any, is the next call date.
- (f) All or partial amount segregated for the benefit of the counterparty as collateral for options written.
- (g) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
- (h) Restricted. The aggregate acquisition cost of such securities is \$9,136,761. The aggregate value is \$168,380, representing less than 0.05% of net assets.
- (i) Non-income producing.

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(j) Transactions in options written for the six months ended July 31, 2017:

|  | Contracts | Premiums     |
|--|-----------|--------------|
| Options outstanding, January 31, 2017      | 30,700    | \$5,895,707  |
| Options written                            | 172,410   | 30,476,453   |
| Options terminated in closing transactions | (47,390)  | (6,231,562)  |
| Options expired                            | (97,145)  | (13,003,311) |
| Options exercised                          | (25,615)  | (11,142,830) |
| Options outstanding, July 31, 2017         | 32,960    | \$5,994,457  |

(k) Fair Value Measurements See Note 1(b) in the Notes to Financial Statements.

|   | Level 1<br>Quoted Prices | Level 2<br>Other Significant<br>Observable<br>Inputs | Level 3<br>Significant<br>Unobservable<br>Inputs | Value at<br>7/31/17 |
|---|--------------------------|--|--|---------------------|
| <b>Investments in Securities Assets</b> |                          |  |  |                     |
| Common Stock                            | \$942,177,502            | \$   | \$   | \$942,177,502       |
| Convertible Bonds & Notes               |                          | 270,681,262  |  | 270,681,262         |
| Convertible Preferred Stock:            |                          |  |  |                     |
| Agriculture                             |                          | 1,976,370  |  | 1,976,370           |
| Computers                               |                          | 5,860,464  |  | 5,860,464           |

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**Schedule of Investments**
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

|  | Level 1<br>Quoted Prices | Level 2<br>Other Significant<br>Observable<br>Inputs | Level 3<br>Significant<br>Unobservable<br>Inputs | Value at<br>7/31/17 |
|--|--------------------------|--|--|---------------------|
| Equity Real Estate Investment Trusts (REITs) | \$7,411,543              | \$1,222,520  | \$   | \$8,634,063         |
| Food & Beverage                              |                          | 2,754,063  |  | 2,754,063           |
| Healthcare-Products                          |                          | 6,070,699  |  | 6,070,699           |
| Investment Companies                         |                          | 4,308,718  |  | 4,308,718           |
| Oil, Gas & Consumable Fuels                  | 8,596,735                | 4,903,054  |  | 13,499,789          |
| Pharmaceuticals                              | 10,200,654               | 3,610,811  |  | 13,811,465          |
| All Other                                    | 48,081,981               |  |  | 48,081,981          |
| Corporate Bonds & Notes                      |                          | 8,326,910  |  | 8,326,910           |
| Warrants                                     |                          |  | 22,173   | 22,173              |
| Repurchase Agreements                        |                          | 56,516,000   |  | 56,516,000          |
|  | 1,016,468,415            | 366,230,871  | 22,173   | 1,382,721,459       |
| <b>Investments in Securities</b>             |                          |  |  |                     |
| <b>Liabilities</b>                           |                          |  |  |                     |
| Options Written:                             |                          |  |  |                     |
| Market Price                                 | (4,958,550)              | (1,075,831)  |  | (6,034,381)         |
| <b>Totals</b>                                | \$1,011,509,865          | \$365,155,040  | \$22,173   | \$1,376,687,078     |

At July 31, 2017, a security valued at \$1,222,520 was transferred from Level 1 to Level 2. This transfer was a result of a security with an exchange-traded closing price at January 31, 2017, which was not available on July 31, 2017.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the six months ended July 31, 2017, was as follows:

|                                  | Beginning<br>Balance<br>1/31/17 | Purchases | Sales | Accrued<br>Discount<br>(Premiums) | Net<br>Realized<br>Gain<br>(Loss) | Net<br>Change in<br>Unrealized<br>Appreciation/<br>Depreciation | Transfers<br>into<br>Level 3 | Transfers<br>out of<br>Level 3 | Ending<br>Balance<br>7/31/17 |
|----------------------------------|---------------------------------|-----------|-------|-----------------------------------|-----------------------------------|---|------------------------------|--------------------------------|------------------------------|
| <b>Investments in Securities</b> |                                 |           |       |                                   |                                   |   |                              |                                |                              |
| <b>Assets</b>                    |                                 |           |       |                                   |                                   |   |                              |                                |                              |
| Warrants                         | \$28,118                        |           |       |                                   |                                   | \$(5,945)   |                              |                                | \$22,173                     |

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 at July 31, 2017:

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|                                  | Ending Balance<br>at 7/31/17 | Valuation<br>Technique Used                                  | Unobservable<br>Inputs | Input<br>Values |
|----------------------------------|------------------------------|--|------------------------|-----------------|
| <b>Investments in Securities</b> |                              |  |                        |                 |
| <b>Assets</b>                    |                              |  |                        |                 |
| Warrants                         | \$22,173                     | Fundamental Analytical<br>Data Relating to the<br>Investment | Price of Warrant       | \$0.22663       |

The net change in unrealized appreciation/depreciation of Level 3 investments held at July 31, 2017, was \$(5,945). The change in unrealized appreciation/depreciation is reflected on the Statements of Operations.

**Schedule of Investments**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited) (continued)

(1) The following is a summary of the Fund's derivatives categorized by risk exposure:

The effect of derivatives on the Fund's Statements of Assets and Liabilities at July 31, 2017:

| <b>Location</b>               | <b>Market Price</b> |
|-------------------------------|---------------------|
| <b>Liability derivatives:</b> |                     |
| Options written, at value     | \$(6,034,381)       |

The effect of derivatives on the Fund's Statements of Operations for the six months ended July 31, 2017:

| <b>Location</b>   | <b>Market Price</b> |
|---|---------------------|
| <b>Net realized loss on:</b>                                  |                     |
| Options written   | \$(5,767,982)       |
| <b>Net change in unrealized appreciation/depreciation of:</b> |                     |
| Options written   | \$(1,646,781)       |

The average volume (based on the open positions at each fiscal month-end) of derivative activity during the six months ended July 31, 2017 was 32,019 call options written contracts.

**Glossary:**

- ADR - American Depositary Receipt
- CBOE - Chicago Board Options Exchange
- OTC - Over-the-Counter
- PIK - Payment-in-Kind
- REIT - Real Estate Investment Trust
- SPDR - Standard & Poor's Depositary Receipts

See accompanying Notes to Financial Statements | July 31, 2017 | Semi-Annual Report 51

**Statements of Assets and Liabilities**
**AllianzGI Diversified Income & Convertible Fund**
**AllianzGI Equity & Convertible Income Fund**
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

|   | Diversified<br>Income &<br>Convertible | Equity &<br>Convertible<br>Income | Dividend,<br>Interest &<br>Premium<br>Strategy |
|---|--|-----------------------------------|--|
| <b>Assets:</b>  |  |                                   |  |
| Investments, at value (cost-\$360,120,612, \$669,923,230 and \$1,316,728,104, respectively)           | \$335,742,276                          | \$617,740,028                     | \$1,382,721,459                                |
| Cash  |  | 1,694,834                         | 1,581  |
| Receivable for investments sold   | 13,137,968                             | 18,961,288                        | 49,253,143                                     |
| Interest and dividends receivable   | 2,107,541                              | 1,448,973                         | 3,555,357                                      |
| Prepaid expenses and other assets   | 7,607                                  | 7,205                             | 26,257   |
| Investments in Affiliated Funds- Trustees Deferred Compensation Plan (see Note 4)                     | 14,976                                 | 38,824                            | 92,254   |
| <b>Total Assets</b>   | <b>351,010,368</b>                     | <b>639,891,152</b>                | <b>1,435,650,051</b>                           |
| <b>Liabilities:</b>   |  |                                   |  |
| Loan payable (See Note 7 and Note 8)  | 75,000,000                             |                                   |  |
| Payable for investments purchased   | 12,730,848                             | 24,857,991                        | 46,128,322                                     |
| Dividends payable to common shareholders  | 1,715,920                              |                                   |  |
| Loan interest payable   | 807,110                                |                                   |  |
| Payable to custodian for cash overdraft   | 5,124                                  |                                   |  |
| Investment management fees payable  | 265,197                                | 484,302                           | 981,436  |
| Interest payable on dividends to mandatory redeemable preferred shareholders                          | 103,166                                |                                   |  |
| Call options written, at value (premiums received- \$84,372, \$437,045 and \$5,994,457, respectively) | 48,105                                 | 243,730                           | 6,034,381                                      |
| Trustees Deferred Compensation Plan payable (see Note 4)  | 14,976                                 | 38,824                            | 92,254   |
| Accrued expenses  | 170,990                                | 137,704                           | 227,722  |
| Mandatory redeemable preferred shares (see Note 7)  | 30,000,000                             |                                   |  |
| <b>Total Liabilities</b>  | <b>120,861,436</b>                     | <b>25,762,551</b>                 | <b>53,464,115</b>                              |
| <b>Net Assets Applicable to Common Shareholders</b>   | <b>\$230,148,932</b>                   | <b>\$614,128,601</b>              | <b>\$1,382,185,936</b>                         |
| <b>Composition of Net Assets Applicable to Common Shareholders:</b>                                   |  |                                   |  |
| Common Stock:   |  |                                   |  |
| Par value (\$0.00001 per share)   | \$103                                  | \$277                             | \$948  |
| Paid-in-capital in excess of par  | 250,781,385                            | 671,525,781                       | 1,564,468,707                                  |
| Dividends in excess of net investment income  | (8,814,517)                            | (4,093,820)                       | (46,832,116)                                   |
| Accumulated net realized gain (loss)  | 12,524,030                             | (1,310,756)                       | (201,405,034)                                  |
| Net unrealized appreciation (depreciation)  | (24,342,069)                           | (51,992,881)                      | 65,953,431                                     |
| <b>Net Assets Applicable to Common Shareholders</b>   | <b>\$230,148,932</b>                   | <b>\$614,128,601</b>              | <b>\$1,382,185,936</b>                         |
| Common Shares Issued and Outstanding  | 10,274,970                             | 27,708,965                        | 94,801,581                                     |
| <b>Net Asset Value Per Common Share</b>   | <b>\$22.40</b>                         | <b>\$22.16</b>                    | <b>\$14.58</b>                                 |



**Statements of Operations**
**AllianzGI Diversified Income & Convertible Fund**
**AllianzGI Equity & Convertible Income Fund**
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

Six Months ended July 31, 2017 (unaudited)

|  | Diversified<br>Income &<br>Convertible | Equity &<br>Convertible<br>Income | Dividend,<br>Interest &<br>Premium<br>Strategy |
|--|--|-----------------------------------|--|
| <b>Investment Income:</b>  |  |                                   |  |
| Interest   | \$3,773,362                            | \$2,056,788                       | \$3,551,123                                    |
| Dividends (net of foreign withholding taxes of \$12,128, \$15,540 and \$360,350, respectively) | 1,669,459                              | 8,516,302                         | 18,600,000                                     |
| Miscellaneous  | 18,625                                 | 349                               | 2,700  |
| Total Investment Income  | 5,461,446                              | 10,573,439                        | 22,153,823                                     |
| <b>Expenses:</b>   |  |                                   |  |
| Investment management  | 1,640,408                              | 3,002,963                         | 6,165,733                                      |
| Loan interest  | 1,228,296                              |                                   |  |
| Interest on dividends to mandatory redeemable preferred shareholders                           | 643,886                                |                                   |  |
| Custodian and accounting agent   | 55,386                                 | 49,742                            | 108,600  |
| Audit and tax services   | 40,882                                 | 40,829                            | 49,254   |
| Legal  | 31,080                                 | 17,956                            | 46,569   |
| Shareholder communications   | 30,388                                 | 34,824                            | 85,259   |
| Transfer agent   | 15,544                                 | 11,683                            | 12,165   |
| Trustees   | 6,870                                  | 16,831                            | 39,390   |
| New York Stock Exchange listing  | 6,250                                  | 7,101                             | 24,293   |
| Insurance  | 4,612                                  | 7,742                             | 15,007   |
| Miscellaneous  | 15,183                                 | 7,465                             | 31,222   |
| Total Expenses   | 3,718,785                              | 3,197,136                         | 6,577,492                                      |
| <b>Net Investment Income</b>   | <b>1,742,661</b>                       | <b>7,376,303</b>                  | <b>15,576,331</b>                              |
| <b>Realized and Change in Unrealized Gain (Loss):</b>  |  |                                   |  |
| Net realized gain (loss) on:   |  |                                   |  |
| Investments  | 13,517,895                             | 18,540,648                        | 42,844,100                                     |
| Call options written   | (180,279)                              | (1,083,751)                       | (5,767,982)                                    |
| Net change in unrealized appreciation/depreciation of:   |  |                                   |  |
| Investments  | 3,497,799                              | 13,293,121                        | (7,054,560)                                    |
| Call options written   | 17,328                                 | 147,987                           | (1,646,781)                                    |
| Foreign currency transactions  |  | 2,179                             |  |
| Net realized and change in unrealized gain   | 16,852,743                             | 30,900,184                        | 28,374,777                                     |
| <b>Net Increase in Net Assets Resulting from Investment Operations</b>                         | <b>\$18,595,404</b>                    | <b>\$38,276,487</b>               | <b>\$43,951,108</b>                            |

