

AllianzGI Equity & Convertible Income Fund  
Form N-CSR  
April 06, 2018

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: January 31, 2018

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ITEM 1. REPORT TO SHAREHOLDERS





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**Letter from the President**

Dear Shareholder:

The US economy continued to expand during the twelve-month fiscal reporting period ended January 31, 2018. This trend also occurred outside the US, and global inflation remained well-contained. Against this backdrop, US and international equities generated very strong results. Elsewhere, the US bond market posted a positive return during the reporting period.

**For the twelve-month reporting period ended January 31, 2018**

• AllianzGI Diversified Income & Convertible Fund returned 21.03% on net asset value ( NAV ) and 26.13% on market price.

**Thomas J. Fuccillo**

• AllianzGI Equity & Convertible Income Fund returned 21.81% on NAV and 24.96% on market price.

*President & Chief  
Executive Officer*

• AllianzGI NFJ Dividend, Interest & Premium Strategy Fund returned 12.45% on NAV and 12.92% on market price.

During the twelve-month period ended January 31, 2018, the Russell 3000 Index, a broad measure of US stock market performance, gained 25.15%; the Russell 1000 Value Index, a measure of large-cap value-style stocks, rose 17.20%; and the Russell 1000 Growth Index, a measure of growth style stocks, gained 34.89%. Convertible securities, as reflected by the ICE BofA Merrill Lynch All Convertibles All Qualities Index, returned 14.18%.

Turning to the US economy, gross domestic product ( GDP ), the value of goods and services produced in the country, which is the broadest measure of economic activity and the principal indicator of economic performance, expanded at an annual pace of 1.4% during the first quarter of 2017. GDP growth then improved to an annualized pace of 3.1% and 3.2% during the second and third quarters of 2017, respectively. Finally, the Commerce Department's second estimate released after the reporting period had ended showed that GDP grew at an annualized pace of 2.5% for the fourth quarter of 2017.

The US Federal Reserve (the Fed ) raised interest rates three times during the reporting period: in March, June and December 2017. With the rate hike in December, the federal funds rate moved to a range between 1.25% and 1.50%. Meanwhile, in October 2017 the Fed started to gradually reduce its balance sheet a process that will likely take several years. The Fed's actions during the fiscal year were well telegraphed and there were minimal market disruptions.



**Outlook**

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

Since the depths of the global financial crisis, central banks have supported financial markets and the economies they serve through expansionary monetary policies, increasing their balance sheets to previously unheard-of sizes. In our opinion, the strong growth in corporate profits and diminishing fears of deflation show that this approach has worked, and central banks will be careful not to stifle current gains.

**To enroll, visit:**  
[us.allianzgi.com/edelivery](http://us.allianzgi.com/edelivery).

So, while we anticipate the scale of central bank support will diminish in 2018 led by the Fed we expect the overall shift to be slow and the precise actions to vary from one central bank to the next. In our view, interest rates will stay low overall in 2018. Consequently, we believe investors should continue to keep a careful eye on inflation, particularly because official data appear to understate rises in real-world costs. In addition to macroeconomic considerations, we feel several dominant investment themes, including geopolitical risk and business disruption, will persist in 2018.

Following muted conditions for much of last year, we have seen increased market volatility during the first quarter of 2018. This does not appear to be driven by a change in underlying market fundamentals, but rather driven by concerns that improving economic growth may trigger an uptick in inflation and more aggressive monetary policy tightening by the Fed.

Against this backdrop, we will continue to use our fundamental research and insights and our strong global network to help our clients balance risk and reward. Where appropriate, we will also seek to capitalize on volatility spikes and prepare to trim exposure to risky assets if cyclical data start to lose momentum.

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.

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

January 31, 2018 (unaudited)

### AllianzGI Diversified Income & Convertible Fund

For the period of February 1, 2017 through January 31, 2018, as provided by Doug Forsyth, CFA, Portfolio Manager.

For the twelve-month period ended January 31, 2018, the AllianzGI Diversified Income & Convertible Fund (the Fund) returned 21.03% on net asset value (NAV) and 26.13% on market price.

During the reporting period, the Russell 1000 Growth Index, a measure of growth style stocks, advanced 34.89%; convertible securities, as reflected by the ICE BofA Merrill Lynch All Convertibles All Quality Index, returned 14.18%; and high yield bonds, as reflected by the ICE BofA Merrill Lynch High Yield Master II Index, returned 6.74%.

## Market Environment

Several factors influenced large-cap equities, convertible securities and high-yield bonds throughout the reporting period, including constructive economic trends, corporate fundamentals, the US Federal Reserve's (the Fed) actions and commentary, tax reform and rising commodity prices.

Strong US economic trends supported the market over the reporting period. Higher housing prices helped push household wealth higher. Key manufacturing and service surveys signaled ongoing expansion. Stronger consumer spending and steady job gains supported gross domestic product (GDP) growth. Headline inflation eased in December but core inflation rose.

Credit trends showed sustained improvement during the reporting period as most high-yield bond and convertible bond issuers reported financial results that met or exceeded expectations. In particular, net leverage and interest coverage for the high-yield market were better quarter-over-quarter. Large-cap equities reported consecutive quarters of year-over-year earnings growth.

The Fed increased its benchmark interest rate three times in 2017, ending the year at a range of 1.25% to 1.50%. The Fed also began to trim its balance sheet holdings, which started with a \$10 billion reduction in October.

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All three markets also benefited from optimism tied to tax reform progress and the resulting expectation of greater corporate profitability. The Tax Cuts and Jobs Act included several positive elements such as a reduction in the corporate tax rate and the immediate expensing of capital expenditures. On balance, the prospect of US companies capturing tax savings lifted investor sentiment.

Crude oil prices rose and ended the reporting period at levels not seen since 2014 benefitting energy- and commodity-related issuers.

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## Fund Insights

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

January 31, 2018 (unaudited) (continued)

The trend of subdued volatility continued to persist throughout the 2017 calendar year. The Chicago Board Options Exchange Volatility Index ( CBOE VIX ) averaged 11.10 for the calendar year. During the reporting period, the CBOE VIX hit long-term lows multiple times and troughed intra-day with a sub-9 reading near the Christmas holiday.

## Portfolio Specifics

The Fund was a natural beneficiary of the increased risk appetite across three key asset classes: equities, convertible bonds and high yield bonds. In addition to providing a strong total return, the Fund also provided a high level of income over the reporting period.

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

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

In the high yield sleeve, industries that aided relative performance were health care, retail, and financial services. In contrast, energy, telecommunications, and support-services hampered relative performance.

For the covered call strategy, many option positions expired below strike and the portfolio was able to retain the set premiums. The number of equities with a covered call structure remained low given the subdued equity volatility backdrop and resulting opportunity set.

## Outlook

At fiscal year end, US stock markets were trading near all-time highs and interest rates were above their prior lows on an improving economic outlook. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

We believe the US economy will expand at a moderate pace in 2018 given favorable economic indicators exiting 2017. Corporate profits have accelerated and based on bottom-up estimates, we believe earnings are poised to trend higher throughout 2018.

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In addition, US monetary policy continues to be modestly accommodative with the Fed and new Chair Jerome Powell expected to take a gradual approach toward policy adjustments.

### **AllianzGI Equity & Convertible Income Fund**

For the period of February 1, 2017 through January 31, 2018, as provided by Doug Forsyth, CFA, Portfolio Manager.

