

AllianzGI Convertible & Income Fund  
Form N-CSR  
May 03, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number: 811-21284**

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

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

**10019**  
**(Zip code)**

**Lawrence G. Altadonna 1633 Broadway, New York, New York 10019**

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**(Name and address of agent for service)**

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

**Date of fiscal year end: February 29, 2016**

**Date of reporting period: February 29, 2016**

Item 1. Report to Shareholders

AllianzGI Convertible & Income Fund

AllianzGI Convertible & Income Fund II

**Annual Report**

**February 29, 2016**

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Letter from the President

Thomas J. Fuccillo

*President & CEO*

Dear Shareholder:

The US economy continued to expand during the reporting period. However, despite highly accommodative monetary policies set by central banks around the world, growth in many developed countries was relatively tepid. Against this backdrop, global equities produced weak results, while the global bond market posted a modest gain.

**For the periods ended February 29, 2016**

n AllianzGI Convertible & Income Fund returned -25.92% on net asset value ( NAV ) and -38.23% on market price.

n AllianzGI Convertible & Income Fund II returned -26.21% on NAV and -40.34% on market price. In comparison, the Standard & Poor's ( S&P ) 500 Index, an unmanaged index generally representative of the US stock market, declined 6.19% and the BofA Merrill Lynch High Yield Master II Index, an unmanaged index generally representative of the high yield bond market, fell 8.54% during the 12-month reporting period. Convertible securities, which share characteristics of both stocks and bonds, generated even weaker results. The BofA Merrill Lynch All Convertibles Index, an unmanaged index generally representative of the convertible securities market, returned -11.70% for the period.

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 the principal indicator of economic performance, grew at an annual pace of 0.6% during the first quarter of 2015. US economic activity then improved, as the US Department of Commerce ( Commerce Department ) reported that GDP expanded at a 3.9% annual pace during the second quarter of 2015. However, economic growth then moderated, as GDP grew at an annual pace of 2.0% during the third quarter of 2015. US economic activity decelerated further, as the Commerce Department's final reading, released after the reporting period had ended, showed that GDP grew at an annual pace of 1.4% for the fourth quarter of 2015.

After a prolonged period of accommodative monetary policy, the US Federal Reserve (the Fed ) raised interest rates for the first time in nearly a decade at its meeting in December 2015. The U.S. central bank boosted the federal funds rate from a range between 0% and 0.25% to a range between 0.25% and 0.50%. In its official statement following its meeting in December the Fed said, "the stance of monetary policy remains accommodative after this increase, thereby supporting further improvement in labor market conditions and a return to 2 percent inflation. The [Federal Open Market] Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run." The Fed then chose to keep rates on hold at its meetings in January and March 2016.

## Outlook

In our view, the opportunities and risks on the horizon for 2016 are similar to those that emerged in 2015. Global economic growth will likely remain muted and monetary policies across the world should stay benign, even as the US takes a divergent path. Over the course of 2015, volatility returned to markets and correlations between many asset classes broke down. We expect more of this in 2016, as policy and politics highlight differences in the global economy. As 2015 progressed,

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estimates for global GDP growth were steadily revised lower. Our expectations for 2016 remain cautious, given the ongoing environment of financial repression. The US delivered mixed results in 2015 and we foresee a similar outcome in 2016, with the economy expanding 2%-2.5%.

We continue to advocate holding on to risk assets relative to bonds over the long run. However, there are several headwinds at this juncture, including the prospect of continued Fed interest rate hikes, above average valuations in some asset classes that are above historical averages, low earnings growth, liquidity and political risks. Against this backdrop, we believe the market is in a low return environment. We will remain flexible and active to put our shareholders in a position to benefit from volatility at an asset-class level. As always, our investment teams will also use in-depth research and focus on quality and sustainability, to help them navigate the markets.

For specific information on the Funds and their performance, please refer to the following pages. If you have any questions regarding the information provided, we encourage you to contact your financial advisor or call the Funds shareholder servicing agent at (800) 254-5197. In addition, a wide range of information and resources is available on our website, [us.allianzgi.com/closedendfunds](http://us.allianzgi.com/closedendfunds).

Together with Allianz Global Investors Fund Management LLC, the Funds' investment manager, and Allianz Global Investors U.S. LLC, the Funds' sub-adviser, we thank you for investing with us.

We remain dedicated to serving your investment needs.

Sincerely,

Thomas J. Fuccillo  
*President & Chief Executive Officer*



## Fund Insights

### AllianzGI Convertible & Income Funds

February 29, 2016 (unaudited)

For the period of March 1, 2015 through February 29, 2016, as provided by Doug Forsyth, Portfolio Manager.

For the fiscal twelve-month period ended February 29, 2016, AllianzGI Convertible & Income Fund and AllianzGI Convertible & Income Fund II (the Funds ) returned -25.92% and -26.21% on net asset value ( NAV ) and -38.23% and -40.34% on market price, respectively.

AllianzGI Convertible & Income Fund and AllianzGI Convertible & Income Fund II announced dividend changes in September of 2015. The dividend reductions were made in large part in recognition of changing market dynamics and to better align the dividend rates of the two Funds with their current and projected level of earnings.

## Market Environment

Several factors influenced the convertible and high-yield markets during the period most notably oil prices, technical pressure and negative sentiment, the Fed's activity, earnings and the dollar and global economic data.

The decline in the price of oil and other commodities had a significant impact on fundamental and operating statistics of the issuers within those industries, but had an even greater impact on investor sentiment. The decline in oil prices was a detractor for both high yield bonds and convertibles.

Broker-dealer and bank regulations continued to weigh on the market. Reduced market making activities by broker-dealers and banks, brought about by government regulators and the desire to reduce risk exposure, has made for inefficient transfer pricing. The market making activities by broker dealers and banks have been reduced by government regulators. Market making activities by the aforementioned groups historically helped act as a smoothing mechanism for pricing (price discovery) in the high yield market.

In December, the Fed increased the federal funds rate by 25 basis points. This level remains extremely accommodative, and while directionally different, it was still aligned with

global monetary policy decision makers, who remained largely accommodative.

One more tangible aspect of a relatively better US economy and a tightening Fed was the continued strength of the US dollar. The strong dollar did not help earnings trends of multinationals or aid in exports. It also coincided with the decline in many commodity prices.

The Fed increased interest rates in the fourth quarter because the US economy grew in 2015 and amid expectations that the economy could achieve sustainable growth in 2016. Economic conditions in the US continued to provide evidence that defaults will remain subdued. Unemployment fell to a more than seven-year low of 5.0%. Additionally, consumer spending expanded, housing values increased and automobile sales reached a record high.

## Portfolio Specifics



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In the convertible sleeve of the Funds, an overweight sector allocation to consumer staples benefited performance during the reporting period, relative to the convertibles universe. Positive security selection in the consumer discretionary sector aided relative performance. In addition, relative performance benefited from both an overweight to and positive security selection within the financials sector. Conversely, an overweight to the energy sector hindered relative returns. The Funds' holdings in the media and technology sectors lagged their peers and adversely impacted performance.

In the high-yield sleeve of the Funds, positive security selection in the telecomm-wireline integrated & services and transportation infrastructure/services sectors aided relative performance. Additionally, an overweight to and positive security selection in the gaming sector benefited performance. The Funds' holdings in the theaters & entertainment, energy and metals/mining ex. steel sectors lagged their peers and adversely impacted performance.