See accompanying Notes to Financial Statements | July 31, 2017 | Semi-Annual Report 53

**Statement of Changes in Net Assets Applicable to Common Shareholders**

**AllianzGI Diversified Income & Convertible Fund**

|   | Six Months<br>ended<br>July 31, 2017<br>(unaudited) | Year ended<br>January 31, 2017 |
|---|---|--------------------------------|
| <b>Investment Operations:</b>                                   |   |                                |
| Net investment income   | \$1,742,661   | \$4,003,036                    |
| Net realized gain   | 13,337,616  | 17,171,792                     |
| Net change in unrealized appreciation/depreciation              | 3,515,127   | 26,235,147                     |
| Net increase in net assets resulting from investment operations | 18,595,404  | 47,409,975                     |
| <b>Dividends and Distributions to Common Shareholders from:</b> |   |                                |
| Net investment income   | (7,672,178)   | (5,346,002)                    |
| Net realized gains  | (2,623,342)   | (15,349,833)                   |
| Total dividends and distributions to common shareholders        | (10,295,520)  | (20,695,835)                   |
| <b>Common Share Transactions:</b>                               |   |                                |
| Cost of shares repurchased                                      |   | (6,509,184)                    |
| Total increase in net assets                                    | 8,299,884   | 20,204,956                     |
| <b>Net Assets:</b>  |   |                                |
| Beginning of period   | 221,849,048   | 201,644,092                    |
| End of period*  | \$230,148,932                                       | \$221,849,048                  |
| * Including dividends in excess of net investment income of:    | \$(8,814,517)                                       | \$(2,885,000)                  |
| <b>Shares Activity:</b>   |   |                                |
| Shares outstanding, beginning of period                         | 10,274,970  | 10,661,039                     |
| Shares repurchased  |   | (386,069)                      |
| Shares outstanding, end of period                               | 10,274,970  | 10,274,970                     |

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**Statements of Changes in Net Assets**

**AllianzGI Equity & Convertible Income Fund  
AllianzGI Dividend, Interest & Premium Strategy Fund**

**Equity & Convertible Income:**

|   | Six Months<br>ended<br>July 31, 2017<br>(unaudited) | Year ended<br>January 31, 2017 |
|---|---|--------------------------------|
| <b>Investment Operations:</b>                                   |   |                                |
| Net investment income   | \$7,376,303   | \$11,233,451                   |
| Net realized gain   | 17,456,897  | 16,212,157                     |
| Net change in unrealized appreciation/depreciation              | 13,443,287  | 60,205,403                     |
| Net increase in net assets resulting from investment operations | 38,276,487  | 87,651,011                     |
| <b>Dividends and Distributions to Shareholders from:</b>        |   |                                |
| Net investment income   | (9,046,353)   | (14,987,688)                   |
| Net realized gains  | (12,012,461)  | (27,129,938)                   |
| Total dividends and distributions to shareholders               | (21,058,814)  | (42,117,626)                   |
| Total increase in net assets                                    | 17,217,673  | 45,533,385                     |
| <b>Net Assets:</b>  |   |                                |
| Beginning of period   | 596,910,928   | 551,377,543                    |
| End of period*  | \$614,128,601                                       | \$596,910,928                  |
| * Including dividends in excess of net investment income of:    | \$(4,093,820)                                       | \$(2,423,770)                  |

**Dividend, Interest & Premium Strategy:**

|   | Six Months<br>ended<br>July 31, 2017<br>(unaudited) | Year ended<br>January 31, 2017 |
|---|---|--------------------------------|
| <b>Investment Operations:</b>                                   |   |                                |
| Net investment income   | \$15,576,331  | \$32,796,080                   |
| Net realized gain (loss)  | 37,076,118  | (31,654,348)                   |
| Net change in unrealized appreciation/depreciation              | (8,701,341)   | 219,417,196                    |
| Net increase in net assets resulting from investment operations | 43,951,108  | 220,558,928                    |
| <b>Dividends and Distributions to Shareholders from:</b>        |   |                                |
| Net investment income   | (56,880,948)  | (34,626,028)                   |
| Return of capital   |   | (79,135,870)                   |
| Total dividends and distributions to shareholders               | (56,880,948)  | (113,761,898)                  |
| Total increase (decrease) in net assets                         | (12,929,840)  | 106,797,030                    |
| <b>Net Assets:</b>  |   |                                |
| Beginning of period   | 1,395,115,776                                       | 1,288,318,746                  |
| End of period*  | \$1,382,185,936                                     | \$1,395,115,776                |
| * Including dividends in excess of net investment income of:    | \$(46,832,116)                                      | \$(5,527,499)                  |



**Statement of Cash Flows\***

**AllianzGI Diversified Income & Convertible Fund**

For the Six Months ended July 31, 2017 (unaudited)

**Increase (Decrease) in Cash from:**

**Cash Flows provided by Operating Activities:**

Net increase in net assets resulting from investment operations \$18,595,404

**Adjustments to Reconcile Net Increase in Net Assets Resulting from Investment Operations to Net Cash provided by Operating Activities:**

|   |                   |
|---|-------------------|
| Purchases of long-term investments  | (273,191,647)     |
| Proceeds from sales of long-term investments                                    | 282,475,949       |
| Purchases of short-term portfolio investments, net                              | (2,080,267)       |
| Net change in unrealized appreciation/depreciation                              | (3,515,127)       |
| Net amortization/accretion on investments                                       | 59,561            |
| Net realized gain   | (13,337,616)      |
| Increase in payable for investments purchased                                   | 9,764,142         |
| Proceeds from sale of written options   | 308,720           |
| Payments to cover written options   | (484,427)         |
| Increase in investments in Affiliated Funds Trustees Deferred Compensation Plan | 5,716             |
| Increase in Trustees Compensation Plan payable                                  | (5,716)           |
| Increase in receivable for investments sold                                     | (8,336,116)       |
| Decrease in interest and dividends receivable                                   | 38,427            |
| Decrease in prepaid expenses and other assets                                   | 6,289             |
| Decrease in investment management fees payable                                  | (11,115)          |
| Increase in accrued expenses  | 20,517            |
| Decrease in loan interest payable   | (15,184)          |
| <b>Net cash provided by operating activities</b>                                | <b>10,297,510</b> |

**Cash Flows used for Financing Activities:**

|   |                     |
|---|---------------------|
| Increase in payable to custodian for cash overdraft | 5,124               |
| Cash dividends paid                                 | (10,302,634)        |
| <b>Net cash used for financing activities</b>       | <b>(10,297,510)</b> |
| <b>Net increase (decrease) in cash</b>              |                     |

**Cash:**

|                     |    |
|---------------------|----|
| Beginning of period |    |
| End of period       | \$ |

|   |                    |
|---|--------------------|
| <b>Cash Paid for Interest</b>   | <b>\$1,243,480</b> |
| <b>Cash Paid for Interest on Dividends to Mandatory Redeemable Preferred Shares</b> | <b>\$651,000</b>   |

\* Statement of Cash Flows is not required for Equity & Convertible Income and Dividend, Interest & Premium Strategy.

**Financial Highlights**

**AllianzGI Diversified Income & Convertible Fund**

For a common share outstanding throughout each period:

|  | Six Months<br>ended<br>July 31, 2017<br>(unaudited) | Year ended<br>January 31, 2017 | For the period<br>May 27, 2015*<br>through<br>January 31, 2016 |
|--|---|--------------------------------|--|
| Net asset value, beginning of period                                       | \$21.59   | \$18.91                        | \$23.88  |
| <b>Investment Operations:</b>  |   |                                |  |
| Net investment income (1)  | 0.17  | 0.39                           | 0.18   |
| Net realized and change in unrealized gain (loss)                          | 1.64  | 4.21                           | (4.09)   |
| Total from investment operations   | 1.81  | 4.60                           | (3.91)   |
| <b>Dividends and Distributions to Common Shareholders from:</b>            |   |                                |  |
| Net investment income  | (0.75)  | (0.51)                         | (0.62)   |
| Net realized gains   | (0.25)  | (1.49)                         | (0.55)   |
| Total dividends and distributions to common shareholders                   | (1.00)  | (2.00)                         | (1.17)   |
| <b>Common Share Transactions:</b>  |   |                                |  |
| Offering costs charged to paid-in-capital in excess of par                 |   |                                | (0.05)   |
| Accretion to net asset value resulting from share repurchases              |   | 0.08                           | 0.16   |
| Net asset value, end of period   | \$22.40   | \$21.59                        | \$18.91  |
| Market price, end of period  | \$21.62   | \$19.49                        | \$16.40  |
| <b>Total Investment Return (2)</b>   | 16.31%  | 32.56%                         | (30.12)%   |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>   |   |                                |  |
| Net assets, end of period (000s)   | \$230,149   | \$221,849                      | \$201,644  |
| Ratio of expenses to average net assets, including interest expense (4)(5) | 3.32%(3)  | 3.48%                          | 3.26%(3)   |
| Ratio of expenses to average net assets, excluding interest expense (4)(5) | 2.22%(3)  | 2.34%                          | 2.56%(3)   |
| Ratio of net investment income to average net assets (5)                   | 1.56%(3)  | 1.90%                          | 1.24%(3)   |
| Mandatory redeemable preferred shares asset coverage per share             | \$216   | \$209                          | \$193  |
| Portfolio turnover rate  | 84%   | 196%                           | 149%   |

\* Commencement of operations.

(1) Calculated on average common shares outstanding.

(2) Total investment return is calculated assuming a purchase of a common share at the market price on the first day and a sale of a common share at the market price on the last day of each period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges in connection with the purchase or sale of Fund shares. Total investment return for a period of less than one year is not annualized.

(3) Annualized.

(4) Interest expense relates to participation in the debt financing (See Note 7 and Note 8).

(5) Calculated on the basis of income and expenses applicable to both common and mandatory redeemable preferred shares relative to average net assets of common shareholders.

See accompanying Notes to Financial Statements | July 31, 2017 | Semi-Annual Report **57**

**Financial Highlights**

**AllianzGI Equity & Convertible Income Fund**

For a share outstanding throughout each period:

|  | Six Months<br>ended<br>July 31, 2017<br>(unaudited) | 2017      | 2016      | Year ended January 31,<br>2015 | 2014      | 2013      |
|--|---|-----------|-----------|--------------------------------|-----------|-----------|
| Net asset value, beginning of period                     | \$21.54   | \$19.90   | \$22.13   | \$21.79                        | \$20.10   | \$19.28   |
| <b>Investment Operations:</b>                            |   |           |           |                                |           |           |
| Net investment income                                    | 0.27  | 0.41      | 0.47      | 0.53                           | 0.56      | 0.39      |
| Net realized and change in unrealized gain (loss)        | 1.11  | 2.75      | (1.18)    | 1.13                           | 2.49      | 1.55      |
| Total from investment operations                         | 1.38  | 3.16      | (0.71)    | 1.66                           | 3.05      | 1.94      |
| <b>Dividends and Distributions to Shareholders from:</b> |   |           |           |                                |           |           |
| Net investment income                                    | (0.33)  | (0.54)    | (0.41)    | (0.63)                         | (0.92)    | (0.28)    |
| Net realized gains                                       | (0.43)  | (0.98)    | (1.11)    | (0.69)                         | (0.44)    | (0.84)    |
| Total dividends and distributions to shareholders        | (0.76)  | (1.52)    | (1.52)    | (1.32)                         | (1.36)    | (1.12)    |
| Net asset value, end of period                           | \$22.16   | \$21.54   | \$19.90   | \$22.13(1)                     | \$21.79   | \$20.10   |
| Market price, end of period                              | \$20.08   | \$19.03   | \$16.97   | \$20.01                        | \$18.73   | \$17.91   |
| <b>Total Investment Return (2)</b>                       | 9.68%   | 21.69%    | (8.01)%   | 14.07%                         | 12.35%    | 10.92%    |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>                         |   |           |           |                                |           |           |
| Net assets, end of period (000s)                         | \$614,129   | \$596,911 | \$551,378 | \$613,133                      | \$603,786 | \$448,384 |
| Ratio of expenses to average net assets                  | 1.06%(3)  | 1.08%     | 1.10%     | 1.13%                          | 1.09%(4)  | 1.09%     |
| Ratio of net investment income to average net assets     | 2.46%(3)  | 1.94%     | 2.15%     | 2.34%                          | 2.39%(4)  | 2.06%     |
| Portfolio turnover rate                                  | 56%   | 90%       | 110%      | 63%                            | 82%       | 122%      |

(1) Payment from affiliates increased the net asset value by less than \$0.01.