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## Fund Insights

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

January 31, 2018 (unaudited) (continued)

For the twelve-month period ended January 31, 2018, the AllianzGI Equity & Convertible Income Fund (the Fund) returned 21.81% on net asset value (NAV) and 24.96% on market price.

During the reporting period, the Russell 1000 Growth Index, a measure of growth style stocks, advanced 34.89%; and convertible securities, as reflected by the ICE BofA Merrill Lynch All Convertibles All Qualities Index, returned 14.18%.

## Market Environment

Several factors influenced equities and convertible bonds throughout the reporting period, including constructive economic trends, corporate fundamentals, the US Federal Reserve's (the Fed) actions and commentary, tax reform and rising commodity prices.

Strong US economic trends supported the market over the reporting period. Higher housing prices helped push household wealth higher. Key manufacturing and service surveys signaled ongoing expansion. Stronger consumer spending and steady job gains supported gross domestic product (GDP) growth. Headline inflation eased in December but core inflation rose.

Credit trends showed sustained improvement during the reporting period as most convertible bond issuers reported financial results that met or exceeded expectations. Large-cap equities reported consecutive quarters of year-over-year earnings growth.

The Fed increased its benchmark interest rate three times in 2017, ending the year at a range of 1.25% to 1.50%. The Fed also began to trim its balance sheet holdings, which started with a \$10 billion reduction in October.

The convertible and equity markets also benefited from optimism tied to tax reform progress and the resulting expectation of greater corporate profitability. The Tax Cuts and Jobs Act included several positive elements such as a reduction in the corporate tax rate and the immediate expensing of capital expenditures. On balance, the prospect of US companies capturing tax savings lifted investor sentiment.

Crude oil prices rose and ended the reporting period at levels not seen since 2014, benefitting energy- and commodity-related issuers.

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The trend of subdued volatility continued to persist throughout the 2017 calendar year. The Chicago Board Options Exchange Volatility Index ( CBOE VIX ) averaged 11.10 for the calendar year. During the reporting period, the CBOE VIX hit long-term lows multiple times and troughed intra-day with a sub-9 reading near the Christmas holiday.

### **Portfolio Specifics**

The Fund was a natural beneficiary of the increased risk appetite across two key asset classes: equities and convertible bonds. In addition to providing a strong total return, the

**Fund Insights**

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

January 31, 2018 (unaudited) (continued)

Fund also provided a high level of income over the reporting period.

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

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

For the covered call strategy, many option positions expired below strike and the portfolio was able to retain the set premiums. The number of equities with a covered call structure remained low given the subdued equity volatility backdrop and resulting opportunity set.

**Outlook**

At fiscal year end, US stock markets were trading near all-time highs and interest rates were above their prior lows on an improving economic outlook. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

We believe the US economy will expand at a moderate pace in 2018 given favorable economic indicators exiting 2017. Corporate profits have accelerated and based on bottom-up estimates, earnings are poised to trend higher throughout 2018.

In addition, US monetary policy continues to be modestly accommodative with the Fed and new Chair Jerome Powell expected to take a gradual approach toward policy adjustments.

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

For the period of February 1, 2017 through January 31, 2018, as provided by the Value Equity, US team.

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

For the twelve-month period ended January 31, 2018, the AllianzGI NFJ Dividend, Interest & Premium Strategy Fund (the Fund ) returned 12.45% on net asset value ( NAV ) and 12.92% on market price.

During the reporting period, the Russell 1000 Value Index, a measure of large-cap value style stocks, advanced 17.20%; and convertible securities, as reflected by the ICE BofA Merrill Lynch All Convertibles All Qualities Index, returned 14.18%.

### **Market Environment**

The twelve-month period ended January 31, 2018 was a robust period for US equities, with major indices touching a series of fresh peaks and the S&P 500 Index up more than 26%. Share prices were buoyed by better-than-expected company earnings, renewed

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## Fund Insights

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

January 31, 2018 (unaudited) (continued)

merger and acquisition activity, and optimism over the prospects for tax reform. In December, the Senate finally approved plans for \$1.5 trillion of tax cuts, the most sweeping overhaul of the US tax system in more than three decades. Despite the temporary shocks caused by hurricanes Harvey and Irma in late August and early September, US economic activity was robust. After annualized growth of 1.4% in the first quarter, US gross domestic product ( GDP ) expanded at annualized rates of 3.1% in the second quarter, 3.2% in the third quarter, and 2.5% in the fourth quarter. This placed the economy on track to expand at the fastest pace in 2017 than at any time since 2005. The momentum appeared to be continuing into the final quarter of the year, with more than 200,000 jobs added in each of October and November. The reporting period ended with a temporary government shutdown and rising bond yields, though better-than-expected corporate earnings and optimism that tax reform would further uplift US company profits helped US equities overcome these hurdles.

The US Federal Reserve (the Fed ) continued to gradually normalize monetary policy, announcing it would start to reduce the \$4.5 trillion of Treasury bonds and mortgage-backed securities it amassed through its quantitative easing programs. As widely expected, the Fed raised interest rates three times, in March, June and December, increasing the federal funds interest rate to a range of 1.25% to 1.50%. It also maintained its forecasts for three further increases in 2018 followed by two in 2019. Jerome Powell assumed office as the Chair of the Fed in February 2018. Mr. Powell is expected to continue with the current policy of slowly normalizing rates.

## Portfolio Specifics

In the equity sleeve, positive stock selection and sector allocation, albeit to a lesser degree, generated positive absolute and relative returns over the trailing twelve-month period. Selection was strong across the consumer staples, health care and industrials sectors, while holdings in the energy, financials and information technology sectors failed to keep pace with benchmark shares. Underweight exposures in real estate and financials boosted relative performance results over the reporting period. Conversely, overweight positions in the energy and telecommunication services sectors detracted from trailing twelve-month returns.

In the convertibles sleeve, sector allocations that helped relative performance during the period were materials, consumer discretionary, and consumer staples. In contrast, health care, information technology, and telecommunication sector exposure weighed on relative returns.

In the equity options sleeve, retaining call premiums proved difficult during the twelve-month period. The period was notable for US

## Fund Insights

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

January 31, 2018 (unaudited) (continued)

equities, with major indices touching a series of fresh peaks and the S&P 500 Index delivering a return of approximately 26.4%. That momentum carried into the new year as better-than-expected company earnings, renewed merger and acquisition activity, and optimism over the prospects for tax reform continued. Levels of implied volatility, as measured by the Chicago Board Options Exchange Volatility Index (CBOE VIX), averaged just over 11.1 with a high of 17.3 during a brief stint in August. Overall, the 200 day moving average trended lower throughout the period, adversely affecting ability to collect premiums. The overall strong performance in equities resulted in our options positions expiring in-the-money, requiring cash assignments in excess of the premium collected or short covering in excess of premiums collected. The options portfolio as of January 31, 2018 consisted of single stock covered calls that are diversified by sector, strike and maturity.

## Outlook

Last year marked another robust return period for US equities, with markets reaching all-time highs in 10 of 12 months in 2017. Much of these gains were sustained by remarkably low volatility across risk assets. Now in the midst of a nine-year bull market – the second longest in S&P 500 history – US investors have become sufficiently confident to place a large overweight on equities. At the end of December, stocks accounted for 72% of the average US retail investor's holding – the most since April 2000. What do the equity markets have in store for investors?