It is worth noting that the Funds are exposed to risks associated with leverage, which may cause the value of the Funds' shares to be more volatile than if the Funds did not use leverage.

**Performance & Statistics**

AllianzGI Convertible & Income Fund

February 29, 2016 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
1 Year	-38.23%	-25.92%
5 Year	-3.73%	1.08%
10 Year	1.13%	3.13%
Commencement of Operations (3/31/03) to 2/29/16	4.18%	5.60%

**Market Price/NAV Performance:**

Commencement of Operations (3/31/03) to 2/29/16

**Market Price/NAV:**

Market Price	\$4.92
NAV <sup>(2)</sup>	\$5.50
Discount to NAV	-10.55%
Market Price Yield <sup>(3)</sup>	15.85%
Leverage <sup>(4)</sup>	42.42%

**Moody's Ratings\***

(as a % of total investments)

**Performance & Statistics**

AllianzGI Convertible & Income Fund II

February 29, 2016 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
1 Year	-40.34%	-26.21%
5 Year	-4.07%	0.98%
10 Year	0.86%	2.36%
Commencement of Operations (7/31/03) to 2/29/16	2.99%	4.34%

**Market Price/NAV Performance:**

Commencement of Operations (7/31/03) to 2/29/16

**Market Price/NAV:**

Market Price	\$4.46
NAV <sup>(2)</sup>	\$4.89
Discount to NAV	-8.79%
Market Price Yield <sup>(3)</sup>	15.47%
Leverage <sup>(4)</sup>	42.95%

**Moody's Ratings\***

(as a % of total investments)

## Performance & Statistics

### AllianzGI Convertible & Income Funds

February 29, 2016 (unaudited)

\* Bond ratings apply to the underlying holdings of the Funds and not the Funds themselves and are divided into categories ranging from highest to lowest credit quality, determined for purposes of presentations in this report by using ratings provided by Moody's Investors Service, Inc. (Moody's). Presentation of credit ratings information in this report use ratings provided by Moody's for this purpose, among other reasons, because of the access to background information and other materials provided by Moody's, as well as the Funds' consideration of industry practice. Bonds not rated by Moody's or bonds that do not have a rating available from Moody's are designated as NR and NA, respectively. Credit quality ratings assigned by a rating agency are subjective opinions, not statements of fact, and are subject to change periodically, even as frequently as daily. Ratings assigned by Moody's or another rating agency are not absolute standards of credit quality and generally do not evaluate market risk. Rating agencies may fail to make timely changes in credit ratings, and an issuer's current financial condition may be better or worse than a rating indicates. In formulating investment decisions for the Funds, Allianz Global Investors U.S. LLC, the sub-adviser to the Funds, develops its own analysis of the credit quality and risks associated with individual debt instruments, rather than relying exclusively on rating agencies or third-party research.

(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. 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 tend to reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Funds, market conditions, supply and demand for each Fund's shares, or changes in each Fund's dividends.

An investment in each 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.

(2) The NAV disclosed in the Funds' 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 monthly dividend per common share (comprised of net investment income) by the market price per common share at February 29, 2016.

(4) Represents Preferred Shares (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).



**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016

Principal

Amount

(000s)		Value
<b>Corporate Bonds &amp; Notes 37.7%</b>		
<b>Advertising 0.4%</b>		
\$5,650	Affinion Group, Inc., 7.875%, 12/15/18	\$3,185,187
<b>Aerospace &amp; Defense 1.3%</b>		
7,135	Erickson, Inc., 8.25%, 5/1/20	4,530,725
5,151	Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19	3,734,475
2,560	TransDigm, Inc., 6.50%, 5/15/25 (a)(b)	2,467,200
		10,732,400
<b>Air Freight &amp; Logistics 1.1%</b>		
	XPO Logistics, Inc. (a)(b),	
2,830	6.50%, 6/15/22	2,688,500
6,820	7.875%, 9/1/19	7,067,225
		9,755,725
<b>Chemicals 1.3%</b>		
7,500	Chemours Co., 6.625%, 5/15/23 (a)(b)	5,456,250
5,745	OMNOVA Solutions, Inc., 7.875%, 11/1/18	5,601,375
		11,057,625
<b>Commercial Services 2.2%</b>		
11,500	Cenveo Corp., 11.50%, 5/15/17	7,848,750
5,705	DynCorp International, Inc., 10.375%, 7/1/17	4,300,144
7,375	Monitronics International, Inc., 9.125%, 4/1/20	6,287,187
		18,436,081
<b>Commercial Services &amp; Supplies 0.6%</b>		
5,585	West Corp., 5.375%, 7/15/22 (a)(b)	5,019,519
<b>Construction Materials 0.9%</b>		
7,310	US Concrete, Inc., 8.50%, 12/1/18	7,602,400
<b>Consumer Finance 0.9%</b>		
3,210	Navient Corp., 8.45%, 6/15/18	3,428,697
4,935	Springleaf Finance Corp., 8.25%, 10/1/23	4,305,788
		7,734,485
<b>Diversified Financial Services 1.8%</b>		
1,923	Affinion International Holdings Ltd., 7.50%, 7/30/18 (a)(b)	1,403,790
	Community Choice Financial, Inc.,	
10,085	10.75%, 5/1/19	3,328,050
7,130	12.75%, 5/1/20 (a)(b)	2,459,850
	Nationstar Mortgage LLC / Nationstar Capital Corp.,	
2,500	7.875%, 10/1/20	2,362,500

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5,300	9.625%, 5/1/19	5,478,875
		15,033,065
	<b>Diversified Telecommunications Services 0.5%</b>	
4,400	Frontier Communication Corp., 10.50%, 9/15/22 (a)(b)	4,477,000
	<b>Electrical Components &amp; Equipment 0.7%</b>	
6,980	WireCo WorldGroup, Inc., 9.50%, 5/15/17	6,177,300
	<b>Electronic Equipment, Instruments &amp; Components 0.7%</b>	
7,725	Kemet Corp., 10.50%, 5/1/18	5,697,187

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

Principal

Amount

(000s)

Value

(000s)		Value
	<b>Entertainment 0.5%</b>	
\$4,000	Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp., 5.375%, 6/1/24	\$4,140,000
	<b>Health Care Providers &amp; Services 2.4%</b>	
5,430	DaVita HealthCare Partners, Inc., 5.125%, 7/15/24	5,535,206
7,955	Kindred Healthcare, Inc., 8.75%, 1/15/23	7,169,444
	Tenet Healthcare Corp.,	
3,500	5.00%, 3/1/19	3,360,000
4,530	8.125%, 4/1/22	4,476,184
		20,540,834
	<b>Healthcare-Products 1.0%</b>	
8,885	Kinetic Concepts, Inc./KCI USA, Inc., 10.50%, 11/1/18	8,240,838
	<b>Holding Companies-Diversified 0.5%</b>	
5,265	Horizon Pharma Financing, Inc., 6.625%, 5/1/23 (a)(b)	4,659,525
	<b>Hotels, Restaurants &amp; Leisure 1.1%</b>	
8,405	MGM Resorts International, 11.375%, 3/1/18	9,686,762
	<b>Household Durables 1.5%</b>	
	Beazer Homes USA, Inc.,	
2,945	7.25%, 2/1/23	2,105,151
5,045	9.125%, 5/15/19	4,527,887
3,950	Jarden Corp., 7.50%, 5/1/17	4,063,563
1,800	Lennar Corp., 12.25%, 6/1/17	2,011,500
		12,708,101
	<b>Independent Power &amp; Renewable Electricity Producers 1.2%</b>	
5,585	NRG Energy, Inc., 6.25%, 5/1/24	4,663,475
7,090	TerraForm Power Operating LLC, 5.875%, 2/1/23 (a)(b)	5,352,950
		10,016,425
	<b>Internet &amp; Catalog Retail 0.3%</b>	
2,800	Netflix, Inc., 5.875%, 2/15/25	2,947,000
	<b>Internet Software &amp; Services 2.0%</b>	
	EarthLink, Inc.,	
2,800	7.375%, 6/1/20	2,835,000
7,488	8.875%, 5/15/19	7,506,720
6,805	Rackspace Hosting, Inc., 6.50%, 1/15/24 (a)(b)	6,430,725
		16,772,445
	<b>Iron/Steel 0.5%</b>	
7,305	AK Steel Corp., 8.375%, 4/1/22	3,835,125