(2) Total investment return is calculated assuming a purchase of a share at the market price on the first day and a sale of a share at the market price on the last day of each period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges in connection with the purchase or sale of Fund shares. Total investment return for a period of less than one year is not annualized.

(3) Annualized.

(4) Inclusive of Reimbursement from Investment Manager of 0.02%.

**Financial Highlights**
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

For a share outstanding throughout each period:

|  | Six Months<br>ended<br>July 31, 2017<br>(unaudited) | 2017        | 2016        | Year ended January 31,<br>2015 | 2014        | 2013        |
|--|---|-------------|-------------|--------------------------------|-------------|-------------|
| Net asset value, beginning of period                     | \$14.72   | \$13.59     | \$16.95     | \$18.19                        | \$17.91     | \$18.06     |
| <b>Investment Operations:</b>                            |   |             |             |                                |             |             |
| Net investment income                                    | 0.16  | 0.35        | 0.38        | 0.41                           | 0.49        | 0.53        |
| Net realized and change in unrealized gain (loss)        | 0.30  | 1.98        | (2.09)      | 0.15                           | 1.59        | 1.12        |
| Total from investment operations                         | 0.46  | 2.33        | (1.71)      | 0.56                           | 2.08        | 1.65        |
| <b>Dividends and Distributions to Shareholders from:</b> |   |             |             |                                |             |             |
| Net investment income                                    | (0.60)  | (0.37)      | (0.39)      | (0.65)                         | (0.54)      | (0.67)      |
| Return of capital  |   | (0.83)      | (1.26)      | (1.15)                         | (1.26)      | (1.13)      |
| Total dividends and distributions to shareholders        | (0.60)  | (1.20)      | (1.65)      | (1.80)                         | (1.80)      | (1.80)      |
| Net asset value, end of period                           | \$14.58   | \$14.72     | \$13.59     | \$16.95(1)                     | \$18.19     | \$17.91     |
| Market price, end of period                              | \$13.34   | \$13.03     | \$11.50     | \$15.88                        | \$17.86     | \$16.65     |
| <b>Total Investment Return (2)</b>                       | 7.15%   | 24.60%      | (18.68)%    | (1.75)%                        | 18.83%      | 6.83%       |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>                         |   |             |             |                                |             |             |
| Net assets, end of period (000s)                         | \$1,382,186   | \$1,395,116 | \$1,288,319 | \$1,606,718                    | \$1,719,489 | \$1,692,659 |
| Ratio of expenses to average net assets                  | 0.96%(3)  | 1.01%       | 0.97%       | 0.96%                          | 0.94%(4)    | 0.97%       |
| Ratio of net investment income to average net assets     | 2.27%(3)  | 2.42%       | 2.41%       | 2.20%                          | 2.69%(4)    | 2.97%       |
| Portfolio turnover rate                                  | 43%   | 39%         | 54%         | 47%                            | 48%         | 46%         |

(1) Payment from affiliates increased the net asset value by \$0.02.

(2) Total investment return is calculated assuming a purchase of a share at the market price on the first day and a sale of a share at the market price on the last day of each period reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges in connection with the purchase or sale of Fund shares. Total investment return for a period of less than one year is not annualized.

(3) Annualized.

(4) Inclusive of Reimbursement from Investment Manager of 0.02%.

See accompanying Notes to Financial Statements | July 31, 2017 | Semi-Annual Report 59

## Notes to Financial Statements

### AllianzGI Diversified Income & Convertible Fund

### AllianzGI Equity & Convertible Income Fund

### AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2017 (unaudited)

## 1. Organization and Significant Accounting Policies

AllianzGI Diversified Income & Convertible Fund ( Diversified Income & Convertible ), AllianzGI Equity & Convertible Income Fund ( Equity & Convertible Income ) and AllianzGI NFJ Dividend, Interest & Premium Strategy Fund ( Dividend, Interest & Premium Strategy ) (each, a Fund and, collectively, the Funds ) were organized as Massachusetts business trusts on March 10, 2015, December 12, 2006 and August 20, 2003, respectively. The Funds follow the investment company accounting and reporting guidance of the Financial Accounting Standards Board ( FASB ) Accounting Standards Codification ( ASC ) Topic 946 Financial Services Investment Companies. Prior to commencing operations on May 27, 2015, February 27, 2007, and February 28, 2005, respectively, the Funds had no operations other than matters relating to their organization and registration as diversified, closed-end management investment companies registered under the Investment Company Act of 1940, as amended (the 1940 Act ), and the rules and regulations thereunder. Allianz Global Investors U.S. LLC ( AllianzGI U.S. or the Investment Manager ) serves as the Funds investment manager and during part of the reporting period, NFJ Investment Group LLC ( NFJ or the Sub-Adviser ), an affiliate of the Investment Manager, served as a sub-adviser to Dividend, Interest & Premium Strategy. On July 1, 2017, NFJ merged with and into AllianzGI U.S. (the NFJ Merger ). As of July 1, 2017, AllianzGI U.S. assumed all services and responsibilities that had been provided by NFJ and Dividend, Interest & Premium Strategy ceased to have a sub-adviser. The NFJ Merger did not result in any change to the manner in which investment management services are provided to the Fund, the personnel responsible for providing investment management services to the Fund or the personnel ultimately responsible for overseeing the provision of such services. The Investment Manager is, and NFJ prior to its merger with and into AllianzGI U.S. on July 1, 2017, was, an indirect wholly-owned subsidiary of Allianz Asset Management of America L.P. ( AAM ). AAM is an indirect, wholly-owned subsidiary of Allianz SE, a publicly traded European insurance and financial services company. Each Fund has authorized an unlimited amount of common shares with \$0.00001 par value.

Diversified Income & Convertible s investment objective is to provide total return through a combination of current income and capital appreciation, while seeking to provide downside protection against capital loss. Under normal market conditions, the Fund will seek to achieve its investment objective by investing in a combination of convertible securities, debt and other income-producing instruments and common stocks and other equity securities. The Fund expects to employ a strategy of writing (selling) covered call options on the stocks held in the equity portion of the portfolio.

Equity & Convertible Income s investment objective is to seek total return comprised of capital appreciation, current income and gains. Under normal market conditions the

**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

Fund pursues its objective by investing in a diversified portfolio of equity securities and income-producing convertible securities. The Fund will also employ a strategy of writing (selling) call options on the equity securities held by the Fund as well as on equity indexes.

Dividend, Interest & Premium Strategy's primary investment objective is to seek current income and gains, with a secondary objective of long-term capital appreciation. Under normal market conditions the Fund pursues its investment objectives by investing in a diversified portfolio of dividend-paying common stocks and income-producing convertible securities. The Fund will also employ a strategy of writing (selling) call options on equity indexes in an attempt to generate gains from option premiums.

Effective June 28, 2017, pursuant to Board approval, the Fund may invest up to 10% of its total assets in securities issued by master limited partnerships (MLPs), including, without limitation, common units, preferred units, convertible subordinated units or other equity or debt securities.

There can be no assurance that the Funds will meet their stated objectives.

The preparation of the Funds' financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Funds' management to make estimates and assumptions that affect the reported amounts and disclosures in each Fund's financial statements. Actual results could differ from those estimates.

In the normal course of business, the Funds enter into contracts that contain a variety of representations that provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred.

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-15 which amends ASC 230 to clarify guidance on the classification of certain cash receipts and cash payments in the statement of cash flows. The ASU 2016-15 is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. At this time, management is evaluating the implications of

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

these changes on the financial statements.

In October 2016, the U.S. Securities and Exchange Commission ( SEC ) adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X will require standardized, enhanced disclosure about derivatives in investment company financial statements, and will also change the rules governing the form and content of such financial statements. The compliance date for these amendments was August 1, 2017. Compliance is based on reporting period-end date. At this time, management is evaluating

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**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

the implications of these changes on the financial statements.

In November 2016, the FASB issued ASU 2016-18 which amends ASC 230 to provide guidance on the classification and presentation of changes in restricted cash and restricted cash equivalents on the statement of cash flows. The ASU 2016-18 is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. At this time, management is evaluating the implications of these changes on the financial statements.

The following is a summary of significant accounting policies consistently followed by the Funds:

**(a) Valuation of Investments**

Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of official closing prices, last reported sales prices, or if no sales or closing prices are reported, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services. The Funds' investments are valued daily using prices supplied by an independent pricing service or broker/dealer quotations, or by using the last sale or settlement price on the exchange that is the primary market for such securities, or the mean between the last bid and ask quotations. Independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics.

The Board of Trustees of each Fund (together, the Board) have adopted procedures for valuing portfolio securities and other financial instruments in circumstances where market quotations are not readily available (including in cases where available market quotations are deemed to be unreliable), and have delegated primary responsibility for applying the valuation methods to the Investment Manager. The Funds Valuation Committee of the Board of each Fund was established by the Board to oversee the implementation of the Funds' valuation methods and to make fair value determinations on behalf of the Board, as necessary. The Investment Manager monitors the continued appropriateness of methods applied and identifies circumstances and events that may require fair valuation. The Investment Manager determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Investment Manager determines that a valuation method may no longer be appropriate, another valuation method may be selected or the Funds' Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review and ratify the

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Funds' Valuation Committee.

**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

Short-term debt instruments maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing premiums or discounts based on their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

The prices used by the Funds to value investments may differ from the value that would be realized if the investments were sold, and these differences could be material to the Funds' financial statements. Each Fund's net asset value (NAV) is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern Time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

**(b) Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.*, the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

§ Level 1 quoted prices in active markets for identical investments that the Funds have the ability to access

§ Level 2 valuations based on other significant observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs

§ Level 3 valuations based on significant unobservable inputs (including the Investment Manager's or Valuation Committee's own assumptions and securities whose price was determined by using a single broker's quote)

The valuation techniques used by the Funds to measure fair value during the six months ended July 31, 2017 were intended to maximize the use of observable inputs and to minimize the use of unobservable inputs.

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

The Funds' policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in aggregate, that is significant to the fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used. Investments categorized as Level 1 or 2 as of period end may have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Funds generally use to evaluate how to classify each major category of assets and liabilities within Level 2 and Level 3, in accordance with U.S. GAAP.