With the Fed removing liquidity from the system, some global central banks beginning their tightening cycles (*e.g.* Bank of England, European Central Bank, and Bank of China), and tax reform now a reality, we believe that volatility may be on the horizon equity markets. Though the CBOE VIX ended the year at 11, its long term average is close to double that at 20.5. With interest rates beginning to move upward, investors may find themselves looking beyond equities to access sufficient portfolio returns. Increased volatility typically ushers in lower correlations and higher dispersions in risk assets, and active managers will be important resources to help investors sift through market winners and losers.

With the Fed on a normalization trajectory in 2018, it is also important to keep in mind that 10 of the last 13 Fed cycles post-World War II have ended in recession. Though history may not repeat itself, it often rhymes; and while untampered optimism could lead to overreach, supportive dynamics for market strength remain. From synchronized global growth to US tax reform to continued monetary accommodation and favorable domestic demographics, US equities could climb higher in 2018. After almost a decade in a seemingly complacent bull market, are investors and their portfolios prepared to weather increased volatility?

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## Fund Insights

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

January 31, 2018 (unaudited) (continued)

Effective October 10, 2017, Dividend, Interest & Premium Strategy rescinded its non-fundamental policy regarding written call options on equity indices and adopted a new non-fundamental policy of writing (selling) covered call options on individual stocks held in the Fund's Equity Component. The newly adopted non-fundamental policy of the Fund with respect to writing call options is set forth below:

The Fund normally employs a strategy of writing (selling) covered call options on the stocks held in the Fund's Equity Component (the Option Strategy). It is expected that the Fund ordinarily will write call options on some or all of the individual stocks held in the Equity Component, depending on market conditions and other factors, and with respect to generally 70% or less of the value of each position. As the Fund writes covered call options over more of its equity portfolio, its ability to benefit from capital appreciation of its common stock holdings in the Equity Component becomes more limited. The extent of the Fund's use of the Option Strategy may vary from time to time, depending on market conditions and other factors. The Option Strategy is designed to generate gains from option premiums in an attempt to enhance amounts available for distributions payable to the Fund's shareholders. However, there is no assurance that the Option Strategy will achieve its objective.

Call options on individual securities are contracts representing the right to purchase the underlying equity security at a specified price (the strike price) at or before a specified future date (the expiration date). The price of the option is determined by trading activity in the broad options market and generally reflects the relationship between factors including the current value of the underlying equity security and the strike price, the volatility of the underlying equity security and the time remaining until the expiration date. As the writer (seller) of a call option, the Fund would receive cash (the premium) from the purchaser of the option, and the purchaser would have the right to receive from the Fund either the underlying security or any appreciation in the value of the underlying security above the strike price upon exercise. In effect, the Fund would forgo the potential appreciation in the underlying security above the strike price in exchange for the premium, although it would retain the risk of loss should the price of the underlying security decline. Therefore, the Fund's use of the Option Strategy will generally limit the Fund's ability to benefit from the full upside potential of its Equity Component.

As part of the Option Strategy, the Fund will generally write call options with a strike price that is above (out-of-the-money) the market value of the underlying security at the time the option is written. In addition to providing possible gains through premiums,

## Fund Insights

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

January 31, 2018 (unaudited) (continued)

out-of-the-money call options allow the Fund to potentially benefit from appreciation in the underlying security held by the Fund up to the strike price, but the Fund forgoes any appreciation above the strike price. The Fund also reserves the flexibility to write at-the-money (*i.e.*, with a strike price equal to the market value of the underlying security) and in-the-money call options (*i.e.*, with a strike price below the market value of the underlying security). The Fund will typically only write call options on individual securities if those options are covered. The Fund's written call options on individual securities will ordinarily be covered by the Fund holding the underlying security in its portfolio throughout the term of the option. The Fund will generally not write options with respect to individual equity securities (other than ETFs, as described below) that are not held in the Fund's portfolio (*i.e.*, naked options). The Fund may also write call options on equity indexes and ETFs. The Fund will normally cover any options on equity indexes and ETFs either by segregating liquid assets in an amount equal to its net obligations under the contract or by entering into offsetting positions.

The Fund generally will write listed call options that are originated and standardized by the Options Clearing Corporation and trade on a major exchange, although it also may write unlisted (or over-the-counter) call options and so-called flex options (options that are traded on an exchange, but with customized strike prices and expiration dates). The Fund's Option Strategy could cause the Fund to recognize larger amounts of net short-term capital gains, which are taxable at the higher ordinary income tax rates when distributed to shareholders, than it otherwise would in the absence of such strategy. The Fund's Option Strategy also could terminate or suspend the Fund's holding period in the underlying securities, and, as a result, any dividends received by the Fund on those securities may not qualify for treatment as qualified dividend income (which generally is taxable to individual shareholders at the lower rates applicable to long-term capital gain).

Certain risks associated with the Dividend, Interest & Premium Strategy's new policy are set for the below:

The ability of the Fund to achieve current gains to support Fund dividends is partially dependent on the successful implementation of its Option Strategy. There are several risks associated with transactions in options 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. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or

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## Fund Insights

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

January 31, 2018 (unaudited) (continued)

unexpected events. The Fund's 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, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the 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. In other words, as the Fund writes covered calls over more of its Equity Component, the Fund's ability to benefit from capital appreciation of its common stock holdings becomes more limited.

Effective January 22, 2018, Diversified Income & Convertible revised its non-fundamental policy regarding written call options. Under the preexisting policy, covered call options were to be written on approximately 30% to 80% of the Fund's common stocks, while the revised policy contemplates options written on up to 80% of the Fund's common stocks. Certain additional changes were also implemented. The newly adopted non-fundamental policy of the Fund with respect to writing call options is set forth below:

The Fund expects to normally employ a strategy of writing (selling) covered call options on the stocks held in its portfolio (the Option Strategy). The Fund will ordinarily write call options on the individual stocks held in its portfolio, and with respect to up to approximately 70% of the value of each position. The Fund will normally write covered call options on up to 80% of the Fund's common stocks, with the percentage varying from time to time, depending on market conditions and other factors. The Fund's use of the Option Strategy may vary from time to time, depending on market conditions and other factors, and the Fund may determine not to employ the Option Strategy at all during certain periods.

We believe our dividend and value-oriented equity portfolios have the potential to provide additional protection when investing in equities. Our dividend focus, for example, positions our portfolios with an inherent advantage relative to the benchmark, as dividends provide a tangible return and more predictable current income. Historical studies also suggest that dividend-paying stocks have exhibited less volatility than non-dividend paying securities. As US equity markets continue their meteoric rise, our team continues to identify investment opportunities with compelling valuations and stable earnings growth. Though we cannot predict when today's bull market will run its course, we can design portfolios that seek attractive valuations that we believe will participate on the upside and aim to protect on the downside for our investors.

**Performance & Statistics**

**AllianzGI Diversified Income & Convertible Fund**

January 31, 2018 (unaudited)

<b>Total Return(1)</b>	<b>Market Price</b>	<b>NAV</b>
1 Year	26.13%	21.03%
Commencement of Operations (5/27/15) to 1/31/18	5.97%	9.47%

**Market Price/NAV Performance**

Commencement of Operations (5/27/15) to 1/31/18

NAV

Market Price

**Market Price/NAV**

Market Price

NAV(2)

Discount to NAV

Market Price Yield(3)

Leverage Ratio(4)

\$22.40

\$23.88

-6.20%

8.95%

29.97%

**Investment Allocation**

(as a % of total investments, before call options written)

(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 any expense reductions, if any. Total return for a period of more than one year represents the average annual total return.