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<b>Lodging 0.5%</b>		
12,385	Caesars Entertainment Operating Co., Inc., 12.75%, 4/15/18 (c)	4,148,975
<b>Machinery 1.3%</b>		
5,250	BlueLine Rental Finance Corp., 7.00%, 2/1/19 (a)(b)	3,871,875
3,997	Commercial Vehicle Group, Inc., 7.875%, 4/15/19	3,357,480
6,755	Navistar International Corp., 8.25%, 11/1/21	4,120,550
		11,349,905
<b>Media 3.4%</b>		
7,370	Cablevision Systems Corp., 8.00%, 4/15/20	7,001,500
5,000	CCO Holdings LLC / CCO Holdings Capital Corp., 7.00%, 1/15/19	5,111,625

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

Principal

Amount

(000s)		Value
	<b>Media (continued)</b>	
\$8,355	McClatchy Co., 9.00%, 12/15/22	\$7,383,731
	McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education	
8,220	Finance, 9.75%, 4/1/21	8,980,350
4,671	SFX Entertainment, Inc., 9.625%, 2/1/19 (a)(b)(c)(l)	350,325
		28,827,531
	<b>Metals &amp; Mining 1.3%</b>	
6,590	ArcelorMittal, 10.85%, 6/1/19	6,968,925
3,680	HudBay Minerals, Inc., 9.50%, 10/1/20	2,117,325
	Thompson Creek Metals Co., Inc.,	
8,295	7.375%, 6/1/18	1,430,887
830	12.50%, 5/1/19	151,475
		10,668,612
	<b>Miscellaneous Manufacturing 0.7%</b>	
	Harland Clarke Holdings Corp. (a)(b),	
7,350	9.25%, 3/1/21	4,841,813
900	9.75%, 8/1/18	869,625
		5,711,438
	<b>Multiline Retail 0.4%</b>	
2,835	Dollar Tree, Inc., 5.75%, 3/1/23 (a)(b)	3,029,906
	<b>Oil &amp; Gas 0.3%</b>	
	BreitBurn Energy Partners LP / BreitBurn Finance Corp.,	
5,055	7.875%, 4/15/22	530,775
6,680	8.625%, 10/15/20	718,100
1,700	Calumet Specialty Products Partners LP / Calumet Finance Corp., 6.50%, 4/15/21	1,032,750
8,050	Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17	203,762
450	Vanguard Natural Resources LLC / VNR Finance Corp., 7.00%, 2/15/23 (a)(b)	155,250
		2,640,637
	<b>Oil, Gas &amp; Consumable Fuels 0.5%</b>	
7,225	EP Energy LLC / Everest Acquisition Finance, Inc., 9.375%, 5/1/20	2,095,250
4,530	Sanchez Energy Corp., 6.125%, 1/15/23	1,744,050
		3,839,300
	<b>Paper &amp; Forest Products 0.4%</b>	
3,000	Louisiana-Pacific Corp., 7.50%, 6/1/20	3,120,000
	<b>Pharmaceuticals 0.7%</b>	
2,290	Endo Finance LLC & Endo Finco, Inc., 5.875%, 1/15/23 (a)(b)	2,290,000
4,000	Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(b)	3,680,000

		5,970,000
	<b>Real Estate Investment Trust 0.3%</b>	
3,085	Kennedy-Wilson, Inc., 5.875%, 4/1/24	2,961,600
	<b>Retail 0.8%</b>	
9,465	Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b)	6,719,204
	<b>Semiconductors &amp; Semiconductor Equipment 0.9%</b>	
3,745	Amkor Technology, Inc., 6.375%, 10/1/22	3,393,906
5,050	Micron Technology, Inc., 5.875%, 2/15/22	4,658,120
		8,052,026

**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

Principal

Amount

(000s)		Value
	<b>Specialty Retail 0.7%</b>	
\$3,500	Claire's Stores, Inc., 9.00%, 3/15/19 (a)(b)	\$2,021,250
5,500	Conn's, Inc., 7.25%, 7/15/22	4,317,500
		6,338,750
	<b>Telecommunications 1.4%</b>	
7,370	Consolidated Communications, Inc., 6.50%, 10/1/22	6,043,400
7,655	Windstream Corp., 7.50%, 4/1/23	5,821,704
		11,865,104
	<b>Wireless Telecommunication Services 0.7%</b>	
7,205	Sprint Communications, Inc., 11.50%, 11/15/21	6,142,262
	<b>Total Corporate Bonds &amp; Notes (cost-\$421,581,640)</b>	<b>319,840,279</b>
	<b>Shares</b>	
	<b>Convertible Preferred Stock 32.4%</b>	
	<b>Banks 3.5%</b>	
9,695	Huntington Bancshares, Inc., 8.50% (d)	13,127,030
13,990	Wells Fargo & Co., Ser. L, 7.50%, (d)	16,393,342
		29,520,372
	<b>Commercial Services &amp; Supplies 0.9%</b>	
85,535	Stericycle, Inc., 5.25%, 9/15/18	7,475,759
	<b>Diversified Financial Services 1.7%</b>	
13,220	Bank of America Corp., Ser. L, 7.25%, (d)	14,562,491
	<b>Diversified Telecommunications Services 2.1%</b>	
175,845	Frontier Communications Corp., Ser. A, 11.125%, 6/29/18	17,830,683
	<b>Electric Utilities 0.4%</b>	
85,390	Exelon Corp., 6.50%, 6/1/17	3,787,047
	<b>Food Products 0.9%</b>	
105,950	Tyson Foods, Inc., 4.75%, 7/15/17	7,638,995
	<b>Health Care Providers &amp; Services 4.6%</b>	
216,485	Anthem, Inc., 5.25%, 5/1/18	9,577,296
	Goldman Sachs Group, Inc., 8.00%, 3/31/16	
127,130	(Laboratory Corp. of America Holdings) (e)	13,130,749
240,300	JPMorgan Chase & Co., 8.00%, 5/5/16 (HCA Holding, Inc.) (e)	15,384,006
2,280	Kindred Healthcare, Inc., 7.50%, 12/1/17	1,284,142
		39,376,193
	<b>Independent Power &amp; Renewable Electricity Producers 0.7%</b>	
156,435	Dynegy, Inc., 5.375%, 11/1/17	5,872,570