Equity Securities (Common and Preferred Stock and Warrants)    Equity securities

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**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

traded in inactive markets are valued using inputs which include broker-dealer quotes, recently executed transactions adjusted for changes in the benchmark index, or evaluated price quotes received from independent pricing services that take into account the integrity of the market sector and issuer, the individual characteristics of the security, and information received from broker-dealers and other market sources pertaining to the issuer or security. To the extent that these inputs are observable, the values of equity securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

**Convertible Bonds & Notes** Convertible bonds & notes are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector-specific trends. To the extent that these inputs are observable, the values of convertible bonds & notes are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

**Corporate Bonds & Notes** Corporate bonds & notes are generally comprised of two main categories: investment grade bonds and high yield bonds. Investment grade bonds are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations, live trading levels, recently executed transactions in securities of the issuer or comparable issuers, and option adjusted spread models that include base curve and spread curve inputs. Adjustments to individual bonds can be applied to recognize trading differences compared to other bonds issued by the same issuer. High yield bonds are valued by independent pricing services based primarily on broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector-specific trends. To the extent that these inputs are observable, the values of corporate bonds & notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

**Option Contracts** Option contracts traded over-the-counter ( OTC ) and FLExible EXchange ( FLEX ) options are valued by independent pricing services based on pricing models that incorporate various inputs such as interest rates, credit spreads, currency exchange rates and volatility measurements for in-the-money, at-the-money, and out-of-the-money contracts based on a given strike price. To the extent that these inputs are

**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

observable, the values of OTC and FLEX option contracts are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

**(c) Investment Transactions and Investment Income**

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on an identified cost basis. Interest income adjusted for the accretion of discounts and amortization of premiums is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized, respectively, to interest income. Conversion premium is not amortized. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities where the ex-dividend date may have passed, and then are recorded as soon after the ex-dividend date as the Fund, using reasonable diligence, become aware of such dividends. Consent fees relating to corporate actions and facility are recorded as miscellaneous income upon receipt. Payments received from certain investments may be comprised of dividends, realized gains and return of capital. These payments may initially be recorded as dividend income and may subsequently be reclassified as realized gains and/or return of capital upon receipt of information from the issuer. Payments considered return of capital reduce the cost basis of the respective security. Distributions, if any, in excess of the cost basis of a security are recognized as capital gains. Expenses are recorded on an accrual basis.

**(d) Federal Income Taxes**

The Funds intend to distribute all of their taxable income and to comply with the other requirements of Subchapter M of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required. The Funds may be subject to excise tax based on distributions to shareholders.

Accounting for uncertainty in income taxes establishes for all entities, including pass-through entities such as the Funds, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. In accordance with provisions set forth under U.S. GAAP, the Investment Manager has reviewed the Funds' tax positions for all open tax years. As of July 31, 2017, the Funds have recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions they have taken. The Funds' federal income tax returns for the prior three years, as applicable, remain subject to examination by the Internal Revenue Service.

**(e) Dividends and Distributions to Shareholders**

Diversified Income & Convertible declares dividends and distributions on a monthly basis. Equity & Convertible Income and Dividend, Interest & Premium Strategy declare dividends and distributions on a quarterly basis. These dividends and distributions may be comprised in varying

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**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

proportions of net investment income, gains from option premiums and the sale of portfolio securities and return of capital. The Funds record dividends and distributions on the ex-dividend date. The amount of dividends from net investment income and distributions from net realized capital gains or return of capital is determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. These book-tax differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment. Temporary differences do not require reclassification. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes, they are reported as dividends and/or distributions to shareholders from return of capital. As of July 31, 2017, it is anticipated that Dividend, Interest & Premium Strategy will have a return of capital at fiscal year-end.

**(f) Convertible Securities**

It is the Funds' policy to invest a portion of their assets in convertible securities. Although convertible securities derive part of their value from that of the securities into which they are convertible, they are not considered derivative financial instruments. However, certain of the Funds' investments in convertible securities include features which render them sensitive to price changes in their underlying securities. The value of structured/synthetic convertible securities can be affected by interest rate changes and credit risks of the issuer. Such securities may be structured in ways that limit their potential for capital appreciation and the entire value of the security may be at risk of loss depending on the performance of the underlying equity security. Consequently, the Funds are exposed to greater downside risk than traditional convertible securities, but typically still less than that of the underlying stock.

**(g) Payment In-Kind Securities**

The Funds may invest in payment in-kind securities, which are debt or preferred stock securities that require or permit payment of interest in the form of additional securities. Payment in-kind securities allow the issuer to avoid or delay the need to generate cash to meet current interest payments and, as a result, may involve greater risk than securities that pay interest currently or in cash.

**(h) Warrants**

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The Funds may receive warrants. Warrants are securities that are usually issued together with a debt security or preferred stock and that give the holder the right to buy a proportionate amount of common stock at a specified price. Warrants may be freely transferable and are often traded on major exchanges. Warrants normally have a life that is measured in years and entitle the holder to buy common stock of a company at a price that is usually higher than the market price at the time the warrant is issued. Warrants may entail greater risks than certain other types of investments. Generally, warrants do not carry the right to

**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

receive dividends or exercise voting rights with respect to the underlying securities, and they do not represent any rights in the assets of the issuer. In addition, their value does not necessarily change with the value of the underlying securities, and they cease to have value if they are not exercised on or before their expiration date. If the market price of the underlying stock does not exceed the exercise price during the life of the warrant, the warrant will expire worthless. Warrants may increase the potential profit or loss to be realized from the investment as compared with investing the same amount in the underlying securities. Similarly, the percentage increase or decrease in the value of an equity security warrant may be greater than the percentage increase or decrease in the value of the underlying common stock. Warrants may relate to the purchase of equity or debt securities. Debt obligations with warrants attached to purchase equity securities have many characteristics of convertible securities and their prices may, to some degree, reflect the performance of the underlying stock. Debt obligations also may be issued with warrants attached to purchase additional debt securities at the same coupon rate. A decline in interest rates would permit a Fund to sell such warrants at a profit. If interest rates rise, these warrants would generally expire with no value.

**(i) Statement of Cash Flows**

U.S. GAAP requires entities providing financial statements that report both financial position and results of operations to also provide a statement of cash flows for each period for which results of operations are provided, but exempts investment companies meeting certain conditions. One of the conditions is that the fund had little or no debt, based on the average debt outstanding during the period, in relation to average total assets. Diversified Income & Convertible's indebtedness has been determined to be at a level requiring a statement of cash flows. The Statement of Cash Flows has been prepared using the indirect method which required net change in net assets resulting from operations to be adjusted to reconcile to net cash flows from operating activities.

**(j) Loan Interest Expense**

Loan interest expense relates to the Diversified Income & Convertible's participation in debt financing transactions (See Note 7 and Note 8). Interest expense is recorded as it is incurred.

**(k) Repurchase Agreements**

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The Funds are parties to Master Repurchase Agreements ( Master Repo Agreements ) with select counterparties. The Master Repo Agreements maintain provisions for initiation, income payments, events of default, and maintenance of collateral.

The Funds enter into transactions, under the Master Repo Agreements, with their custodian bank or securities brokerage firms whereby they purchase securities under agreements (*i.e.*, repurchase agreements) to resell such securities at an agreed upon price and date. The Funds, through their custodian, take possession of securities collateralizing

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**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**1. Organization and Significant Accounting Policies (continued)**

the repurchase agreement. Such agreements are carried at the contract amount in the financial statements, which is considered to represent fair value. The collateral that is pledged (*i.e.*, the securities received by the Funds), which consists primarily of U.S. government obligations and asset-backed securities, is held by the custodian bank for the benefit of the Funds until maturity of the repurchase agreement. Provisions of the repurchase agreements and the procedures adopted by the Funds require that the market value of the collateral, including accrued interest thereon, be sufficient in the event of default by the counterparty. If the counterparty defaults under the Master Repo Agreements and the value of the collateral declines or if the counterparty enters an insolvency proceeding, realization of the collateral by the Funds may be delayed or limited. The gross values are included in the Funds' Schedules of Investments. As of July 31, 2017, the value of the related collateral exceeded the value of the repurchase agreements.

**(I) Restricted Securities**

The Funds are permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult.

**2. Principal Risks**

In the normal course of business, the Funds trade financial instruments and enter into financial transactions where risk of potential loss exists due to, among other things, changes in the market (market risk) or failure of the other party to a transaction to perform (counterparty risk). The Funds are also exposed to other risks such as, but not limited to, interest rate, credit and leverage risks.

Interest rate risk is the risk that fixed income securities' valuations will change because of changes in interest rates. During periods of rising nominal interest rates, the values of fixed income instruments are generally expected to decline. Conversely, during periods of declining nominal interest rates, the values of fixed income instruments are generally expected to rise. To the extent that a Fund effectively has short positions with respect to fixed income instruments, the values of such short positions would generally be expected to rise when nominal interest rates rise and

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

to decline with nominal interest rates decline. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is used primarily as a measure of the sensitivity of a fixed income security's market price to interest rate (*i.e.*, yield) movements. Interest rate changes can be sudden and unpredictable, and a fund may lose money as a result of movements in interest rates. A fund may not be able to hedge against changes in interest rates or may

**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

**AllianzGI Equity & Convertible Income Fund**

**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**2. Principal Risks (continued)**

choose not to do so for cost or other reasons. In addition, any hedges may not work as intended. The values of equity and other non-fixed income securities may decline due to fluctuations in interest rates.

The Funds are exposed to credit risk, which is the risk of losing money if the issuer or guarantor of a fixed income security is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

The market values of securities may decline due to general market conditions (market risk) which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to credit markets or adverse investor sentiment. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities and equity-related investments generally have greater market price volatility than fixed income securities, although under certain market conditions fixed income securities may have comparable or greater price volatility. Credit ratings downgrades may also negatively affect securities held by the Funds. Even when markets perform well, there is no assurance that the investments held by the Funds will increase in value along with the broader market. In addition, market risk includes the risk that geopolitical events will disrupt the economy on a national or global level.

The Funds are exposed to counterparty risk, or the risk that an institution or other entity with which the Funds have unsettled or open transactions will default. The potential loss to the Funds could exceed the value of the financial assets recorded in the Funds' financial statements. Financial assets, which potentially expose the Funds to counterparty risk, consist principally of cash due from counterparties and investments. The Investment Manager seeks to minimize the Funds' counterparty risk by performing reviews of each counterparty and by minimizing concentration of counterparty risk by undertaking transactions with multiple customers and counterparties on recognized and reputable exchanges. Delivery of securities sold is only made once the Funds have received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

The Funds are exposed to risks associated with leverage. Leverage may cause the value of the Funds' shares to be more volatile than if the Funds did not use leverage. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the Funds' portfolio securities. The Funds may engage in transactions or purchase instruments that give rise to forms of



**Notes to Financial Statements**

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**2. Principal Risks (continued)**

leverage. In addition, to the extent the Funds employ leverage, dividend and interest costs may not be recovered by any appreciation of the securities purchased with the leverage proceeds and could exceed the Funds' investment returns, resulting in greater losses. As discussed further in Note 7 and Note 8, Diversified Income & Convertible has mandatory redeemable preferred shares and senior secured notes outstanding and entered into margin loan financing.

The Funds may hold defaulted securities that may involve special considerations including bankruptcy proceedings, other regulatory and legal restrictions affecting the Funds' ability to trade, and the availability of prices from independent pricing services or dealer quotations. Defaulted securities may often be illiquid and may not be actively traded. Sale of securities in bankrupt companies at an acceptable price may be difficult and differences compared to the value of the securities used by the Funds could be material. A Fund may incur additional expenses to the extent it is required to seek recovery upon a portfolio security's default in the payment of principal or interest. In any bankruptcy proceeding relating to a defaulted investment, a Fund may lose its entire investment or may be required to accept cash or securities with a value substantially less than its original investment.

Diversified Income & Convertible will terminate on the first business day following the fifteenth anniversary of the effective date of its registration statement, May 22, 2030, unless such term is extended by the Trustees and absent Trustee and shareholder approval to amend the limited term. Leading up to the Fund's dissolution date, the Fund may begin liquidating all or a portion of the Fund's portfolio, and the Fund may deviate from its investment strategy. As a result, during the wind-down period, the Fund's distributions may decrease, and such distributions may include a return of capital. The Fund does not seek to return \$25.00 per common share (its initial offering price) upon termination. As the assets of the Fund will liquidate in connection with its termination, the Fund may be required to sell portfolio securities when it otherwise would not, including at times when market conditions are not favorable, which may cause the Fund to lose money.

There can be no assurance that repurchases of common shares by Diversified Income & Convertible pursuant to its Repurchase Plan (as defined in Note 9) caused the common shares to trade at a price equal to or in excess of NAV or prevented or reduced any decline in the market price of the common shares. Any acquisition of common shares by the Fund decreased the managed assets of the Fund and therefore tended to have the effect of increasing the Fund's gross expense ratio and decreasing the asset coverage with respect to any leverage outstanding. Because of the nature of the Fund's investment objective, policies and portfolio, the Investment Manager does not believe that repurchases of common shares interfered with the ability of the Fund to manage its investments in order to seek its investment objective, and does not believe any material difficulty in borrowing



**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

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**2. Principal Risks (continued)**

money or disposing of portfolio securities to consummate repurchases, although no assurance can be given that this was the case. The Fund's repurchase of shares under the Repurchase Plan was subject to certain conditions under Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and other applicable laws, including Regulation M, which may have prohibited such repurchases under certain circumstances.