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

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traded in the open market through a stock exchange. NAV is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) 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 February 1, 2018) monthly dividend per common share (comprised of net investment income and net capital gains, if any) by the market price per common share at January 31, 2018.

(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).

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**Performance & Statistics**

**AllianzGI Equity & Convertible Income Fund**

January 31, 2018 (unaudited)

<b>Total Return(1)</b>	<b>Market Price</b>	<b>NAV</b>
1 Year	24.96%	21.81%
5 Year	12.38%	11.16%
10 Year	8.19%	7.79%
Commencement of Operations (2/27/07) to 1/31/18	6.90%	7.58%

**Market Price/NAV Performance**

Commencement of Operations (2/27/07) to 1/31/18

NAV

Market Price

**Market Price/NAV**

Market Price

NAV(2)

Discount to NAV

Market Price Yield(3)

\$22.08

\$24.51

-9.91%

6.88%

**Investment Allocation**

(as a % of total investments, before call options written)

(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 any expense reductions, if any. Total return for a period of more than one year represents the average annual total return.

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

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

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 January 31, 2018.

**Performance & Statistics**

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

January 31, 2018 (unaudited)

<b>Total Return(1)</b>	<b>Market Price</b>	<b>NAV</b>
1 Year	12.92%	12.45%
5 Year	5.96%	6.26%
10 Year	3.81%	4.12%
Commencement of Operations (2/28/05) to 1/31/18	4.34%	5.12%

**Market Price/NAV Performance**

Commencement of Operations (2/28/05) to 1/31/18

NAV

Market Price

**Market Price/NAV**

Market Price

NAV(2)

Discount to NAV

Market Price Yield(3)

\$13.52

\$15.32

-11.75%

0.55%

**Investment Allocation**

(as a % of total investments, before call options written)

(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 any expense reductions, if any. Total return for a period of more than one year represents the average annual total return.

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

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

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 January 31, 2018.

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## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018

Principal Amount (000s)		Value
<b>Convertible Bonds &amp; Notes</b>	<b>63.8%</b>	
	<b>Aerospace &amp; Defense 0.4%</b>	
\$740	Aerojet Rocketdyne Holdings, Inc., 2.25%, 12/15/23	\$931,924
	<b>Auto Components 1.4%</b>	
2,000	Horizon Global Corp., 2.75%, 7/1/22	1,650,910
1,670	Meritor, Inc., 3.25%, 10/15/37 (a)(b)	1,850,649
		3,501,559
	<b>Auto Manufacturers 1.8%</b>	
1,040	Navistar International Corp., 4.75%, 4/15/19	1,132,412
	Tesla, Inc.,	
1,920	0.25%, 3/1/19 (g)	2,135,388
920	2.375%, 3/15/22	1,155,654
		4,423,454
	<b>Biotechnology 4.8%</b>	
	BioMarin Pharmaceutical, Inc. (g),	
1,630	0.599%, 8/1/24	1,610,952
585	1.50%, 10/15/20	686,788
825	Dermira, Inc., 3.00%, 5/15/22 (a)(b)	938,815
2,135	Exact Sciences Corp., 1.00%, 1/15/25	2,087,996
1,800	Illumina, Inc., 0.50%, 6/15/21 (g)	2,181,902
1,285	Inmed, Inc., 1.75%, 1/15/25	1,231,730
1,270	Ionis Pharmaceuticals, Inc., 1.00%, 11/15/21 (g)	1,359,414
650	Ligand Pharmaceuticals, Inc., 0.75%, 8/15/19 (g)	1,360,648
325	Novavax, Inc., 3.75%, 2/1/23 (a)(g)	219,375
		11,677,620
	<b>Building Materials 0.4%</b>	
990	Patrick Industries, Inc., 1.00%, 2/1/23 (a)(b)	1,019,019
	<b>Commercial Services 1.8%</b>	
690	Euronet Worldwide, Inc., 1.50%, 10/1/44 (g)	915,382
595	LendingTree, Inc., 0.625%, 6/1/22 (a)(b)	1,096,805
905	Live Nation Entertainment, Inc., 2.50%, 5/15/19 (g)	1,219,743
590	Square, Inc., 0.375%, 3/1/22 (a)(b)(g)	1,239,460
		4,471,390
	<b>Computers 1.0%</b>	
505	Lumentum Holdings, Inc., 0.25%, 3/15/24 (a)(b)	541,663
1,875	Nutanix, Inc., zero coupon, 1/15/23 (a)(b)	1,833,356
		2,375,019
	<b>Diversified Financial Services 0.9%</b>	
1,435	Encore Capital Group, Inc., 3.25%, 3/15/22 (a)(b)(g)	1,589,026
675	PRA Group, Inc., 3.00%, 8/1/20 (g)	651,222
		2,240,248
	<b>Electrical Equipment 0.7%</b>	
	SunPower Corp. (g),	
1,115	0.875%, 6/1/21	844,613
1,035	4.00%, 1/15/23	861,133
		1,705,746



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Principal Amount (000s)		Value
	<b>Electronics 1.0%</b>	
\$965	II-VI, Inc., 0.25%, 9/1/22 (a)(b)(g)	\$1,091,282
1,450	OSI Systems, Inc., 1.25%, 9/1/22 (a)(b)	1,341,453
		2,432,735
	<b>Energy-Alternate Sources 1.1%</b>	
1,910	NextEra Energy Partners L.P., 1.50%, 9/15/20 (a)(b)	1,925,750
750	Pattern Energy Group, Inc., 4.00%, 7/15/20	753,694
3,615	SunEdison, Inc., 3.375%, 6/1/25 (d)(f)	81,337
		2,760,781
	<b>Engineering &amp; Construction 0.7%</b>	
1,315	Dycom Industries, Inc., 0.75%, 9/15/21 (g)	1,752,548
	<b>Equity Real Estate Investment Trusts (REITs) 0.5%</b>	
1,025	Extra Space Storage L.P., 3.125%, 10/1/35 (a)(b)(g)	1,107,616
	<b>Healthcare-Products 2.3%</b>	
905	Hologic, Inc., 2.00%, 3/1/42 (g)	1,235,292
1,590	Insulet Corp., 1.375%, 11/15/24 (a)(b)(g)	1,688,324
1,125	Quidel Corp., 3.25%, 12/15/20	1,778,086
800	Wright Medical Group, Inc., 2.00%, 2/15/20	831,000
		5,532,702
	<b>Healthcare-Services 2.3%</b>	
730	Anthem, Inc., 2.75%, 10/15/42 (g)	2,485,985
700	Molina Healthcare, Inc., 1.125%, 1/15/20	1,577,566
1,440	Teladoc, Inc., 3.00%, 12/15/22 (a)(b)	1,671,948
		5,735,499
	<b>Home Builders 0.3%</b>	
660	KB Home, 1.375%, 2/1/19	803,991
	<b>Insurance 0.5%</b>	
1,510	AmTrust Financial Services, Inc., 2.75%, 12/15/44 (g)	1,329,460
	<b>Internet 5.8%</b>	
1,360	Altaba, Inc., zero coupon, 12/1/18 (g)	2,050,404
1,730	IAC FinanceCo., Inc., 0.875%, 10/1/22 (a)(b)(g)	1,981,220
1,220	Palo Alto Networks, Inc., zero coupon, 7/1/19 (g)	1,788,001
1,310	Pandora Media, Inc., 1.75%, 12/1/20 (g)	1,161,314
1,325	Priceline Group, Inc., 0.90%, 9/15/21	1,592,486
600	VeriSign, Inc., 4.702%, 8/15/37 (g)	2,013,643
1,190	Wayfair, Inc., 0.375%, 9/1/22 (a)(b)	1,323,280
910	Weibo Corp., 1.25%, 11/15/22 (a)(b)	1,100,382
1,055	Zillow Group, Inc., 2.00%, 12/1/21	1,189,558
		14,200,288
	<b>Iron/Steel 0.5%</b>	
570	Allegheny Technologies, Inc., 4.75%, 7/1/22 (g)	1,159,972
160	Cleveland-Cliffs, Inc., 1.50%, 1/15/25 (g)	172,253
		1,332,225
	<b>Lodging 0.8%</b>	
930	Caesars Entertainment Corp., 5.00%, 10/1/24 (a)(g)	1,957,979