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	<b>Machinery 2.2%</b>	
171,185	Stanley Black & Decker, Inc., 6.25%, 11/17/16	18,311,659
	<b>Media 0.0%</b>	
6,750	SFX Entertainment, Inc., Ser. B, 9.00%, 9/17/19 (a)(c)(f)(l)	67
	<b>Metals &amp; Mining 0.2%</b>	
46,705	Alcoa, Inc., 5.375%, 10/1/17	1,396,480
	<b>Multi-Utilities 2.1%</b>	
239,645	AES Trust III, 6.75%, 10/15/29	11,982,250
128,500	Dominion Resources, Inc., 6.375%, 7/1/17	6,234,820
		18,217,070

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

Shares		Value
	<b>Oil, Gas &amp; Consumable Fuels 2.3%</b>	
159,375	Anadarko Petroleum Corp., 7.50%, 6/7/18	\$4,770,094
14,100	Energy XXI Bermuda Ltd., 5.625% (d)	94,735
40,000	Hess Corp., 8.00%, 2/1/19	2,227,200
173,410	Kinder Morgan, Inc., 9.75%, 10/26/18	7,579,751
124,235	PetroQuest Energy, Inc., 6.875% (d)	2,224,577
230,425	Sanchez Energy Corp., 6.50%, 4/16/18 (d)	2,032,348
20,550	Southwestern Energy Co., Ser. B, 6.25%, 1/15/18	293,043
30,295	WPX Energy, Inc., 6.25%, 7/31/18	684,667
		19,906,415
	<b>Pharmaceuticals 3.1%</b>	
14,510	Allergan PLC, Ser. A, 5.50%, 3/1/18	14,016,370
13,805	Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18	12,387,917
		26,404,287
	<b>Real Estate Investment Trust 5.6%</b>	
439,700	Alexandria Real Estate Equities, Inc., 7.00% (d)	12,135,720
798,310	FelCor Lodging Trust, Inc., Ser. A, 1.95% (d)	20,053,547
208,680	Welltower, Inc., 6.50% (d)	12,151,436
67,560	Weyerhaeuser Co., 6.375%, 7/1/16	3,140,189
		47,480,892
	<b>Technology Hardware, Storage &amp; Peripherals 1.7%</b>	
150,500	Bank of America Corp., 8.00%, 5/10/16 (Apple, Inc.) (e)	14,628,600
	<b>Wireless Telecommunication Services 0.4%</b>	
57,025	T-Mobile US, Inc., 5.50%, 12/15/17	3,653,592
	<b>Total Convertible Preferred Stock (cost-\$298,117,128)</b>	<b>276,063,172</b>

Principal

Amount

(000s)

	<b>Convertible Bonds &amp; Notes 24.3%</b>	
	<b>Air Freight &amp; Logistics 0.3%</b>	
\$2,280	Echo Global Logistics, Inc., 2.50%, 5/1/20	2,178,825
	<b>Automobiles 1.2%</b>	
122,610	Fiat Chrysler, 7.875%, 12/15/16	7,900,682
2,850	Tesla Motors, Inc., 1.25%, 3/1/21	2,253,281
		10,153,963
	<b>Biotechnology 0.3%</b>	
3,420	Cepheid, 1.25%, 2/1/21	2,904,862
	<b>Capital Markets 2.7%</b>	

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13,195	BGC Partners, Inc., 4.50%, 7/15/16	13,582,603
16,490	Walter Investment Management Corp., 4.50%, 11/1/19	8,945,825
		22,528,428
	<b>Commercial Services 1.0%</b>	
20,305	Cenveo Corp., 7.00%, 5/15/17	8,528,100
	<b>Consumer Finance 0.9%</b>	
9,950	PRA Group, Inc., 3.00%, 8/1/20	7,431,406
	<b>Diversified Consumer Services 0.9%</b>	
13,510	Ascent Capital Group, Inc., 4.00%, 7/15/20	7,565,600

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

Principal

Amount

(000s)		Value
	<b>Electrical Equipment 1.0%</b>	
\$15,365	SolarCity Corp., 1.625%, 11/1/19	\$8,719,638
	<b>Electronic Equipment, Instruments &amp; Components 0.4%</b>	
3,615	TTM Technologies, Inc., 1.75%, 12/15/20	3,149,569
	<b>Health Care Equipment &amp; Supplies 0.3%</b>	
3,000	Invacare Corp., 5.00%, 2/15/21 (a)(b)	2,908,860
	<b>Health Care Providers &amp; Services 0.3%</b>	
2,850	Brookdale Senior Living, Inc., 2.75%, 6/15/18	2,707,500
	<b>Independent Power &amp; Renewable Electricity Producers 0.9%</b>	
9,230	NRG Yield, Inc., 3.25%, 6/1/20 (a)(b)	7,580,137
	<b>Internet Software &amp; Services 0.3%</b>	
3,435	Gogo, Inc., 3.75%, 3/1/20 (a)(b)	2,604,177
	<b>Iron/Steel 0.1%</b>	
1,425	AK Steel Corp., 5.00%, 11/15/19	927,141
	<b>IT Services 0.3%</b>	
3,705	ServiceSource International, Inc., 1.50%, 8/1/18	2,801,906
	<b>Life Sciences Tools &amp; Services 0.1%</b>	
1,480	Fluidigm Corp., 2.75%, 2/1/34	762,200
	<b>Machinery 2.6%</b>	
19,455	Meritor, Inc., 7.875%, 3/1/26	20,257,359
5,570	Navistar International Corp., 4.75%, 4/15/19	2,081,788
		22,339,147
	<b>Oil, Gas &amp; Consumable Fuels 1.8%</b>	
11,675	Cheniere Energy, Inc., 4.25%, 3/15/45	6,056,406
17,495	Cobalt International Energy, Inc., 2.625%, 12/1/19	8,003,963
10,295	Energy XXI Ltd., 3.00%, 12/15/18	63,057
2,725	Whiting Petroleum Corp., 1.25%, 4/1/20 (a)(b)	1,006,547
		15,129,973
	<b>Personal Products 2.1%</b>	
19,630	Herbalife Ltd., 2.00%, 8/15/19	17,937,011
	<b>Pharmaceuticals 1.3%</b>	
1,835	Horizon Pharma Investment Ltd., 2.50%, 3/15/22 (a)(b)	1,618,241
4,050	Pernix Therapeutics Holdings, Inc., 4.25%, 4/1/21 (a)(b)	1,860,469
9,135	Teligent, Inc., 3.75%, 12/15/19	7,496,409
		10,975,119
	<b>Semiconductors &amp; Semiconductor Equipment 0.7%</b>	
2,950	Inphi Corp., 1.125%, 12/1/20 (a)(b)	2,789,594



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20,745	SunEdison, Inc., 3.375%, 6/1/25 (a)(b)	3,306,234
		6,095,828
	<b>Software 0.8%</b>	
8,695	FireEye, Inc., 1.625%, 6/1/35 (a)(b)	6,890,787
	<b>Specialty Retail 0.9%</b>	
9,000	Restoration Hardware Holdings, Inc., zero coupon, 6/15/19 (a)(b)	7,104,375
	<b>Thriffs &amp; Mortgage Finance 0.8%</b>	
6,535	MGIC Investment Corp., 5.00%, 5/1/17	6,808,653

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

Principal

Amount

(000s)

Value

<b>Tobacco 2.3%</b>		
	Vector Group Ltd. (i)	
\$5,665	1.75%, 4/15/20	\$6,291,691
8,780	2.50%, 1/15/19	13,099,707
		19,391,398
Total Convertible Bonds & Notes (cost-\$253,191,349)		206,124,603
<b>Senior Loans (a)(f) 0.7%</b>		
<b>Media 0.7%</b>		
4,286	SFX Entertainment, Inc., 10.00%, 1/31/17, Term B, DIP, PIK (h)(k)(l)	4,285,507
1,636	SFXE Netherlands Holding Coöperatief U.A., 20.00%, 1/31/17, Term B, DIP (k)(l)	1,636,598
Total Senior Loans (cost-\$5,922,105)		5,922,105