**3. Financial Derivative Instruments**

Disclosure about derivatives and hedging activities requires qualitative disclosure regarding objectives and strategies for using derivatives, quantitative disclosure about fair value amounts of gains and losses on derivatives, and disclosure about credit-risk-related contingent features in derivative agreements. The disclosure requirements distinguish between derivatives which are accounted for as hedges, and those that do not qualify for such accounting. Although the Funds at times use derivatives for hedging purposes, the Funds reflect derivatives at fair value and recognize changes in fair value through the Funds' Statements of Operations, and such derivatives do not qualify for hedge accounting treatment.

**Option Transactions**

The Funds may write (sell) put and call options on securities and indices to earn premiums, for hedging purposes, risk management purposes or otherwise as part of their investment strategies. When an option is written, the premium received is recorded as an asset with an equal liability that is subsequently marked to market to reflect the market value of the option written. These liabilities, if any, are reflected as call options written in the Funds' Statements of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option written is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a put option written is exercised, the premium reduces the cost basis of the security. In writing an option, the Funds bear the market risk of an unfavorable change in the price of the security underlying the written option. Exercise of a written option could result in the Funds purchasing a security at a price different from its current market value.

There are several risks associated with option transactions on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objective. The

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Funds' ability to use options successfully will depend on the Investment Manager's ability to predict pertinent market movements, which cannot be assured. As the writer of a covered call option, a Fund foregoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the

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**AllianzGI Diversified Income & Convertible Fund**

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**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**3. Financial Derivative Instruments (continued)**

call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline.

**4. Investment Manager/Sub-Adviser & Deferred Compensation**

Investment Manager/Sub-Adviser. Each Fund has an Investment Management Agreement (for the purpose of this section, each an Agreement) with the Investment Manager. Subject to the supervision of the Funds' Board, the Investment Manager is responsible for managing, either directly or through others selected by it, the Funds' investment activities, business affairs and administrative matters. Pursuant to their Agreements, Diversified Income & Convertible and Equity & Convertible Income pay the Investment Manager an annual fee, payable monthly, at an annual rate of 1.00% of their average daily total managed assets. Pursuant to its Agreement, Dividend, Interest & Premium Strategy pays the Investment Manager an annual fee, payable monthly, at an annual rate of 0.90% of its average daily total managed assets. Diversified Income & Convertible's Agreement defines total managed assets as the total assets of the Fund (including assets attributable to any Preferred Shares, borrowings, issued debt securities or other forms of leverage that may be outstanding) minus accrued liabilities (other than liabilities representing leverage). The Agreements of each of Equity & Convertible Income and Dividend, Interest & Premium Strategy define total managed assets as the total assets of each Fund (including assets attributable to any borrowing that may be outstanding) minus accrued liabilities (other than liabilities representing borrowings).

Prior to the NFJ Merger, AllianzGI U.S. retained NFJ as sub-adviser to Dividend, Interest & Premium Strategy, with respect to its equity sleeve only. From and after the NFJ Merger, AllianzGI U.S. has directly provided all advisory services for the Fund.

During the period, the Funds' primary adviser and not the Fund, paid advisory fees to Dividend, Interest & Premium Strategy's sub-advisor.

Deferred Compensation. Trustees do not currently receive any pension or retirement benefits from the Funds. The Funds have adopted a deferred compensation plan (the Plan) for the Trustees, which permits the Trustees to defer their receipt of compensation from the Funds, at their election, in accordance with the terms of the Plan. Under the Plan, each Trustee may elect not to receive all or a portion of his or her fees from the Funds on a current basis but to receive in a subsequent period chosen by the Trustee an amount equal to the value of such compensation if such compensation had been invested in one or more series of Allianz Funds Multi-Strategy Trust or Allianz Funds selected by the Trustees from and after the normal payment dates for such compensation. The deferred compensation program is structured such that the Funds remain in

substantially the same financial position whether Trustee fees are paid when earned or deferred.

**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

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**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**5. Investments in Securities**

For the six months ended July 31, 2017, purchases and sales of investments, other than short-term securities were:

|                                       | Purchases   | Sales       |
|---------------------------------------|-------------|-------------|
| Diversified Income & Convertible      | 273,191,647 | 282,388,163 |
| Equity & Convertible Income           | 331,276,235 | 355,833,274 |
| Dividend, Interest & Premium Strategy | 569,004,837 | 629,706,674 |

**6. Income Tax Information**

At July 31, 2017, the aggregate cost basis and the net unrealized appreciation (depreciation) of investments (before call options written) for federal income tax purposes were:

|                                       | Federal Tax<br>Cost Basis (1) | Unrealized<br>Appreciation | Unrealized<br>Depreciation | Net Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------------------|-------------------------------|----------------------------|----------------------------|--|
| Diversified Income & Convertible      | \$361,217,725                 | \$8,438,981                | \$33,914,430               | \$(25,475,449)                                   |
| Equity & Convertible Income           | 670,304,870                   | 29,386,699                 | 81,951,541                 | (52,564,842)                                     |
| Dividend, Interest & Premium Strategy | 1,318,269,777                 | 147,459,011                | 83,007,329                 | 64,451,682                                       |

(1) Differences between book and tax cost basis are primarily attributable to wash sale loss deferrals, Reclassifications in REITs and differing treatment of bond premium amortization.

**7. Long-term Financing Arrangements**

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On October 2, 2015, Diversified Income & Convertible completed a private placement with a single institutional investor, consisting of \$30,000,000 in Series A Mandatory Redeemable Preferred Shares ( MRPS ) with a mandatory redemption date of October 2, 2025, and \$50,000,000 in Senior Secured Notes ( Notes and together with MRPS, Long-Term Financing Arrangements ) due November 22, 2029. Fitch Ratings ( Fitch ) assigned a rating of AA to the MRPS and AAA to the Notes. Diversified Income & Convertible also maintains a short-term credit facility at variable interest rates for a portion of its borrowings.

### Mandatory Redeemable Preferred Shares

At July 31, 2017, Diversified Income & Convertible had 1,200,000 shares of MRPS outstanding with an aggregate liquidation preference of \$30,000,000 (\$25.00 per share). The following table summarizes the key terms of the MRPS at July 31, 2017:

| Mandatory Redemption Date | Annual Dividend Rate | Aggregate Liquidation Preference | Estimated Fair Value |
|---------------------------|----------------------|----------------------------------|----------------------|
| October 2, 2025           | 4.34%                | \$30,000,000                     | \$30,000,000         |

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**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

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**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

July 31, 2017 (unaudited)

**7. Long-term Financing Arrangements (continued)**

Holders of MRPS are entitled to receive a quarterly dividend at an annual fixed dividend rate of 4.34%, subject to upward adjustment (by as much as 4.00%) during any period when the MRPS have a rating of below A from Fitch, or the equivalent from another rating agency (with the rate increasing at lower rating levels). The MRPS will have a default interest rate of 5.00% whenever a past due amount is outstanding with respect to the MRPS. Dividends are accrued daily and paid quarterly and are presented in Diversified Income & Convertible's Statement of Assets & Liabilities as interest payable on dividends to mandatory redeemable preferred shareholders. For the six months ended July 31, 2017, Diversified Income & Convertible paid \$651,000 in interest on dividends to mandatory redeemable preferred shareholders. The MRPS are senior, with priority in all respects, to Diversified Income & Convertible's outstanding common shares as to payments of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund. The MRPS rank pari passu with any and all other preferred shares of the Fund, and rank junior to the Fund's indebtedness, including the Notes, the Margin Loan Financing and any other senior secured indebtedness. Diversified Income & Convertible may redeem all or any part of the MRPS at any time, subject to certain redemption premiums. Diversified Income & Convertible is subject to periodic asset coverage testing and must redeem some or all of the MRPS when its asset coverage declines below certain levels.

**Senior Secured Notes**

At July 31, 2017, Diversified Income & Convertible had \$50,000,000 in aggregate principal amount of Notes outstanding. The Notes rank pari passu with all other senior debt of Diversified Income & Convertible, including the Margin Loan Financing, and are secured by a lien on all assets of the Fund of every kind, including all securities and all other investment property, equal and ratable with the liens securing the Margin Loan Financing. The Notes are senior, with priority in all respects, to the MRPS and the outstanding common shares as to payments of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund. Holders of the Notes are entitled to receive cash interest payments semi-annually until maturity. The Notes accrue interest at an annual fixed rate of 3.94%. The Notes will be subject to a penalty interest rate of an additional 2.00% while overdue payments are outstanding, and an additional 1.00% during any interest rate period when the Notes, at any time, have a rating of less than A- from Fitch or the equivalent from another agency. The Notes are prepayable in whole or in part at any time, subject to a prepayment premium, which may be adjusted under some circumstances based on asset coverage levels. Interest expense of \$976,904 is included in the Diversified Income & Convertible's Statement of Operations.

**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

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**7. Long-term Financing Arrangements (continued)**

The following table shows the maturity date, interest rate, notional/carrying amount and estimated fair value of the Notes outstanding at July 31, 2017:

| Maturity Date     | Interest Rate | Notional/Carrying Amount | Estimated Fair Value |
|-------------------|---------------|--------------------------|----------------------|
| November 22, 2029 | 3.94%         | \$50,000,000             | \$50,000,000         |

The agreements governing the MRPS and Notes impose certain additional customary covenants and restrictions on the Fund, including, among others, asset coverage requirements, restrictions on distributions and a requirement that the Fund adhere to its stated investment policies.

**8. Margin Loan Financing**

Diversified Income & Convertible has entered into a margin loan financing agreement with BNP Paribas Prime Brokerage International, Ltd. (BNP). The margin loan is offered at a daily rate equal to the U.S. 3-month LIBOR rate plus 0.90%. At July 31, 2017, the Fund had a borrowing outstanding under the margin agreement totaling \$25,000,000. The interest rate charged at July 31, 2017 was 2.211%. During the six months ended July 31, 2017, the weighted average daily balance was \$25,000,000 at the weighted average interest rate of 2.084%. With respect to the margin agreement, loan interest expense of \$251,392 is included in the Diversified Income & Convertible's Statement of Operations.

The Fund is required to fully collateralize its outstanding loan balance as determined by BNP. Pledged assets are held in a segregated account and are denoted in the Fund's Schedule of Investments.

**9. Common Share Repurchase Plan**

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The common share repurchase plan (the Repurchase Plan ) of Diversified Income & Convertible (for purposes of this paragraph, the Fund ) became effective on September 4, 2015. The Board of Trustees initially authorized the Repurchase Plan at the Fund's organizational meeting on April 20, 2015. The Repurchase Plan was intended in part to provide additional liquidity in the marketplace for the Fund's common shares. The Repurchase Plan remained in effect until 230 days after the commencement of the Repurchase Plan (*i.e.*, April 21, 2016) (the Repurchase Period ), during which the Fund repurchased its common shares in the open market on any trading day when the Fund's common shares were trading at a discount of 2% or more from the common shares' closing NAV on the prior trading day and only so long as shares of the SPDR Barclays Convertible Securities ETF had not, at any time during such trading day, traded down 2% or more from their closing market price on the prior trading day. Any repurchases were made through a single broker-dealer who was not an underwriter in this initial public offering of the Fund's common shares acting as the Fund's agent. On any day that shares were repurchased under the Repurchase Plan, the Fund, subject to certain conditions under Rule 10b-18 under the Exchange Act and

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**Notes to Financial Statements**

**AllianzGI Diversified Income & Convertible Fund**

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**9. Common Share Repurchase Plan (continued)**

other applicable laws, including Regulation M, repurchased its shares in an amount equal to the lesser of (i) \$125,000 based on the aggregate purchase price of the common shares or (ii) the maximum number of common shares the Fund may purchase under Rule 10b-18, which, generally, is currently 25% of the average daily trading volume of the common shares over the trailing four week period. In addition to providing potential additional liquidity in the marketplace, any repurchases under the Repurchase Plan were made by the Fund at a discount to then current NAV of the common shares and therefore were accretive to the NAV of the remaining common shares following the repurchases, and the Repurchase Plan may have had the effect of preventing or reducing a significant decline in the market price of the common shares in comparison to their NAV. Effective April 22, 2016, the Common Share Repurchase Plan was discontinued.