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Principal Amount (000s)		Value
	<b>Machinery-Diversified 0.9%</b>	
\$2,145	Chart Industries, Inc., 1.00%, 11/15/24 (a)(b)(g)	\$2,326,853
	<b>Media 2.6%</b>	
1,450	DISH Network Corp. (g), 2.375%, 3/15/24 (a)(b)	1,360,428
1,665	3.375%, 8/15/26	1,772,156
1,500	Liberty Interactive LLC, 1.75%, 9/30/46 (a)(b)(g)	1,845,183
1,170	Liberty Media Corp., 1.00%, 1/30/23 (a)(b)	1,382,659
		6,360,426
	<b>Metal Fabricate/Hardware 0.7%</b>	
1,350	RTI International Metals, Inc., 1.625%, 10/15/19 (g)	1,596,645
	<b>Miscellaneous Manufacturing 0.4%</b>	
685	Trinity Industries, Inc., 3.875%, 6/1/36	1,003,702
	<b>Oil, Gas &amp; Consumable Fuels 5.1%</b>	
580	Alon USA Energy, Inc., 3.00%, 9/15/18 (g)	769,271
580	Bristow Group, Inc., 4.50%, 6/1/23 (g)	715,690
885	Chesapeake Energy Corp., 5.50%, 9/15/26	813,034
1,685	EnSCO Jersey Finance Ltd., 3.00%, 1/31/24	1,531,074
2,620	Nabors Industries, Inc., 0.75%, 1/15/24 (a)(b)(g)	2,112,506
1,385	Oasis Petroleum, Inc., 2.625%, 9/15/23 (g)	1,472,833
1,400	Oil States International, Inc., 1.50%, 2/15/23 (a)(b)	1,437,160
765	PDC Energy, Inc., 1.125%, 9/15/21 (g)	767,737
1,690	SM Energy Co., 1.50%, 7/1/21 (g)	1,727,574
1,115	Weatherford International Ltd., 5.875%, 7/1/21 (g)	1,164,466
		12,511,345
	<b>Pharmaceuticals 3.8%</b>	
775	Array BioPharma, Inc., 2.625%, 12/1/24 (a)(b)(g)	970,733
650	Depomed, Inc., 2.50%, 9/1/21 (g)	542,978
880	DexCom, Inc., 0.75%, 5/15/22 (a)(b)(g)	834,255
1,345	Flexion Therapeutics, Inc., 3.375%, 5/1/24 (a)(b)(g)	1,530,268
1,360	Horizon Pharma Investment Ltd., 2.50%, 3/15/22 (g)	1,263,100
1,340	Neurocrine Biosciences, Inc., 2.25%, 5/15/24 (a)(b)	1,806,616
1,235	Sarepta Therapeutics, Inc., 1.50%, 11/15/24 (a)(b)	1,427,745
185	Synergy Pharmaceuticals, Inc., 7.50%, 11/1/19 (a)(b)(g)	191,706
960	Teva Pharmaceutical Finance Co. LLC, 0.25%, 2/1/26, Ser. C (g)	865,126
		9,432,527
	<b>Pipelines 0.7%</b>	
2,145	Cheniere Energy, Inc., 4.25%, 3/15/45 (g)	1,658,085
	<b>Retail 0.4%</b>	
870	RH, zero coupon, 6/15/19 (a)(b)	895,163
	<b>Semiconductors 5.8%</b>	
640	Advanced Micro Devices, Inc., 2.125%, 9/1/26 (g)	1,199,380
	Cypress Semiconductor Corp. (g),	
745	2.00%, 2/1/23 (a)(b)	807,105
495	4.50%, 1/15/22	704,117



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Principal Amount (000s)		Value
	<b>Semiconductors (continued)</b>	
\$1,560	Intel Corp., 3.25%, 8/1/39 (g)	\$3,583,126
2,750	Microchip Technology, Inc., 1.625%, 2/15/27 (a)(b)	3,354,255
2,160	Micron Technology, Inc., 3.00%, 11/15/43, Ser. G (g)	3,301,340
895	Teradyne, Inc., 1.25%, 12/15/23	1,370,041
		14,319,364
	<b>Software 10.3%</b>	
1,325	Citrix Systems, Inc., 0.50%, 4/15/19 (g)	1,758,698
1,450	Coupa Software, Inc., 0.375%, 1/15/23 (a)(b)	1,576,875
1,700	Envestnet, Inc., 1.75%, 12/15/19 (g)	1,829,423
900	Everbridge, Inc., 1.50%, 11/1/22 (g)	1,046,490
680	Medidata Solutions, Inc., 1.00%, 8/1/18	819,714
1,605	Nice Systems, Inc., 1.25%, 1/15/24	1,958,596
2,130	Nuance Communications, Inc., 1.25%, 4/1/25 (a)(b)(g)	2,251,022
1,095	Proofpoint, Inc., 0.75%, 6/15/20	1,492,494
1,880	PROS Holdings, Inc., 2.00%, 6/1/47 (a)(b)	1,713,020
1,640	RealPage, Inc., 1.50%, 11/15/22 (a)(b)	2,201,208
1,230	Salesforce.com, Inc., 0.25%, 4/1/18 (g)	2,106,263
2,185	ServiceNow, Inc., zero coupon, 6/1/22 (a)(b)	2,683,973
1,515	Verint Systems, Inc., 1.50%, 6/1/21 (g)	1,476,875
2,230	Workday, Inc., 0.25%, 10/1/22 (a)(b)	2,327,576
		25,242,227
	<b>Telecommunications 1.4%</b>	
1,350	CalAmp Corp., 1.625%, 5/15/20 (g)	1,488,375
980	Ciena Corp., 3.75%, 10/15/18 (g)	1,142,606
605	InterDigital, Inc., 1.50%, 3/1/20	733,654
		3,364,635
	<b>Transportation 2.7%</b>	
	Air Transport Services Group, Inc., 1.125%, 10/15/24 (a)(b)(g)	1,886,866
1,790		1,178,686
1,030	Atlas Air Worldwide Holdings, Inc., 1.875%, 6/1/24 (g)	2,038,989
1,770	Greenbrier Cos., Inc., 2.875%, 2/1/24 (a)(b)(g)	1,488,866
1,550	Teekay Corp., 5.00%, 1/15/23 (a)(b)	6,593,407
		156,596,182
	Total Convertible Bonds & Notes (cost-\$153,974,234)	
	<b>Shares</b>	
	<b>Common Stock 36.0%</b>	
	<b>Aerospace &amp; Defense 1.0%</b>	
6,700	Boeing Co. (g)	2,374,279
	<b>Automobiles 0.5%</b>	
104,700	Ford Motor Co. (g)	1,148,559
	<b>Banks 1.7%</b>	
58,200	Bank of America Corp. (g)	1,862,400
19,900	JPMorgan Chase & Co.	2,301,833
		4,164,233