Shares

**Common Stock 0.4%****Advertising 0.4%**

173,720	Affinion Group Holdings, Inc., Class A (cost-\$3,080,312) (f)(g)(j)(l) (acquisition cost-\$3,080,312; purchased 11/9/15-11/12/15)	3,635,960
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Principal

Amount

(000s)

<b>Short-Term Investment 4.5%</b>		
<b>Time Deposit 4.5%</b>		
\$38,247	ANZ National Bank - London, 0.15%, 3/1/16 (cost-\$38,247,270)	38,247,270
<b>Total Investments (cost-\$1,020,139,804) 100.0%</b>		<b>\$849,833,389</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 \$118,903,375, representing 14.0% of total investments.
- (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. Unless otherwise indicated, these securities are not considered to be illiquid.

- (c) In default.
- (d) Perpetual maturity. The date shown, if any, is the next call date.
- (e) Securities exchangeable or convertible into securities of an entity different than the issuer or structured by the issuer to provide exposure to securities of an entity different than the issuer (synthetic convertible securities). Such entity is identified in the parenthetical.
- (f) Fair-Valued-Securities with value of \$9,558,132 representing 1.1% of total investments. See Note 1(b) in Notes to Financial Statements.
- (g) Restricted. The aggregate acquisition cost is \$3,080,312. The aggregate value is \$3,635,960, representing 0.4% of total investments.
- (h) \$2,952,687 of this amount is being held in escrow for the benefit of the debtor by an agent. PIK interest is not charged on the amount held in escrow until drawn by the debtor.
- (i) 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.
- (j) Non-income producing.
- (k) Debtor-in-possession financial obligations.
- (l) Illiquid.

**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

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

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 2/29/16
<b>Investments in Securities Assets</b>				
Corporate Bonds & Notes:				
Diversified Financial Services	\$	\$11,705,015	\$3,328,050	\$15,033,065
Oil, Gas & Consumable Fuels		2,095,250	1,744,050	3,839,300
All Other		300,967,914		300,967,914
Convertible Preferred Stock:				
Banks	16,393,342	13,127,030		29,520,372
Health Care Providers & Services	9,577,296	1,284,142	28,514,755	39,376,193
Media			67	67
Oil, Gas & Consumable Fuels	15,554,755	4,351,660		19,906,415
Pharmaceuticals	14,016,370	12,387,917		26,404,287
Real Estate Investment Trust	35,345,172	12,135,720		47,480,892
Technology Hardware, Storage & Peripherals			14,628,600	14,628,600
All Other	98,746,346			98,746,346
Convertible Bonds & Notes		206,124,603		206,124,603
Senior Loans			5,922,105	5,922,105
Common Stock			3,635,960	3,635,960
Short-Term Investment		38,247,270		38,247,270
<b>Totals</b>	<b>\$ 189,633,281</b>	<b>\$ 602,426,521</b>	<b>\$ 57,773,587</b>	<b>\$ 849,833,389</b>

At February 29, 2016, securities valued at \$27,487,327 were transferred from Level 1 to Level 2. This transfer was a result of securities with an exchange-traded closing price at February 28, 2015, using an evaluated mean price February 29, 2016.

**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the year ended February 29, 2016, was as follows:

	Beginning Balance 2/28/15	Purchases	Sales	Accrued Discounts (Premiums)	Net Realized Gain (Loss)
<b>Investments in Securities Assets</b>					
Corporate Bonds & Notes:					
Diversified Financial Services	\$	\$	\$	\$	\$
Oil, Gas & Consumable Fuels		4,394,100		11,130	
Convertible Preferred Stock:					
Automobiles	18,538,604		(17,274,572)		
Banks	16,265,560		(17,633,230)		
Electronic Equipment, Instruments & Components	18,073,620		(18,184,320)		
Energy Equipment & Services	17,643,294		(19,489,102)		
Food Products	15,175,740		(16,381,771)		
Health Care Equipment & Supplies	19,120,261		(18,680,531)		913,287
Health Care Providers & Services	20,297,075	34,697,388	(21,035,429)		2,992,332
Internet Software & Services	16,482,240		(18,022,212)		
Media		6,750,000			
Multiline Retail	16,338,624		(17,304,576)		
Oil, Gas & Consumable Fuels	14,301,428		(14,612,820)		(3,577,006)
Pharmaceuticals	16,504,768		(19,741,621)		3,039,542
Semiconductors & Semiconductor Equipment	34,291,700		(31,971,834)		(4,910,508)
Technology Hardware, Storage & Peripherals	21,315,600	19,068,350	(20,597,732)		3,862,567
Senior Loans		5,922,105			
Common Stock		3,080,312			
<b>Totals</b>	\$ 244,348,514	\$ 73,912,255	\$ (250,929,750)	\$ 11,130	\$ 2,320,214

**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund

February 29, 2016 (continued)

	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3*	Transfers out of Level 3	Ending Balance 2/29/16
<b>Investments in Securities Assets (continued)</b>				
Corporate Bonds & Notes:				
Diversified Financial Services	\$	\$ 3,328,050	\$	\$ 3,328,050
Oil, Gas & Consumable Fuels	(2,661,180)			1,744,050
Convertible Preferred Stock:				
Automobiles	(1,264,032)			
Banks	1,367,670			
Electronic Equipment, Instruments & Components	110,700			
Energy Equipment & Services	1,845,808			
Food Products	1,206,031			
Health Care Equipment & Supplies	(1,353,017)			
Health Care Providers & Services	(8,436,611)			28,514,755
Internet Software & Services	1,539,972			
Media	(6,749,933)			67
Multiline Retail	965,952			
Oil, Gas & Consumable Fuels	3,888,398			
Pharmaceuticals	197,311			
Semiconductors & Semiconductor Equipment	2,590,642			
Technology Hardware, Storage & Peripherals	(9,020,185)			14,628,600
Senior Loans				5,922,105
Common Stock	555,648			3,635,960
<b>Totals</b>	\$ (15,216,826)	\$ 3,328,050	\$	\$ 57,773,587

Conversion

Issued via corporate action.

\* Transferred out of Level 2 into Level 3 because Sub-Adviser recommended to use a single broker quote on February 29, 2016.

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 February 29, 2016:

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	Ending Balance at 2/29/16	Valuation Technique Used	Unobservable Inputs	Input Values	
<b>Investments in Securities</b>	<b>Assets</b>				
Corporate Bonds & Notes	\$5,072,100	Third-Party Pricing Vendor	Single Broker Quote	\$33.00	\$38.50
Convertible	43,143,355	Third-Party Pricing Vendor	Single Broker Quote	\$64.02	\$103.286
Preferred Stock	67	Liquidation Value	Recovery Rate	\$0.01*	
Senior Loans	5,922,105	Fundamental Analytical Data Relating to the Investment	Proprietary Data used in Model	\$100.00	
Common Stock	3,635,960	Fundamental Analytical Data Relating to the Investment	Price of Stock	\$20.93	

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

The net change in unrealized appreciation/depreciation of Level 3 investments held at February 29, 2016 was \$(22,705,049). Net realized gain (loss) and change in unrealized appreciation/depreciation is reflected on the Statement of Operations.