**10. Subsequent Events**

In preparing these financial statements, the Funds' management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

On August 1, 2017, a monthly distribution of \$0.167 per share was declared to Diversified Income & Convertible common shareholders, payable September 1, 2017 to common shareholders of record on August 11, 2017.

On September 1, 2017, a monthly distribution of \$0.167 per share was declared to Diversified Income & Convertible common shareholders, payable October 2, 2017 to common shareholders of record on September 11, 2017.

On September 1, 2017, the following quarterly distributions were declared to shareholders, payable September 22, 2017 to shareholders of record on September 11, 2017:

|                                       |                  |
|---------------------------------------|------------------|
| Equity & Convertible Income           | \$0.38 per share |
| Dividend, Interest & Premium Strategy | \$0.30 per share |

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There were no other subsequent events identified that require recognition or disclosure.

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**Annual Shareholder Meeting Results (unaudited)**

**AllianzGI Diversified Income & Convertible Fund**  
**AllianzGI Equity & Convertible Income Fund**  
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The Funds held their annual meeting of shareholders on July 13, 2017. Shareholders voted as indicated below:

Diversified Income & Convertible:

|  |  | Affirmative | Withheld Authority |
|--|--|-------------|--------------------|
| Re-election of A. Douglas Eu<br>fiscal year                | Class II to serve until the annual meeting for the 2017-2018 | 10,350,768  | 106,726            |
| Election of F. Ford Drummond<br>fiscal year                | Class I to serve until the annual meeting for the 2017-2018  | 10,349,967  | 107,527            |
| Election of James S. MacLeod<br>fiscal year                | Class I to serve until the annual meeting for the 2017-2018  | 10,351,085  | 106,409            |
| Re-election of James A. Jacobson<br>2017-2018 fiscal year* | Class II to serve until the annual meeting for the           | 1,200,000   |                    |

The other members of the Board of Trustees at the time of the meeting, namely, Mses. Deborah A. DeCotis, Barbara R Claussen and Messrs. Davey S. Scoon, Bradford K. Gallagher, Hans W. Kertess, William B. Ogden, IV and Alan Rappaport continued to serve as Trustees of the Fund.

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\* Mr. Jacobson was elected by preferred shareholders voting as a separate class. All other trustees of Diversified Income & Convertible were elected by common and preferred shareholders voting together as a single class.

Interested Trustee

Equity & Convertible Income:

|  |   | Affirmative | Withheld Authority |
|--|---|-------------|--------------------|
| Election of Hans W. Kertess<br>fiscal year | Class I to serve until the annual meeting for the 2017-2018 | 23,914,013  | 1,669,797          |
|  |   | 23,906,845  | 1,676,965          |

## Edgar Filing: AllianzGI Equity & Convertible Income Fund - Form N-CSRS

Election of William B. Ogden, IV Class I to serve until the annual meeting for the 2017-2018 fiscal year

|  |            |           |
|--|------------|-----------|
| Election of Alan Rappaport Class I to serve until the annual meeting for the 2017-2018 fiscal year | 23,986,609 | 1,597,201 |
|--|------------|-----------|

|  |            |           |
|--|------------|-----------|
| Election of Davey S. Scoon Class I to serve until the annual meeting for the 2017-2018 fiscal year | 23,889,524 | 1,694,286 |
|--|------------|-----------|

The other members of the Board of Trustees at the time of the meeting, namely, Mses. Barbara R Claussen, Deborah A. DeCotis and Messrs. F. Ford Drummond, A. Douglas Eu, Bradford K. Gallagher, James A. Jacobson and James S. MacLeod continued to serve as Trustees of the Fund.

### Dividend, Interest & Premium Strategy:

|  | Affirmative | Withheld Authority |
|--|-------------|--------------------|
| Election of F. Ford Drummond Class I to serve until the annual meeting for the 2017-2018 fiscal year | 82,595,842  | 1,711,352          |
| Election of Alan Rappaport Class I to serve until the annual meeting for the 2017-2018 fiscal year   | 82,586,972  | 1,720,222          |
| Election of Davey S. Scoon Class I to serve until the annual meeting for the 2017-2018 fiscal year   | 82,553,972  | 1,753,222          |

The other members of the Board of Trustees at the time of the meeting, namely, Mses. Barbara R. Claussen, Deborah A. DeCotis and Messrs. A. Douglas Eu, Bradford K. Gallagher, James A. Jacobson, Hans W. Kertess, James S. MacLeod and William B. Ogden, IV continued to serve as Trustees of the Fund.

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**Proxy Voting Policies & Procedures/  
Changes in Investment Policy (unaudited)**

**AllianzGI Diversified Income & Convertible Fund  
AllianzGI Equity & Convertible Income Fund  
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**Proxy Voting Policies & Procedures:**

A description of the policies and procedures that the Funds have adopted to determine how to vote proxies relating to portfolio securities and information about how the Funds voted proxies relating to portfolio securities held during the most recent twelve month period ended June 30 is available (i) without charge, upon request, by calling the Funds' shareholder servicing agent at (800) 254-5197; (ii) on the Funds' website at [us.allianzgi.com/closedendfunds](http://us.allianzgi.com/closedendfunds); and (iii) on the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov).

**Changes in Investment Policy:**

Effective June 14, 2017, Dividend, Interest & Premium Strategy adopted the following investment policy, which permits the Fund to invest up to 10% of its total assets in securities issued by master limited partnerships (MLPs):

The Fund may invest up to 10% of its total assets in securities issued by master limited partnerships (MLPs), including, without limitation, common units, preferred units, convertible subordinated units or other equity or debt securities.

Information regarding master limited partnerships and the risks related to investments in master limited partnerships is included below.

**Master Limited Partnerships**

A master limited partnership (MLP) generally is a publicly traded company organized as a limited partnership or limited liability company and treated as a partnership for U.S. federal income tax purposes. A Fund's investments in interests in oil, gas or mineral exploration or development programs, including pipelines, or in the financial sector, may be held through MLPs. While MLPs often own or own interests in properties or businesses that are related to oil and gas industries or financials, MLPs may invest in other types of industries, or in credit related investments. MLPs generally have two classes of owners, the general partner and limited partners. The general partner of an MLP is typically owned by one or more of the following: a major energy company, an investment fund or the direct management of the MLP. The general partner may be structured as a private or publicly traded corporation or other entity. The general partner typically controls the operations and management of the MLP through an up to 2% equity interest in the MLP plus, in many cases, ownership of common units and subordinated units. Limited partners

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own the remainder of the partnership through ownership of common units and have a limited role in the partnership's operations and management. For purposes of qualifying as a regulated investment company under the U.S. Internal Revenue Code of 1986, a Fund is not permitted to have more than 25% of the value of its total assets invested in qualified publicly traded partnerships, including MLPs. Additionally, while MLPs are typically treated as partnerships for U.S. federal income tax purposes, changes

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**Proxy Voting Policies & Procedures/  
Changes in Investment Policy (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund  
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in U.S. tax laws could revoke the pass-through attributes that provide the tax efficiencies that make MLPs attractive investment structures.

MLP securities may include, without limitation, common units, preferred units, convertible subordinated units or other equity or debt securities. Investments in MLPs are generally subject to many of the risks that apply to investments in partnerships. For example, holders of the units of MLPs may have limited control and limited voting rights on matters affecting the partnership. There may be fewer corporate protections afforded investors in an MLP than investors in a corporation. Conflicts of interest may exist among unit holders, subordinated unit holders and the general partner of an MLP, including those arising from incentive distribution payments. MLPs that concentrate in a particular industry or region are subject to risks associated with such industry or region. MLPs holding credit-related investments are subject to interest rate risk and the risk of default on payment obligations by debt issuers. Investments held by MLPs may be illiquid. MLP units may trade infrequently and in limited volume, and they may be subject to more abrupt or erratic price movements than securities of larger or more broadly based companies.

**Master Limited Partnership Risk**

Equity securities of MLPs are generally listed and traded on U.S. securities exchanges. The value of an MLP equity security fluctuates based predominately on the MLP's financial performance, as well as changes in overall market conditions. Investments in MLP equity securities involve risks that differ from investments in common stocks, including risks related to the fact that investors have limited control of and limited rights to vote on matters affecting the MLP; dilution risks; and risks related to the general partner's right to require investors to sell their holdings at an undesirable time or price. Debt securities of MLPs have characteristics similar to debt securities of other types of issuers, and are subject to the risks applicable to debt securities in general, such as credit risk, interest rate risk and liquidity risk. Investments in debt securities of MLPs may not offer the tax characteristics of equity securities of MLPs. To the extent a Fund invests in debt securities of MLPs that are rated below investment grade, such investments are also generally subject to the risks associated with high yield investments. Investments in MLPs are subject to cash flow risk and risks related to potential conflicts of interest between the MLP and the MLP's general partner. Certain MLP securities may trade in lower volumes due to their smaller capitalizations, and may be subject to more abrupt or erratic price movements and lower market liquidity. MLP securities are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns and may decline in value. MLPs may be subject to state taxation in certain jurisdictions, which may reduce the amount of income an MLP pays to its investors. In addition, if the tax treatment of an MLP changes, a Fund's after-tax return from its MLP investment would be materially reduced.

**Matters Relating to the Trustees Consideration of the Investment**

**Management & Portfolio Management Agreements (unaudited)**

**AllianzGI Diversified Income & Convertible Fund  
AllianzGI Equity & Convertible Income Fund  
AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

The Investment Company Act of 1940, as amended, requires that both the full Board of Trustees (the Board or the Trustees) and a majority of the non-interested Trustees (the Independent Trustees), voting separately, approve each Fund's (as defined below) Investment Management Agreement (for purposes of this section, the Advisory Agreement) with Allianz Global Investors U.S. LLC (AllianzGI U.S. or the Investment Manager) with respect to AllianzGI Equity & Convertible Income Fund (NIE), AllianzGI NFJ Dividend, Interest & Premium Strategy Fund (NFJ), and AllianzGI Diversified Income & Convertible Fund (ACV) and, together with NFJ and NIE, for the purposes of this section, the Funds) and the Portfolio Management Agreement between the Investment Manager and NFJ Investment Group LLC (NFJ LLC or the Sub-Adviser) with respect to NFJ (for purposes of this section, the Sub-Advisory Agreement, and together with the Advisory Agreement, the Agreements). The Trustees met in person on June 6, 2017 for the specific purpose of considering whether to approve the continuation of the Advisory Agreement and the Sub-Advisory Agreement for an additional year. The Funds' Contracts Committees, which are comprised of all of the Independent Trustees, met on May 22, 2017 and June 6, 2017 with independent counsel to discuss the materials provided by the Investment Manager in response to the Independent Trustees' written request for information regarding the annual renewal. Representatives from fund management attended portions of those meetings to, among other topics, review the comparative fee and expense information and comparative performance information prepared and provided by Broadridge Financial Solutions, Inc. (Broadridge), an independent third party, for each Fund using its respective Broadridge peer groups for performance and expense comparisons.

In connection with their deliberations regarding the approval of the Agreements, the Trustees, including the Independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. As described below, the Trustees considered the nature, quality and extent of the various investment management, administrative and other services performed by the Investment Manager and the Sub-Adviser under the applicable Agreement.

It was noted that, on October 1, 2016, during the period under review, Allianz Global Investors Fund Management LLC (AGIFM), the former investment manager to the Funds, merged into AllianzGI U.S., a former sub-adviser to certain Funds, after which AllianzGI U.S. assumed AGIFM's roles as investment manager and administrator to the Funds and continued to provide the day-to-day portfolio management services it previously provided as sub-adviser in its new capacity as Investment Manager, and the applicable sub-advisory agreements with AllianzGI U.S. were terminated. In addition, it was noted that NFJ LLC, a former sub-adviser to NFJ, was at the time of consideration of the contract

**Matters Relating to the Trustees Consideration of the Investment**

**Management & Portfolio Management Agreements (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund  
AllianzGI Equity & Convertible Income Fund  
AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

renewals, expected to merge into AllianzGI U.S. effective July 1, 2017, after which AllianzGI U.S. would assume the sole day-to-day portfolio management responsibilities for NFJ in its capacity as Investment Manager, and the applicable sub-advisory contract with NFJ LLC would terminate. The NFJ LLC merger and termination of the applicable sub-advisory contract with NFJ LLC did occur effective July 1, 2017. References in the following disclosure to the Sub-Adviser pertain to NFJ LLC, although it no longer serves in this capacity. In the course of their deliberations regarding the approval of the Agreements, the Trustees took into account that the personnel at NFJ LLC who previously provided sub-advisory services for NFJ would continue to do so in the same capacities as employees of AllianzGI U.S., and that neither the merger of AGIFM into AllianzGI U.S., nor the anticipated merger of NFJ LLC into AllianzGI U.S. was expected to have any impact on the nature or quality of investment advisory or administrative services provided to the Funds.