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Shares		Value
	<b>Beverages 0.4%</b>	
9,000	PepsiCo, Inc.	\$1,082,700
	<b>Biotechnology 2.6%</b>	
19,200	AbbVie, Inc. (g)	2,154,624
4,200	Biogen, Inc. (g)(h)	1,460,802
18,600	Gilead Sciences, Inc. (g)	1,558,680
1,843	Regeneron Pharmaceuticals, Inc. (g)(h)	675,736
3,500	Vertex Pharmaceuticals, Inc. (g)(h)	584,045
		6,433,887
	<b>Building Products 0.5%</b>	
30,252	Johnson Controls International PLC (g)	1,183,761
	<b>Chemicals 0.7%</b>	
16,600	Chemours Co.	856,892
11,400	DowDuPont, Inc.	861,612
		1,718,504
	<b>Construction &amp; Engineering 0.4%</b>	
15,300	Fluor Corp. (g)	928,710
	<b>Diversified Telecommunication Services 0.5%</b>	
25,100	Verizon Communications, Inc. (g)	1,357,157
	<b>Electronic Equipment, Instruments &amp; Components 0.4%</b>	
9,600	Amphenol Corp., Class A	890,592
	<b>Energy Equipment &amp; Services 0.4%</b>	
15,000	Schlumberger Ltd. (g)	1,103,700
	<b>Food &amp; Staples Retailing 1.7%</b>	
6,800	Costco Wholesale Corp.	1,325,116
37,600	Kroger Co. (g)	1,141,536
22,400	Walgreens Boots Alliance, Inc. (g)	1,685,824
		4,152,476
	<b>Healthcare Equipment &amp; Supplies 0.8%</b>	
21,400	Baxter International, Inc. (g)	1,541,442
1,000	Intuitive Surgical, Inc. (h)	431,670
		1,973,112
	<b>Healthcare Providers &amp; Services 1.9%</b>	
20,825	Envision Healthcare Corp. (g)(h)	749,492
9,300	McKesson Corp. (g)	1,570,584
9,500	UnitedHealth Group, Inc.	2,249,410
		4,569,486
	<b>Hotels, Restaurants &amp; Leisure 1.2%</b>	
8,100	McDonald's Corp.	1,386,234
25,700	Starbucks Corp. (g)	1,460,017
		2,846,251
	<b>Household Durables 0.3%</b>	
17,100	DR Horton, Inc.	838,755
	<b>Industrial Conglomerates 0.9%</b>	
3,500	3M Co. (g)	876,750



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

January 31, 2018 (continued)

Shares		Value
	<b>Industrial Conglomerates (continued)</b>	
35,500	General Electric Co. (g)	574,035
4,100	Honeywell International, Inc. (g)	654,647
		2,105,432
	<b>Internet &amp; Catalog Retail 1.2%</b>	
2,100	Amazon.com, Inc. (h)	3,046,869
	<b>Internet Software &amp; Services 2.7%</b>	
9,100	Alibaba Group Holding Ltd., ADR (h)	1,859,039
2,500	Alphabet, Inc., Class A (h)	2,955,550
10,000	Facebook, Inc., Class A (g)(h)	1,868,900
		6,683,489
	<b>IT Services 1.9%</b>	
7,400	International Business Machines Corp. (g)	1,211,380
14,100	Square, Inc., Class A (h)	661,431
22,900	Visa, Inc., Class A	2,844,867
		4,717,678
	<b>Machinery 1.6%</b>	
15,000	Caterpillar, Inc.	2,441,700
9,500	Deere & Co.	1,580,990
		4,022,690
	<b>Media 1.4%</b>	
31,500	Comcast Corp., Class A (g)	1,339,695
13,573	LiveStyle, Inc. (d)(f)(h)(j)	1
18,700	Walt Disney Co. (g)	2,032,129
		3,371,825
	<b>Multi-Line Retail 0.8%</b>	
25,100	Target Corp. (g)	1,888,022
	<b>Oil, Gas &amp; Consumable Fuels 0.7%</b>	
8,100	Occidental Petroleum Corp. (g)	607,257
60,184	Southwestern Energy Co. (h)	255,180
7,900	Valero Energy Corp. (g)	758,163
		1,620,600
	<b>Pharmaceuticals 0.5%</b>	
20,300	Bristol-Myers Squibb Co. (g)	1,270,780
	<b>Road &amp; Rail 0.7%</b>	
13,200	Union Pacific Corp. (g)	1,762,200
	<b>Semiconductors &amp; Semiconductor Equipment 3.4%</b>	
6,200	Broadcom Ltd.	1,537,786
27,000	Intel Corp. (g)	1,299,780
9,400	Micron Technology, Inc. (h)	410,968
8,800	NVIDIA Corp. (g)	2,163,040
17,200	QUALCOMM, Inc. (g)	1,173,900
15,900	Texas Instruments, Inc. (g)	1,743,753
		8,329,227



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Shares		Value
	<b>Software 3.2%</b>	
9,600	Adobe Systems, Inc. (g)(h)	\$1,917,696
32,100	Microsoft Corp.	3,049,821
19,300	Oracle Corp.	995,687
3,300	ServiceNow, Inc. (g)(h)	491,271
11,800	Take-Two Interactive Software, Inc. (h)	1,494,706
		7,949,181
	<b>Specialty Retail 1.0%</b>	
12,300	Home Depot, Inc.	2,471,070
	<b>Technology Hardware, Storage &amp; Peripherals 1.0%</b>	
14,400	Apple, Inc.	2,410,992
Total Common Stock (cost-\$90,943,256)		88,416,217
Principal Amount (000s)		
<b>Corporate Bonds &amp; Notes 29.9%</b>		
	<b>Aerospace &amp; Defense 0.8%</b>	
\$1,000	KLX, Inc., 5.875%, 12/1/22 (a)(b)(g)	1,045,000
1,000	TransDigm, Inc., 6.50%, 5/15/25 (g)	1,030,000
		2,075,000
	<b>Auto Manufacturers 0.2%</b>	
435	Navistar International Corp., 6.625%, 11/1/25 (a)(b)	455,793
	<b>Banks 0.4%</b>	
160	CIT Group, Inc., 5.00%, 8/15/22 (g)	167,600
680	Royal Bank of Scotland Group PLC, 5.125%, 5/28/24	711,394
		878,994
	<b>Building Materials 0.2%</b>	
565	Builders FirstSource, Inc., 5.625%, 9/1/24 (a)(b)(g)	593,250
	<b>Chemicals 1.4%</b>	
1,000	Chemours Co., 7.00%, 5/15/25 (g)	1,097,500
305	Kraton Polymers LLC, 7.00%, 4/15/25 (a)(b)	324,062
1,000	Platform Specialty Products Corp., 6.50%, 2/1/22 (a)(b)(g)	1,034,050
85	Trinseo Materials Operating SCA, 5.375%, 9/1/25 (a)(b)	87,312
540	Tronox Finance LLC, 7.50%, 3/15/22 (a)(b)	561,600
365	Univar USA, Inc., 6.75%, 7/15/23 (a)(b)(g)	383,250
		3,487,774
	<b>Commercial Services 1.7%</b>	
1,000	Cardtronics, Inc. (g), 5.125%, 8/1/22	972,500
190	5.50%, 5/1/25 (a)(b)	177,175
350	Cenveo Corp., 6.00%, 5/15/24 (a)(b)(g)	288,750
300	Gartner, Inc., 5.125%, 4/1/25 (a)(b)(g)	312,660
365	KAR Auction Services, Inc., 5.125%, 6/1/25 (a)(b)(g)	370,931
915	RR Donnelley & Sons Co., 6.00%, 4/1/24 (g)	878,400