**Glossary:**

DIP - Debtor-in-Possession

PIK - Payment-in-Kind

See accompanying Notes to Financial Statements | February 29, 2016 | Annual Report **17**

**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

February 29, 2016

Principal

Amount

(000s)		Value
<b>Corporate Bonds &amp; Notes 37.9%</b>		
<b>Advertising 0.4%</b>		
\$4,350	Affinion Group, Inc., 7.875%, 12/15/18	\$2,452,312
<b>Aerospace &amp; Defense 1.3%</b>		
5,465	Erickson, Inc., 8.25%, 5/1/20	3,470,275
3,936	Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19	2,853,600
1,955	TransDigm, Inc., 6.50%, 5/15/25 (a)(b)	1,884,131
		8,208,006
<b>Air Freight &amp; Logistics 1.2%</b>		
	XPO Logistics, Inc. (a)(b),	
2,170	6.50%, 6/15/22	2,061,500
5,230	7.875%, 9/1/19	5,419,588
		7,481,088
<b>Chemicals 1.3%</b>		
5,500	Chemours Co., 6.625%, 5/15/23 (a)(b)	4,001,250
4,380	OMNOVA Solutions, Inc., 7.875%, 11/1/18	4,270,500
		8,271,750
<b>Commercial Services 2.2%</b>		
8,535	Cenveo Corp., 11.50%, 5/15/17	5,825,138
4,295	DynCorp International, Inc., 10.375%, 7/1/17	3,237,356
5,925	Monitronics International, Inc., 9.125%, 4/1/20	5,051,062
		14,113,556
<b>Commercial Services &amp; Supplies 0.6%</b>		
4,265	West Corp., 5.375%, 7/15/22 (a)(b)	3,833,169
<b>Construction Materials 0.9%</b>		
5,690	US Concrete, Inc., 8.50%, 12/1/18	5,917,600
<b>Consumer Finance 0.9%</b>		
2,605	Navient Corp., 8.45%, 6/15/18	2,782,479
3,865	Springleaf Finance Corp., 8.25%, 10/1/23	3,372,212
		6,154,691
<b>Diversified Financial Services 1.8%</b>		
1,480	Affinion International Holdings Ltd., 7.50%, 7/30/18 (a)(b)	1,080,400
	Community Choice Financial, Inc.,	
7,465	10.75%, 5/1/19	2,463,450
5,370	12.75%, 5/1/20 (a)(b)	1,852,650
	Nationstar Mortgage LLC / Nationstar Capital Corp.,	
2,000	7.875%, 10/1/20	1,890,000



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4,250	9.625%, 5/1/19	4,393,437
		11,679,937
	<b>Diversified Telecommunications Services 0.5%</b>	
3,350	Frontier Communication Corp., 10.50%, 9/15/22 (a)(b)	3,408,625
	<b>Electrical Components &amp; Equipment 0.8%</b>	
5,665	WireCo WorldGroup, Inc., 9.50%, 5/15/17	5,013,525
	<b>Electronic Equipment, Instruments &amp; Components 0.7%</b>	
5,815	Kemet Corp., 10.50%, 5/1/18	4,288,562

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

February 29, 2016 (continued)

Principal

Amount

(000s)		Value
	<b>Entertainment 0.5%</b>	
\$3,045	Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp., 5.375%, 6/1/24	\$3,151,575
	<b>Health Care Providers &amp; Services 2.4%</b>	
4,125	DaVita HealthCare Partners, Inc., 5.125%, 7/15/24	4,204,922
6,045	Kindred Healthcare, Inc., 8.75%, 1/15/23	5,448,056
	Tenet Healthcare Corp.,	
2,750	5.00%, 3/1/19	2,640,000
3,470	8.125%, 4/1/22	3,428,777
		15,721,755
	<b>Healthcare-Products 1.0%</b>	
6,785	Kinetic Concepts, Inc./KCI USA, Inc., 10.50%, 11/1/18	6,293,088
	<b>Holding Companies-Diversified 0.5%</b>	
3,985	Horizon Pharma Financing, Inc., 6.625%, 5/1/23 (a)(b)	3,526,725
	<b>Hotels, Restaurants &amp; Leisure 1.1%</b>	
6,395	MGM Resorts International, 11.375%, 3/1/18	7,370,237
	<b>Household Durables 1.3%</b>	
	Beazer Homes USA, Inc.,	
2,245	7.25%, 2/1/23	1,604,775
3,920	9.125%, 5/15/19	3,518,200
1,390	Jarden Corp., 7.50%, 5/1/17	1,429,963
1,500	Lennar Corp., 12.25%, 6/1/17	1,676,250
		8,229,188
	<b>Independent Power &amp; Renewable Electricity Producers 1.2%</b>	
4,265	NRG Energy, Inc., 6.25%, 5/1/24	3,561,275
5,505	TerraForm Power Operating LLC, 5.875%, 2/1/23 (a)(b)	4,156,275
		7,717,550
	<b>Internet &amp; Catalog Retail 0.4%</b>	
2,200	Netflix, Inc., 5.875%, 2/15/25	2,315,500
	<b>Internet Software &amp; Services 2.0%</b>	
	EarthLink, Inc.,	
2,200	7.375%, 6/1/20	2,227,500
5,652	8.875%, 5/15/19	5,666,130
5,195	Rackspace Hosting, Inc., 6.50%, 1/15/24 (a)(b)	4,909,275
		12,802,905
	<b>Iron/Steel 0.5%</b>	
5,600	AK Steel Corp., 8.375%, 4/1/22	2,940,000

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<b>Lodging 0.5%</b>		
9,455	Caesars Entertainment Operating Co., Inc., 12.75%, 4/15/18 (c)	3,167,425
<b>Machinery 1.4%</b>		
4,225	BlueLine Rental Finance Corp., 7.00%, 2/1/19 (a)(b)	3,115,937
3,435	Commercial Vehicle Group, Inc., 7.875%, 4/15/19	2,885,400
5,495	Navistar International Corp., 8.25%, 11/1/21	3,351,950
		9,353,287
<b>Media 3.4%</b>		
5,630	Cablevision Systems Corp., 8.00%, 4/15/20	5,348,500
3,250	CCO Holdings LLC / CCO Holdings Capital Corp., 7.00%, 1/15/19	3,322,556

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

February 29, 2016 (continued)