In connection with their contract review meetings, the Trustees received and relied upon materials provided by the Investment Manager including, among other items: (i) information provided by Broadridge on the total return investment performance (based on net asset value and common share market price) of the Funds for various time periods, and the investment performance of a group of funds with investment classifications and/or objectives comparable to those of the Funds identified by Broadridge (the Broadridge Performance Universe ); (ii) information provided by Broadridge on the Funds management fees and other expenses, and the fees and other expenses of comparable funds identified by Broadridge (the Broadridge Expense Group or Expense Group ) (based both on common share and leveraged assets combined (if applicable), and on common share assets alone); (iii) information regarding the investment performance and fees for other funds and accounts managed by the Investment Manager and/or the Sub-Adviser with strategies that have similarities (but none of which are substantially similar) to those of the Funds; (iv) an estimate of the profitability to the Investment Manager from its relationship with the Funds for the twelve months ended December 31, 2016; (v) descriptions of various functions performed by the Investment Manager and the Sub-Adviser for the Funds, such as portfolio management, compliance monitoring, portfolio trading practices and oversight of third party service providers; (vi) information regarding the overall organization and business functions of the Investment Manager and the Sub-Adviser, including, without limitation, information regarding senior management, portfolio managers and other personnel providing or proposed to provide investment management, administrative and other services, and corporate ownership and business operations unrelated to the Funds; (vii) fact cards for each Fund including, among other information, investment objective, total net assets, annual fund operating expenses, portfolio managers, performance based on net asset value and

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**Matters Relating to the Trustees Consideration of the Investment**

**Management & Portfolio Management Agreements (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund**  
**AllianzGI Equity & Convertible Income Fund**  
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

market value, related share price premium and/or discount information, performance (based on net asset value) relative to each Fund's Broadridge Performance Universe, total expense ratio and management fee comparisons between each Fund and its Broadridge Expense Group and trends in profitability to the Investment Manager of its advisory relationship with each Fund; and (viii) summaries assigning a quadrant placement to each Fund based on an average of certain measures of performance and fees/expenses versus its Broadridge peer group medians.

The Trustees' conclusions as to the approval of the Agreements were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, attributing different weights to various factors. The Trustees recognized that the fee arrangements for the Funds are the result of review and discussion in the prior years between the Independent Trustees and the Investment Manager, that certain aspects of such arrangements may receive greater scrutiny in some years than in others and that the Trustees' conclusions may be based, in part, on their consideration of these same arrangements during the course of the year and in prior years. The Trustees evaluated information available to them on a Fund-by-Fund basis, and their determinations were made separately in respect of each Fund. The Trustees also considered the risk profiles of the Funds.

**Performance Information**

Fund-specific performance results for the Funds reviewed by the Trustees are discussed below. The comparative performance information was prepared and provided by Broadridge and was not independently verified by the Trustees. Due to the passage of time, these performance results may differ from the performance results for more recent periods. The Trustees reviewed, among other information, comparative information showing performance of each Fund against its respective Broadridge Performance Universe (based on net asset value and market value) for the one-year, three-year, five-year and ten-year periods (to the extent each such Fund had been in existence), each ended March 31, 2017.

In addition, the Trustees considered matters bearing on the Funds and their advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting (either by the full Board and/or the Performance Committee of the Board).

As part of their review, the Trustees examined the ability of the Investment Manager and the Sub-Adviser to provide high-quality investment management and other services to the Funds. Among other information, the Trustees considered the investment philosophy and research and decision-making processes of the Investment Manager.



**Matters Relating to the Trustees Consideration of the Investment**

**Management & Portfolio Management Agreements (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund  
AllianzGI Equity & Convertible Income Fund  
AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

and the Sub-Adviser, as well as the Sub-Adviser's broker selection process and trading operations; the experience of key advisory personnel of the Investment Manager and the Sub-Adviser or their affiliates, as applicable, responsible for portfolio management of the Funds; the ability of the Investment Manager and the Sub-Adviser to attract and retain capable personnel; the background and capabilities of the senior management and staff of the Investment Manager and the Sub-Adviser; employee compensation; and the operational infrastructure, including technology and systems, of the Investment Manager and the Sub-Adviser. In addition, the Trustees reviewed the extent and quality of the Investment Manager's and the Sub-Adviser's services with respect to regulatory compliance and ability to comply with the investment policies of the Funds; the compliance programs and risk controls of the Investment Manager and the Sub-Adviser; the specific contractual obligations of the Investment Manager and the Sub-Adviser pursuant to the Agreements; the nature, extent and quality of certain administrative services the Investment Manager is responsible for providing to the Funds; the Investment Manager's risk management function; and conditions that might affect the ability of the Investment Manager or the Sub-Adviser to provide high quality services to the Funds in the future under the Agreements, including, but not limited to, each organization's respective financial condition and operational stability. Based on the foregoing, the Trustees concluded that the Investment Manager's and the Sub-Adviser's investment processes, research capabilities and philosophy were well-suited to the applicable Fund, given its respective investment objective and policies, that the Investment Manager and the Sub-Adviser would be able to continue to meet any reasonably foreseeable obligations under the Agreements, and that the Investment Manager and the Sub-Adviser would otherwise be able to provide services to the Funds of sufficient extent and quality.

**Fee and Expense Information**

In assessing the reasonableness of each Fund's fees under the Agreements, the Trustees considered, among other information, each Fund's management fee and its total expense ratio as a percentage of average net assets attributable to common shares and as a percentage of average managed assets (including assets attributable to common shares and leverage outstanding combined) and the management fee and total expense ratios of such Fund's Broadridge Expense Group. Specifically, the Trustees reviewed each Fund's ranking within its Broadridge Expense Group for total expense ratio (including any interest and borrowing expenses) based on common share assets and total expense ratio (including any interest and borrowing expenses) based on common share and leveraged assets combined, as applicable. Each Fund's ranking within its Broadridge Expense Group for both actual management fees based on common share assets and actual management fees based on common and leveraged assets combined were also considered, as applicable. The

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**Matters Relating to the Trustees Consideration of the Investment**

**Management & Portfolio Management Agreements (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund  
AllianzGI Equity & Convertible Income Fund  
AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

Fund-specific fee and expense results discussed below were prepared and provided by Broadridge and were not independently verified by the Trustees.

The Trustees specifically took note of how each Fund compared to its Broadridge peers as to performance, management fee and total expense ratio. The Trustees noted that while the Funds are not charged a separate administration fee (recognizing that their management fee includes a component for administrative services), it was not clear in all cases whether the peer funds in the Broadridge categories were separately charged such a fee by their investment managers, so that the total expense ratio (rather than any individual expense component) represented the most relevant comparison. It was noted that the total expense ratio comparisons reflect the effect of any expense waivers/reimbursements (although none exist for the Funds).

**Dividend, Interest & Premium Strategy**

The Trustees noted that the Broadridge Expense Group for the Fund consisted of a total of six closed-end funds, including the Fund. The Trustees also noted that average net assets of the common shares of the six funds in the Broadridge Expense Group ranged from \$255.6 million to \$1.64 billion, and that one fund in the group was larger in asset size than the Fund. The Trustees also noted that the Fund was ranked second out of six funds in the Expense Group for both total expense ratio based on common share assets and actual management fees based on common share assets (with the fund ranked first having the lowest fees/expenses and the fund ranked sixth having the highest fees/expenses in the Expense Group).

With respect to total return performance relative to its Broadridge Performance Universe (based on net asset value), the Trustees noted that the Fund had fourth quintile performance for the one-year period and fifth quintile performance for the three-, five- and ten-year periods, each ended March 31, 2017.

**Equity & Convertible Income**

The Trustees noted that the Broadridge Expense Group for the Fund consisted of a total of seven closed-end funds, including the Fund. The Trustees also noted that average net assets of the common shares of the seven funds in the Broadridge Expense Group ranged from \$231.8 million to \$839.6 million, and that two funds in the group were larger in asset size than the Fund. The Trustees also noted that the Fund was ranked third out of seven funds in the Expense Group for both total expense ratio based on common share assets and actual management fees based on common share assets (with the fund ranked first having the lowest fees/expenses and the fund ranked seventh having the highest

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fees/expenses in the Expense Group).

With respect to total return performance relative to its Broadridge Performance Universe (based on net asset value), the Trustees noted that the Fund was ranked fourth out of four funds for performance for the one-year period and first out of four funds for performance for the three-, five- and ten-year periods, each ended March 31, 2017.

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**Matters Relating to the Trustees Consideration of the Investment**

**Management & Portfolio Management Agreements (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund**  
**AllianzGI Equity & Convertible Income Fund**  
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

**Diversified Income & Convertible**

The Trustees noted that the Broadridge Expense Group for the Fund consisted of a total of nine closed-end funds, including the Fund. The Trustees also noted that average net assets of the common shares of the nine funds in the Broadridge Expense Group ranged from \$72.4 million to \$319.2 million, and that four funds in the group were larger in asset size than the Fund. The Trustees noted that the Fund was ranked ninth out of nine funds in the Expense Group for total expense ratio (including any interest and borrowing expenses) based on common share assets, ninth based on total expense ratio (including any interest and borrowing expenses) based on common share and leveraged assets combined, ninth in the Expense Group for actual management fees based on common share assets and seventh in the Expense Group for actual management fees based on common and leveraged assets combined (with the fund ranked first having the lowest fees/expenses and the fund ranked ninth having the highest fees/expenses in the Expense Group).

With respect to total return performance relative to its Broadridge Performance Universe (based on net asset value), the Trustees noted that the Fund had second quintile performance for the one-year period and first quintile performance for the period since inception on May 27, 2015, each ended March 31, 2017.

In addition to their review of Fund performance based on net asset value, the Trustees also considered the market value performance of each Fund's common shares and related share price premium and/or discount information based on the materials provided by Broadridge and the Investment Manager.

The Trustees were advised that the Investment Manager and the Sub-Adviser do not manage any funds or accounts, including institutional or separate accounts, with investment strategies and return profiles substantially similar to those of the Funds. However, the Trustees considered the management fees charged by the Investment Manager and/or the Sub-Adviser to other funds and accounts with strategies that have similarities (but none of which are substantially similar) to those of the Funds, including open-end funds and, in some cases, separate accounts, advised by the Investment Manager and/or the Sub-Adviser. The Trustees noted that the management fees paid by the Funds are generally higher than the fees paid by such separate account clients. However, the Trustees were advised that the Investment Manager and Sub-Adviser generally provide broader and more extensive services to the Funds in comparison to separate accounts, and incur additional expenses in connection with the more extensive regulatory regime to which the Funds are subject in comparison to separate accounts generally. The Trustees noted that the management fees paid by the Funds are generally higher than the fees paid by the open-end funds offered for comparison, but were advised by the Investment Manager that there are additional portfolio management

**Matters Relating to the Trustees Consideration of the Investment**

**Management & Portfolio Management Agreements (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund  
AllianzGI Equity & Convertible Income Fund  
AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

challenges in managing closed-end funds such as the Funds, including, but not limited to, those associated with less liquid holdings, the use of leverage, issues relating to trading on a national exchange and attempting to meet a regular dividend, that do not apply to the management of open-end funds.

The Trustees also took into account that ACV has preferred shares, senior notes or short-term loans outstanding to provide leverage, which increase the amount of management fees payable by ACV under the Agreement (because the Fund's fees are calculated based on average daily managed assets, including assets attributable to any outstanding borrowings, issued debt securities or preferred shares, reverse repurchase agreements and dollar rolls). The Trustees took into account that the Investment Manager has a financial incentive for ACV to continue to have preferred shares, senior notes or short-term loans and other borrowings outstanding, which may create a conflict of interest between ACV and the Investment Manager, on one hand, and ACV's common shareholders, on the other. In this regard, the Trustees considered information provided by the Investment Manager and related presentations as to why ACV's use of leverage continues to be appropriate and in the best interests of the Fund under current market conditions. The Trustees also considered the Investment Manager's representation that it will use leverage for the Fund solely as it determines to be in the best interests of the Fund from an investment perspective and without regard to the level of compensation the Investment Manager receives.