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Principal Amount (000s)		Value
	<b>Commercial Services (continued)</b>	
	United Rentals North America, Inc.,	
\$185	4.625%, 10/15/25	\$188,238
1,000	5.50%, 7/15/25 (g)	1,058,750
		4,247,404
	<b>Computers 0.6%</b>	
520	Dell International LLC, 7.125%, 6/15/24 (a)(b)(g)	568,286
500	Harland Clarke Holdings Corp., 9.25%, 3/1/21 (a)(b)(g)	517,500
310	Western Digital Corp., 10.50%, 4/1/24	363,242
		1,449,028
	<b>Distribution/Wholesale 0.2%</b>	
495	H&E Equipment Services, Inc., 5.625%, 9/1/25 (a)(b)(g)	514,800
	<b>Diversified Financial Services 1.9%</b>	
1,500	Community Choice Financial, Inc., 10.75%, 5/1/19 (g)	1,417,500
1,000	International Lease Finance Corp., 8.25%, 12/15/20 (g)	1,139,811
1,000	Nationstar Mortgage LLC, 7.875%, 10/1/20 (g)	1,025,625
1,000	Navient Corp., 8.45%, 6/15/18 (g)	1,022,500
		4,605,436
	<b>Electric Utilities 0.8%</b>	
1,000	NRG Energy, Inc., 6.25%, 5/1/24 (g)	1,050,380
1,000	Talen Energy Supply LLC, 6.50%, 6/1/25 (g)	835,000
		1,885,380
	<b>Engineering &amp; Construction 0.4%</b>	
500	AECOM, 5.875%, 10/15/24 (g)	535,625
435	Tutor Perini Corp., 6.875%, 5/1/25 (a)(b)	464,363
		999,988
	<b>Entertainment 1.2%</b>	
885	AMC Entertainment Holdings, Inc., 6.125%, 5/15/27 (g)	868,849
	Cedar Fair L.P. (g),	
750	5.375%, 6/1/24	783,750
190	5.375%, 4/15/27 (a)(b)	198,550
1,000	International Game Technology PLC, 6.25%, 2/15/22 (a)(b)(g)	1,075,950
		2,927,099
	<b>Equity Real Estate Investment Trusts (REITs) 0.1%</b>	
	CyrusOne L.P.,	
210	5.00%, 3/15/24	214,725
60	5.375%, 3/15/27	62,550
		277,275
	<b>Food &amp; Beverage 0.8%</b>	
170	Albertsons Cos. LLC, 6.625%, 6/15/24 (g)	162,350
380	Lamb Weston Holdings, Inc., 4.875%, 11/1/26 (a)(b)	388,550
495	Post Holdings, Inc., 5.75%, 3/1/27 (a)(b)	499,331
1,000	SUPERVALU, Inc., 6.75%, 6/1/21 (g)	990,000
		2,040,231
	<b>Food Service 0.2%</b>	
390	Aramark Services, Inc., 5.00%, 2/1/28 (a)(b)	396,581



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Principal Amount (000s)		Value
	<b>Healthcare-Products 0.1%</b>	
\$260	Hill-Rom Holdings, Inc., 5.00%, 2/15/25 (a)(b)(g)	\$265,200
	<b>Healthcare-Services 2.0%</b>	
1,000	Community Health Systems, Inc., 6.875%, 2/1/22 (g)	718,125
800	DaVita, Inc., 5.125%, 7/15/24 (g)	807,524
185	Envision Healthcare Corp., 6.25%, 12/1/24 (a)(b)(g)	196,794
1,000	HCA, Inc., 7.50%, 2/15/22 (g)	1,125,000
1,000	Kindred Healthcare, Inc., 8.75%, 1/15/23 (g)	1,067,500
1,000	Tenet Healthcare Corp., 8.125%, 4/1/22 (g)	1,035,630
		4,950,573
	<b>Home Builders 0.8%</b>	
375	Beazer Homes USA, Inc., 8.75%, 3/15/22 (g)	410,625
365	Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (a)(b)(g)	373,213
1,000	KB Home, 8.00%, 3/15/20 (g)	1,096,250
		1,880,088
	<b>Internet 0.2%</b>	
305	Symantec Corp., 5.00%, 4/15/25 (a)(b)	311,810
90	Zayo Group LLC, 5.75%, 1/15/27 (a)(b)	91,692
		403,502
	<b>Iron/Steel 0.4%</b>	
	AK Steel Corp. (g),	
205	7.00%, 3/15/27	210,638
265	7.50%, 7/15/23	286,862
354	United States Steel Corp., 8.375%, 7/1/21 (a)(b)	382,320
		879,820
	<b>Lodging 0.9%</b>	
1,000	MGM Resorts International, 6.625%, 12/15/21 (g)	1,092,190
1,000	Wynn Las Vegas LLC, 5.50%, 3/1/25 (a)(b)(g)	1,011,875
		2,104,065
	<b>Machinery-Construction &amp; Mining 0.1%</b>	
360	Terex Corp., 5.625%, 2/1/25 (a)(b)	371,700
	<b>Machinery-Diversified 0.1%</b>	
250	Tennant Co., 5.625%, 5/1/25 (a)(b)	261,563
	<b>Media 2.6%</b>	
1,000	Cablevision Systems Corp., 8.00%, 4/15/20 (g)	1,076,250
	CCO Holdings LLC (g),	
125	5.125%, 5/1/27 (a)(b)	122,065
500	5.75%, 1/15/24	516,250
1,000	Clear Channel Worldwide Holdings, Inc., 6.50%, 11/15/22, Ser. B (g)	1,034,470
425	CSC Holdings LLC, 6.75%, 11/15/21 (g)	456,875
750	DISH DBS Corp., 5.875%, 7/15/22 (g)	749,062
500	LIN Television Corp., 5.875%, 11/15/22	517,800
415	McClatchy Co., 9.00%, 12/15/22	434,194
1,000	Mediacom Broadband LLC, 6.375%, 4/1/23 (g)	1,035,000
440	Meredith Corp., 6.875%, 2/1/26 (a)(b)	451,550
		6,393,516