Principal

Amount

(000s)		Value
	<b>Media (continued)</b>	
\$6,645	McClatchy Co., 9.00%, 12/15/22	\$5,872,519
	McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education	
6,280	Finance, 9.75%, 4/1/21	6,860,900
3,589	SFX Entertainment, Inc., 9.625%, 2/1/19 (a)(b)(c)(l)	269,175
		21,673,650
	<b>Metals &amp; Mining 1.3%</b>	
5,050	ArcelorMittal, 10.85%, 6/1/19	5,340,375
2,820	HudBay Minerals, Inc., 9.50%, 10/1/20	1,622,515
	Thompson Creek Metals Co., Inc.,	
6,145	7.375%, 6/1/18	1,060,013
670	12.50%, 5/1/19	122,275
		8,145,178
	<b>Miscellaneous Manufacturing 0.7%</b>	
	Harland Clarke Holdings Corp. (a)(b),	
5,650	9.25%, 3/1/21	3,721,938
600	9.75%, 8/1/18	579,750
		4,301,688
	<b>Multiline Retail 0.4%</b>	
2,165	Dollar Tree, Inc., 5.75%, 3/1/23 (a)(b)	2,313,844
	<b>Oil &amp; Gas 0.3%</b>	
	BreitBurn Energy Partners LP / BreitBurn Finance Corp.,	
3,870	7.875%, 4/15/22	406,350
4,820	8.625%, 10/15/20	518,150
1,300	Calumet Specialty Products Partners LP / Calumet Finance Corp., 6.50%, 4/15/21	789,750
6,000	Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17	151,872
450	Vanguard Natural Resources LLC / VNR Finance Corp., 7.00%, 2/15/23 (a)(b)	155,250
		2,021,372
	<b>Oil, Gas &amp; Consumable Fuels 0.5%</b>	
6,180	EP Energy LLC / Everest Acquisition Finance, Inc., 9.375%, 5/1/20	1,792,200
3,470	Sanchez Energy Corp., 6.125%, 1/15/23	1,335,950
		3,128,150
	<b>Paper &amp; Forest Products 0.3%</b>	
2,000	Louisiana-Pacific Corp., 7.50%, 6/1/20	2,080,000
	<b>Pharmaceuticals 0.7%</b>	
1,755	Endo Finance LLC & Endo Finco, Inc., 5.875%, 1/15/23 (a)(b)	1,755,000
3,000	Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(b)	2,760,000

		4,515,000
	<b>Real Estate Investment Trust 0.3%</b>	
2,345	Kennedy-Wilson, Inc., 5.875%, 4/1/24	2,251,200
	<b>Retail 0.6%</b>	
5,785	Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b)	4,106,772
	<b>Semiconductors &amp; Semiconductor Equipment 1.0%</b>	
2,875	Amkor Technology, Inc., 6.375%, 10/1/22	2,605,469
3,850	Micron Technology, Inc., 5.875%, 2/15/22	3,551,240
		6,156,709

**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

February 29, 2016 (continued)

Principal

Amount

(000s)		Value
	<b>Specialty Retail 0.9%</b>	
\$4,500	Claire's Stores, Inc., 9.00%, 3/15/19 (a)(b)	\$2,598,750
4,000	Conn's, Inc., 7.25%, 7/15/22	3,140,000
		5,738,750
	<b>Telecommunications 1.4%</b>	
5,630	Consolidated Communications, Inc., 6.50%, 10/1/22	4,616,600
5,845	Windstream Corp., 7.50%, 4/1/23	4,445,181
		9,061,781
	<b>Wireless Telecommunication Services 0.7%</b>	
5,545	Sprint Communications, Inc., 11.50%, 11/15/21	4,727,112
	<b>Total Corporate Bonds &amp; Notes (cost-\$322,082,830)</b>	<b>243,633,262</b>
	<b>Shares</b>	
	<b>Convertible Preferred Stock 32.2%</b>	
	<b>Banks 3.4%</b>	
7,455	Huntington Bancshares, Inc., 8.50% (d)	10,094,070
9,900	Wells Fargo & Co., Ser. L, 7.50% (d)	11,600,721
		21,694,791
	<b>Commercial Services &amp; Supplies 0.9%</b>	
64,465	Stericycle, Inc., 5.25%, 9/15/18	5,634,241
	<b>Diversified Financial Services 1.7%</b>	
10,100	Bank of America Corp., Ser. L, 7.25% (d)	11,125,655
	<b>Diversified Telecommunications Services 2.1%</b>	
132,535	Frontier Communications Corp., Ser. A, 11.125%, 6/29/18	13,439,049
	<b>Electric Utilities 0.9%</b>	
134,610	Exelon Corp., 6.50%, 6/1/17	5,969,953
	<b>Food Products 0.9%</b>	
79,850	Tyson Foods, Inc., 4.75%, 7/15/17	5,757,185
	<b>Health Care Providers &amp; Services 4.6%</b>	
163,220	Anthem, Inc., 5.25%, 5/1/18	7,220,853
	Goldman Sachs Group, Inc., 8.00%, 3/31/16 (Laboratory Corp. of America Holdings)	
95,960	(e)	9,911,325
181,300	JPMorgan Chase & Co., 8.00%, 5/5/16 (HCA Holding, Inc.) (e)	11,606,826
1,720	Kindred Healthcare, Inc., 7.50%, 12/1/17	968,738
		29,707,742
	<b>Independent Power &amp; Renewable Electricity Producers 0.7%</b>	
117,560	Dynegy, Inc., 5.375%, 11/1/17	4,413,202

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	<b>Machinery 2.1%</b>	
128,815	Stanley Black & Decker, Inc., 6.25%, 11/17/16	13,779,341
	<b>Media 0.0%</b>	
5,000	SFX Entertainment, Inc., Ser. B, 9.00%, 9/17/19 (a)(c)(f)(l)	50
	<b>Metals &amp; Mining 0.2%</b>	
35,295	Alcoa, Inc., 5.375%, 10/1/17	1,055,321
	<b>Multi-Utilities 1.4%</b>	
186,560	AES Trust III, 6.75%, 10/15/29	9,328,000
	<b>Oil, Gas &amp; Consumable Fuels 2.5%</b>	
120,125	Anadarko Petroleum Corp., 7.50%, 6/7/18	3,595,341

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

February 29, 2016 (continued)

Shares		Value
	<b>Oil, Gas &amp; Consumable Fuels (continued)</b>	
10,900	Energy XXI Bermuda Ltd., 5.625% (d)	\$73,235
41,000	Hess Corp., 8.00%, 2/1/19	2,282,880
130,590	Kinder Morgan, Inc., 9.75%, 10/26/18	5,708,089
94,905	PetroQuest Energy, Inc., 6.875% (d)	1,699,388
173,845	Sanchez Energy Corp., 6.50%, 4/16/18 (d)	1,533,313
29,470	Southwestern Energy Co., Ser. B, 6.25%, 1/15/18	420,242
22,865	WPX Energy, Inc., 6.25%, 7/31/18	516,749
		15,829,237
	<b>Pharmaceuticals 3.1%</b>	
10,940	Allergan PLC, Ser. A, 5.50%, 3/1/18	10,567,821
10,405	Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18	9,336,927
		19,904,748
	<b>Real Estate Investment Trust 5.6%</b>	
335,200	Alexandria Real Estate Equities, Inc., 7.00% (d)	9,251,520
610,095	FelCor Lodging Trust, Inc., Ser. A, 1.95% (d)	15,325,586
159,235	Welltower, Inc., 6.50% (d)	9,272,254
50,900	Weyerhaeuser Co., 6.375%, 7/1/16	2,365,832
		36,215,192
	<b>Technology Hardware, Storage &amp; Peripherals 1.7%</b>	
113,500	Bank of America Corp., 8.00%, 5/10/16 (Apple, Inc.) (e)	11,032,200
	<b>Wireless Telecommunication Services 0.4%</b>	
42,975	T-Mobile US, Inc., 5.50%, 12/15/17	2,753,408
	Total Convertible Preferred Stock (cost-\$222,510,377)	207,639,315

Principal

Amount

(000s)

	<b>Convertible Bonds &amp; Notes 24.2%</b>	
	<b>Air Freight &amp; Logistics 0.3%</b>	
\$1,720	Echo Global Logistics, Inc., 2.50%, 5/1/20	1,643,675
	<b>Automobiles 1.2%</b>	
92,390	Fiat Chrysler, 7.875%, 12/15/16	5,953,380
2,150	Tesla Motors, Inc., 1.25%, 3/1/21	1,699,844
		7,653,224
	<b>Biotechnology 0.3%</b>	
2,580	Cepheid, 1.25%, 2/1/21	2,191,388
	<b>Capital Markets 2.7%</b>	
10,075	BGC Partners, Inc., 4.50%, 7/15/16	10,370,953