Based on a profitability analysis provided by the Investment Manager, the Trustees also considered the estimated profitability to the Investment Manager from its relationship with each Fund and determined that such profitability did not appear to be excessive.

The Trustees also considered the extent to which the Investment Manager and the Sub-Adviser may realize economies of scale or other efficiencies in managing and supporting the Funds. The Trustees took into account that, as a general matter, as closed-end investment companies, the assets of the Funds will grow (if at all) principally through the investment performance of each Fund or through the use of additional leverage. The Trustees considered that NFJ, NIE and ACV do not currently intend to raise additional assets, and the Trustees therefore did not consider potential economies of scale as a principal factor in assessing the fee rates payable under the Agreements. The Trustees considered that, as the assets of the Funds grow over time, certain economies of scale and other efficiencies may be realized through spreading certain fixed costs across a larger asset base.

Additionally, the Trustees considered so-called "fall-out benefits" potentially available to the Investment Manager and the Sub-Adviser as a result of their advisory arrangements with the Funds, including research, statistical and quotation services from broker-dealers executing the Funds portfolio transactions on an agency basis, and

**Matters Relating to the Trustees Consideration of the Investment**

**Management & Portfolio Management Agreements (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund**  
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**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

enhanced visibility for marketing and distribution of other products managed by the Investment Manager and the Sub-Adviser. The Trustees also took into account the entrepreneurial, legal, regulatory and business risks the Investment Manager has undertaken as investment manager and sponsor of the Funds.

After reviewing these and other factors described herein, the Trustees concluded, within the context of their overall conclusions regarding the Agreements, that they were satisfied with the Investment Manager's and the Sub-Adviser's responses and ongoing efforts relating to the investment performance of the Funds. The Trustees also concluded that the fees payable under each Agreement represent reasonable compensation in light of the nature, extent and quality of services provided by the Investment Manager or the Sub-Adviser, as the case may be, and should be continued. Based on their evaluation of factors that they deemed to be material, including, but not limited to, those factors described above, the Independent Trustees unanimously concluded that the continuation of the Agreements with respect to each Fund was in the interests of the Fund and its shareholders, and determined to recommend that the continuance of the Agreements be approved by the full Board.

**Privacy Policy (unaudited)**

**AllianzGI Diversified Income & Convertible Fund**  
**AllianzGI Equity & Convertible Income Fund**  
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

Please read this Policy carefully. It gives you important information about how Allianz Global Investors U.S. LLC and its U.S. affiliates ( AllianzGI U.S., we or us ) handle non-public personal information ( Personal Information ) that we may receive about you. It applies to all of our past, present and future clients and shareholders of AllianzGI U.S. and the funds and accounts it manages, advises, sub-advises, administers or distributes, and will continue to apply when you are no longer a client or shareholder. As used throughout this Policy, AllianzGI U.S. means Allianz Global Investors U.S. LLC, Allianz Global Investors Distributors LLC, NFJ Investment Group LLC and the family of registered and unregistered funds managed by one or more of these firms. AllianzGI U.S. is part of a global investment management group, and the privacy policies of other Allianz Global Investors entities outside of the United States may have provisions in their policies that differ from this Privacy Policy. Please refer to the website of the specific non-U.S. Allianz Global Investors entity for its policy on privacy.

**We Care about Your Privacy**

We consider your privacy to be a fundamental aspect of our relationship with you, and we strive to maintain the confidentiality, integrity and security of your Personal Information. To ensure your privacy, we have developed policies that are designed to protect your Personal Information while allowing your needs to be served.

**Information We May Collect**

In the course of providing you with products and services, we may obtain Personal Information about you, which may come from sources such as account application and other forms, from other written, electronic, or verbal communications, from account transactions, from a brokerage or financial advisory firm, financial advisor or consultant, and/or from information you provide on our website.

You are not required to supply any of the Personal Information that we may request. However, failure to do so may result in us being unable to open and maintain your account, or to provide services to you.

**How Your Information Is Shared**

We do not disclose your Personal Information to anyone for marketing purposes. We disclose your Personal Information only to those service providers, affiliated and non-affiliated, who need the information for everyday business purposes, such as to respond to your inquiries, to perform services, and/or to service and maintain your account. This applies to all of the categories of Personal Information we collect about you. The affiliated and non-affiliated service providers who receive your Personal Information also may use it to process your transactions, provide

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you with materials (including preparing and mailing prospectuses and shareholder reports and gathering shareholder proxies), and provide you with account statements and other materials relating to your account. These service providers provide services at our direction, and under their agreements with us, are required to keep your Personal Information confidential and to use it only for providing the contractually required services. Our service providers may not use your Personal Information to market products and services

**Privacy Policy (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund**  
**AllianzGI Equity & Convertible Income Fund**  
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

to you except in conformance with applicable laws and regulations. We also may provide your Personal Information to your respective brokerage or financial advisory firm, custodian, and/or to your financial advisor or consultant.

In addition, we reserve the right to disclose or report Personal Information to non-affiliated third parties, in limited circumstances, where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities or pursuant to other legal process, or to protect our rights or property, including to enforce our Privacy Policy or other agreements with you. Personal Information collected by us may also be transferred as part of a corporate sale, restructuring, bankruptcy, or other transfer of assets.

**Security of Your Information**

We maintain your Personal Information for as long as necessary for legitimate business purposes or otherwise as required by law. In maintaining this information, we have implemented appropriate procedures that are designed to restrict access to your Personal Information only to those who need to know that information in order to provide products and/or services to you. In addition, we have implemented physical, electronic and procedural safeguards to help protect your Personal Information.

**Privacy and the Internet**

The Personal Information that you provide through our website, as applicable, is handled in the same way as the Personal Information that you provide by any other means, as described above. This section of the Policy gives you additional information about the way in which Personal Information that is obtained online is handled.

• **Online Enrollment, Account Access and Transactions:** When you visit our website, you can visit pages that are open to the general public, or, where available, log into protected pages to enroll online, access information about your account, or conduct certain transactions. Access to the secure pages of our website is permitted only after you have created a User ID and Password. The User ID and Password must be supplied each time you want to access your account information online. This information serves to verify your identity. When you enter Personal Information into our website (including your Social Security Number or Taxpayer Identification Number and your password) to enroll or access your account online, you will log into secure pages. By using our website, you consent to this Privacy Policy and to the use of your Personal Information in accordance with the practices described in this Policy. If you provide Personal Information to effect transactions on our website, a record of the transactions you have performed while on

the site is retained by us. For additional terms and conditions governing your use of our website, please refer to the Investor Mutual Fund Access Disclaimer which is incorporated herein by reference and is available on our website.

• **Cookies and Similar Technologies:** Cookies are small text files stored in your computer's hard drive when you visit certain web pages. Cookies and similar technologies help us to provide customized services and information.

**Privacy Policy (unaudited) (continued)**

**AllianzGI Diversified Income & Convertible Fund**  
**AllianzGI Equity & Convertible Income Fund**  
**AllianzGI NFJ Dividend, Interest & Premium Strategy Fund**

We use these technologies on our website to improve our website and services, including to evaluate the effectiveness of our site, and to enhance the site user experience. Because an industry-standard Do-Not-Track protocol is not yet established, our website will continue to operate as described in this Privacy Policy and will not be affected by any Do-Not-Track signals from any browser.

**Changes to Our Privacy Policy**

We may modify this Privacy Policy from time-to-time to reflect changes in related practices and procedures, or applicable laws and regulations. If we make changes, we will notify you on our website and the revised Policy will become effective immediately upon posting to our website. We also will provide account owners with a copy of our Privacy Policy annually. We encourage you to visit our website periodically to remain up to date on our Privacy Policy. You acknowledge that by using our website after we have posted changes to this Privacy Policy, you are agreeing to the terms of the Privacy Policy as modified.

**Obtaining Additional Information**

If you have any questions about this Privacy Policy or our privacy related practices in the United States, you may contact us via our dedicated email at [PrivacyUS@allianzgi.com](mailto:PrivacyUS@allianzgi.com).

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**Trustees**

Davey S. Scoon  
*Chairman of the Board of Trustees*

Barbara R. Claussen

Deborah A. DeCotis

F. Ford Drummond

A. Douglas Eu

Bradford K. Gallagher

James A. Jacobson

Hans W. Kertess

James S. MacLeod

William B. Ogden, IV

Alan Rappaport

**Fund Officers**

Thomas J. Fuccillo  
*President and Chief Executive Officer*

Lawrence G. Altadonna  
*Treasurer, Principal Financial & Accounting Officer*

Angela Borreggine  
*Chief Legal Officer & Secretary*

Thomas L. Harter, CFA  
*Chief Compliance Officer*

Scott Whisten  
*Assistant Treasurer*

Orhan Dzemaili  
*Assistant Treasurer*

Richard J. Cochran  
*Assistant Treasurer*

Debra Rubano  
*Assistant Secretary*

**Investment Manager**

Allianz Global Investors U.S. LLC  
1633 Broadway  
New York, NY 10019

**Sub-Adviser\***

*AllianzGI NFJ Dividend, Interest & Premium Strategy Fund*

NFJ Investment Group LLC  
2100 Ross Avenue, Suite 700  
Dallas, TX 75201

**Custodian & Accounting Agent**

State Street Bank & Trust Co.  
801 Pennsylvania Avenue  
Kansas City, MO 64105

**Transfer Agent, Dividend Paying Agent and Registrar**

American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219

**Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP  
300 Madison Avenue  
New York, NY 10017

**Legal Counsel**

Ropes & Gray LLP  
Prudential Tower  
800 Boylston Street  
Boston, MA 02199

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*\* On July 1, 2017, NFJ merged with and into AllianzGI U.S. Following the merger, AllianzGI U.S. assumed all responsibilities to the Fund which had been previously delegated to NFJ.*

*This report, including the financial information herein, is transmitted to the shareholders of AllianzGI Diversified Income & Convertible Fund, AllianzGI Equity & Convertible Income Fund and AllianzGI NFJ Dividend, Interest & Premium Strategy Fund, for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Funds or any securities mentioned in this report.*

*The financial information included herein is taken from the records of the Funds without examination by an independent registered public accounting firm, who did not express an opinion herein.*

*Notice is hereby given in accordance with Section 23(c) of the investment Company Act of 1940, as amended, that from time to time the Funds may purchase shares of their stock in the open market.*

*The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission ( SEC ) for the first and third quarters of their fiscal year on Form N-Q. Each Fund s Form N-Q is available on the SEC s website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the SEC s Public Reference Room in Washington D.C. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information on Form N-Q is also available on the Funds website at [us.allianzgi.com/closedendfunds](http://us.allianzgi.com/closedendfunds).*

*Information on the Funds is available at [us.allianzgi.com/closedendfunds](http://us.allianzgi.com/closedendfunds) or by calling the Funds shareholder servicing agent at (800) 254-5197.*

**Receive this report electronically and eliminate paper mailings.**

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To enroll, go to [us.allianzgi.com/edelivery](https://us.allianzgi.com/edelivery).

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Allianz Global Investors Distributors LLC

AZ601SA\_073117

ITEM 2. CODE OF ETHICS

Not required in this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not required in this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not required in this filing

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT

Not required in this filing

ITEM 6. SCHEDULE OF INVESTMENTS

(a) The registrant's Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form.

(b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing

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ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES

None

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Trustees since the Fund last provided disclosure in response to this item.

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ITEM 11. CONTROLS AND PROCEDURES

(a) The registrant's President and Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS

(a) (1) Not required in this filing.

(a) (2) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

(a) (3) Not Applicable

(b) Exhibit 99.906 Cert. Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AllianzGI Equity & Convertible Income Fund

By: /s/ Thomas J. Fuccillo  
Thomas J. Fuccillo  
  
President & Chief Executive Officer

Date: October 3, 2017

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

Date: October 3, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Thomas J. Fuccillo  
Thomas J. Fuccillo  
  
President and Chief Executive Officer

Date: October 3, 2017

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

Date: October 3, 2017

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