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Principal Amount (000s)		Value
	<b>Metal Fabricate/Hardware 0.1%</b>	
\$270	Park-Ohio Industries, Inc., 6.625%, 4/15/27	\$290,844
	<b>Mining 0.8%</b>	
305	Alcoa Nederland Holding BV, 6.75%, 9/30/24 (a)(b)(g)	333,213
695	Constellium NV, 6.625%, 3/1/25 (a)(b)(g)	734,962
560	Freeport-McMoRan, Inc., 3.55%, 3/1/22 (g)	557,200
	Hudbay Minerals, Inc. (a)(b)(g),	
80	7.25%, 1/15/23	85,800
270	7.625%, 1/15/25	298,350
		2,009,525
	<b>Miscellaneous Manufacturing 0.1%</b>	
285	Koppers, Inc., 6.00%, 2/15/25 (a)(b)	301,388
	<b>Oil, Gas &amp; Consumable Fuels 3.4%</b>	
235	AmeriGas Partners L.P., 5.875%, 8/20/26 (g)	244,400
1,000	BreitBurn Energy Partners L.P., 8.625%, 10/15/20 (c)(g)	70,000
250	Callon Petroleum Co., 6.125%, 10/1/24 (g)	260,625
560	Calumet Specialty Products Partners L.P., 6.50%, 4/15/21 (g)	562,800
1,000	Carrizo Oil & Gas, Inc., 6.25%, 4/15/23 (g)	1,037,500
1,000	Chesapeake Energy Corp., 6.625%, 8/15/20 (g)	1,055,000
2,030	Cobalt International Energy, Inc., 11.75%, 12/1/21 (c)(g)	2,233,000
1,000	CVR Refining LLC, 6.50%, 11/1/22 (g)	1,035,000
45	Noble Holding International Ltd., 7.75%, 1/15/24	41,963
1,000	Sanchez Energy Corp., 6.125%, 1/15/23 (g)	880,000
	Sunoco L.P. (a)(b),	
300	5.50%, 2/15/26	307,035
170	5.875%, 3/15/28	174,037
320	Transocean, Inc., 7.50%, 1/15/26 (a)(b)	333,904
165	Weatherford International Ltd., 8.25%, 6/15/23	174,900
		8,410,164
	<b>Pharmaceuticals 1.0%</b>	
615	Endo Finance LLC, 5.375%, 1/15/23 (a)(b)(g)	482,775
1,000	Horizon Pharma, Inc., 6.625%, 5/1/23 (g)	1,012,500
1,000	Valeant Pharmaceuticals International, Inc., 6.125%, 4/15/25 (a)(b)(g)	898,950
		2,394,225
	<b>Pipelines 0.9%</b>	
1,000	Energy Transfer Equity L.P., 5.875%, 1/15/24 (g)	1,085,000
1,000	Sabine Pass Liquefaction LLC, 5.75%, 5/15/24 (g)	1,102,522
		2,187,522
	<b>Real Estate 0.8%</b>	
500	Equinix, Inc., 5.375%, 1/1/22 (g)	520,625
1,000	Kennedy-Wilson, Inc., 5.875%, 4/1/24 (g)	1,027,500
360	Uniti Group L.P., 8.25%, 10/15/23 (g)	342,900
		1,891,025
	<b>Retail 0.6%</b>	
500	Dollar Tree, Inc., 5.75%, 3/1/23 (g)	522,500
300	L Brands, Inc., 6.875%, 11/1/35	308,250



## Schedule of Investments

## AllianzGI Diversified Income &amp; Convertible Fund

January 31, 2018 (continued)

Principal Amount (000s)		Value
	<b>Retail (continued)</b>	
\$1,000	Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b)(g)	\$642,500
		1,473,250
	<b>Semiconductors 0.8%</b>	
1,000	Amkor Technology, Inc., 6.375%, 10/1/22 (g)	1,032,500
500	Qorvo, Inc., 7.00%, 12/1/25	542,500
400	Sensata Technologies BV, 5.625%, 11/1/24 (a)(b)(g)	437,000
		2,012,000
	<b>Software 0.4%</b>	
340	Camelot Finance S.A., 7.875%, 10/15/24 (a)(b)(g)	362,950
230	Rackspace Hosting, Inc., 8.625%, 11/15/24 (a)(b)	245,238
290	SS&C Technologies Holdings, Inc., 5.875%, 7/15/23	305,587
		913,775
	<b>Telecommunications 2.8%</b>	
800	Cincinnati Bell, Inc., 7.00%, 7/15/24 (a)(b)(g)	774,000
1,000	Consolidated Communications, Inc., 6.50%, 10/1/22 (g)	902,500
700	Frontier Communications Corp., 10.50%, 9/15/22 (g)	579,250
355	GTT Communications, Inc., 7.875%, 12/31/24 (a)(b)(g)	380,737
1,000	Hughes Satellite Systems Corp., 7.625%, 6/15/21 (g)	1,096,250
500	Level 3 Financing, Inc., 5.375%, 5/1/25 (g)	502,235
1,000	Sprint Communications, Inc., 6.00%, 11/15/22 (g)	1,000,000
1,000	T-Mobile USA, Inc., 4.75%, 2/1/28	1,005,000
1,080	Windstream Services LLC, 6.375%, 8/1/23 (a)(b)	612,900
		6,852,872
	<b>Transportation 0.1%</b>	
200	XPO Logistics, Inc., 6.50%, 6/15/22 (a)(b)(g)	208,950
	Total Corporate Bonds & Notes (cost-\$74,157,663)	73,289,600
	<b>Convertible Preferred Stock 9.3%</b>	
	<b>Banks 1.8%</b>	
2,000	Bank of America Corp., 7.25%, Ser. L (e)	2,524,000
1,585	Wells Fargo & Co., 7.50%, Ser. L (e)(g)	2,028,800
		4,552,800
	<b>Commercial Services &amp; Supplies 0.6%</b>	
23,485	Stericycle, Inc., 5.25%, 9/15/18 (g)	1,383,971
	<b>Diversified Financial Services 1.3%</b>	
	2017 Mandatory Exchangeable Trust, 5.188%, 12/1/20	
12,920	(a)(b)(g)	1,576,593
24,215	AMG Capital Trust II, 5.15%, 10/15/37 (g)	1,524,128
		3,100,721
	<b>Diversified Telecommunication Services 0.1%</b>	
24,375	Frontier Communications Corp., 11.125%, 6/29/18, Ser. A	
	(g)	310,781
	<b>Electric Utilities 0.3%</b>	
11,470	NextEra Energy, Inc., 6.123%, 9/1/19 (g)	648,743



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

January 31, 2018 (continued)

Shares		Value
	<b>Equity Real Estate Investment Trusts (REITs) 0.8%</b>	
1,700	Crown Castle International Corp., 6.875%, 8/1/20, Ser. A (f)(g)	\$1,911,225
	<b>Food &amp; Beverage 0.3%</b>	
4,980	Post Holdings, Inc., 2.50% (e)(g)	717,966
	<b>Hand/Machine Tools 0.7%</b>	
15,005	Stanley Black & Decker, Inc., 5.375%, 5/15/20 (g)	1,787,846
	<b>Healthcare-Products 1.0%</b>	
40,265	Becton Dickinson and Co., 6.125%, 5/1/20, Ser. A (g)	2,535,487
	<b>Metal Fabricate/Hardware 0.4%</b>	
17,545	Rexnord Corp., 5.75%, 11/15/19, Ser. A	1,076,035
	<b>Oil, Gas &amp; Consumable Fuels 0.6%</b>	
23,355	Hess Corp., 8.00%, 2/1/19 (g)	1,398,264
	<b>Pharmaceuticals 1.4%</b>	
3,895	Allergan PLC, 5.50%, 3/1/18, Ser. A (g)	2,522,791
2,310	Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18 (g)	878,701
		3,401,492
	Total Convertible Preferred Stock (cost-\$29,091,100)	22,825,331
	<b>Preferred Stock (a)(d)(f)(h)(j) 0.5%</b>	
	<b>Media 0.5%</b>	
1,248	LiveStyle, Inc., Ser. A	124,800