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12,440	Walter Investment Management Corp., 4.50%, 11/1/19	6,748,700
		17,119,653
	<b>Commercial Services 1.0%</b>	
15,600	Cenveo Corp., 7.00%, 5/15/17	6,552,000
	<b>Consumer Finance 0.9%</b>	
7,490	PRA Group, Inc., 3.00%, 8/1/20	5,594,094
	<b>Diversified Consumer Services 0.9%</b>	
10,220	Ascent Capital Group, Inc., 4.00%, 7/15/20	5,723,200
	<b>Electrical Equipment 1.0%</b>	
11,235	SolarCity Corp., 1.625%, 11/1/19	6,375,863

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**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

February 29, 2016 (continued)

Principal

Amount

(000s)		Value
	<b>Electronic Equipment, Instruments &amp; Components 0.4%</b>	
\$2,725	TTM Technologies, Inc., 1.75%, 12/15/20	\$2,374,156
	<b>Health Care Equipment &amp; Supplies 0.3%</b>	
2,250	Invacare Corp., 5.00%, 2/15/21 (a)(b)	2,181,645
	<b>Health Care Providers &amp; Services 0.3%</b>	
2,150	Brookdale Senior Living, Inc., 2.75%, 6/15/18	2,042,500
	<b>Independent Power &amp; Renewable Electricity Producers 0.9%</b>	
6,905	NRG Yield, Inc., 3.25%, 6/1/20 (a)(b)	5,670,731
	<b>Internet Software &amp; Services 0.3%</b>	
2,575	Gogo, Inc., 3.75%, 3/1/20 (a)(b)	1,952,185
	<b>Iron/Steel 0.1%</b>	
1,075	AK Steel Corp., 5.00%, 11/15/19	699,422
	<b>IT Services 0.3%</b>	
2,795	ServiceSource International, Inc., 1.50%, 8/1/18	2,113,719
	<b>Life Sciences Tools &amp; Services 0.1%</b>	
1,120	Fluidigm Corp., 2.75%, 2/1/34	576,800
	<b>Machinery 2.6%</b>	
14,800	Meritor, Inc., 7.875%, 3/1/26	15,404,056
4,180	Navistar International Corp., 4.75%, 4/15/19	1,562,275
		16,966,331
	<b>Oil, Gas &amp; Consumable Fuels 1.8%</b>	
8,810	Cheniere Energy, Inc., 4.25%, 3/15/45	4,570,187
13,200	Cobalt International Energy, Inc., 2.625%, 12/1/19	6,039,000
7,015	Energy XXI Ltd., 3.00%, 12/15/18	42,967
2,055	Whiting Petroleum Corp., 1.25%, 4/1/20 (a)(b)	759,066
		11,411,220
	<b>Personal Products 2.1%</b>	
14,795	Herbalife Ltd., 2.00%, 8/15/19	13,519,005
	<b>Pharmaceuticals 1.3%</b>	
1,385	Horizon Pharma Investment Ltd., 2.50%, 3/15/22 (a)(b)	1,221,397
3,055	Pernix Therapeutics Holdings, Inc., 4.25%, 4/1/21 (a)(b)	1,403,391
6,890	Teligent, Inc., 3.75%, 12/15/19	5,654,106
		8,278,894
	<b>Semiconductors &amp; Semiconductor Equipment 0.7%</b>	
2,400	Inphi Corp., 1.125%, 12/1/20 (a)(b)	2,269,500
15,515	SunEdison, Inc., 3.375%, 6/1/25 (a)(b)	2,472,703
		4,742,203

	<b>Software 0.8%</b>	
6,555	FireEye, Inc., 1.625%, 6/1/35 (a)(b)	5,194,838
	<b>Specialty Retail 0.8%</b>	
6,785	Restoration Hardware Holdings, Inc., zero coupon, 6/15/19 (a)(b)	5,355,909
	<b>Thriffs &amp; Mortgage Finance 0.8%</b>	
4,965	MGIC Investment Corp., 5.00%, 5/1/17	5,172,909

**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

February 29, 2016 (continued)

Principal

Amount

(000s)		Value
	<b>Tobacco 2.3%</b>	
\$4,335	Vector Group Ltd. (i), 1.75%, 4/15/20	\$4,814,560
6,620	2.50%, 1/15/19	9,877,000
		14,691,560
	Total Convertible Bonds & Notes (cost-\$191,080,143)	155,797,124
	<b>Senior Loans (a)(f) 0.9%</b>	
	<b>Media 0.9%</b>	
4,286	SFX Entertainment, Inc., 10.00%, 1/31/17, Term B, DIP, PIK (h)(k)(l)	4,285,507
1,636	SFXE Netherlands Holding Coöperatief U.A., 20.00%, 1/31/17, Term B, DIP (k)(l)	1,636,598
	Total Senior Loans (cost-\$5,922,105)	5,922,105

Shares

	<b>Common Stock 0.4%</b>	
	<b>Advertising 0.4%</b>	
133,715	Affinion Group Holdings, Inc., Class A (cost-\$2,371,020) (f)(g)(j)(l) (acquisition cost-\$2,371,020; purchased 11/9/15-11/12/15)	2,798,655

Principal

Amount

(000s)		
	<b>Short-Term Investments 4.4%</b>	
	<b>Time Deposits 4.4%</b>	
\$5,892	ANZ National Bank - London, 0.15%, 3/1/16	5,892,428
22,556	Bank of Tokyo-Mitsubishi UFJ Ltd.-Grand Cayman, 0.15%, 3/1/16	22,556,096
	Total Short-Term Investments (cost-\$28,448,524)	28,448,524
	<b>Total Investments (cost-\$772,414,999) 100.0%</b>	<b>\$644,238,985</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 \$91,913,524, representing 14.3% of total investments.

(b)

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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. Unless otherwise indicated, these securities are not considered to be illiquid.

- (c) In default.
- (d) Perpetual maturity. The date shown, if any, is the next call date.
- (e) Securities exchangeable or convertible into securities of an entity different than the issuer or structured by the issuer to provide exposure to securities of an entity different than the issuer (synthetic convertible securities). Such entity is identified in the parenthetical.
- (f) Fair-Valued-Securities with value of \$8,720,810, representing 1.4% of total investments. See Note 1(b) in Notes to Financial Statements.
- (g) Restricted. The aggregate acquisition cost is \$2,371,020. The aggregate value is \$2,798,655, representing 0.4% of total investments.
- (h) \$2,952,687 of this amount is being held in escrow for the benefit of the debtor by an agent. PIK interest is not charged on the amount held in escrow until drawn by the debtor.
- (i) 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.
- (j) Non-income producing.
- (k) Debtor-in-possession financial obligations.
- (l) Illiquid

**Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

February 29, 2016 (continued)

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

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 2/29/16
<b>Investments in Securities Assets</b>				
Corporate Bonds & Notes:				
Diversified Financial Services	\$	\$9,216,487	\$2,463,450	\$11,679,937
Oil, Gas & Consumable Fuels		1,792,200	1,335,950	3,128,150
All Other		228,825,175		228,825,175
Convertible Preferred Stock:				