

AllianzGI Convertible & Income Fund II

Form N-CSRS

October 27, 2017

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**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: 811-21338**

**AllianzGI Convertible & Income Fund II**

**(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**

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

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

**Date of fiscal year end: February 28**

**Date of reporting period: August 31, 2017**

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Item 1. Report to Shareholders

AllianzGI Convertible & Income 2024 Target Term Fund

AllianzGI Convertible & Income Fund

AllianzGI Convertible & Income Fund II

**Semi-Annual Report**

**August 31, 2017**

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Letter from the President

Thomas J. Fuccillo

*President & Chief Executive Officer*

Dear Shareholder:

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

For the period since its inception on June 30, 2017 through August 31, 2017:

AllianzGI Convertible & Income 2024 Target Term Fund returned 0.32% on net asset value ( NAV ) and -0.54% on market price.

For the six-month reporting period ended August 31, 2017:

AllianzGI Convertible & Income Fund returned 1.98% on net asset value ( NAV ) and 7.13% on market price.

AllianzGI Convertible & Income Fund II returned 2.29% on net asset value ( NAV ) and 7.05% on market price.

During the six-month period ended August 31, 2017, the Standard & Poor's ( S&P ) 500 Index, an unmanaged index generally representative of the US stock market, rose 5.65% and the BofA Merrill Lynch High Yield Master II Index, an unmanaged index generally representative of the high yield bond market, gained 3.08%. Convertible securities, which share characteristics of both stocks and bonds, also generated strong results. The BofA Merrill Lynch All Convertibles-All Qualities Index, an unmanaged index generally representative of the convertible securities market, returned 5.59%. The blended index 40% ML US Conv/45% ML US HY BB - B/15% CS Leveraged Loan, returned 1.57% since the AllianzGI Convertible & Income 2024 Target Term Fund was incepted on June 30, 2017, and returned 3.90% during the full reporting 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 a principal indicator of economic performance, expanded at a 1.8% annualized pace during the fourth quarter of 2016. GDP then moderated to a 1.2% annual pace during the first quarter of 2017. The Commerce Department's final reading showed that GDP released after the reporting period had ended grew at an annual pace of 3.1% for the second quarter of 2017.

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

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sheet normalization program relatively soon, provided that the economy evolves broadly as anticipated. Then, at its September meeting after the reporting period ended the Fed said, In October, the Committee will initiate the balance sheet normalization program

## **Outlook**

We believe the global economy has been in a cyclical sweet spot for more than a year. Meanwhile, geopolitical factors, including ongoing tensions with North Korea, continue to play on investor sentiment. In

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our view, actively differentiating between regions and countries will become more important for investors.

Global growth has continued at around 3%, and we expect moderately higher core inflation over the medium term. While the global economic landscape remains solid, we expect it to become rocky over the months ahead, and believe that country-specific risk factors will become more important to asset-allocation strategies.

Central banks in the US, the eurozone and the UK have embarked on a path towards normalization or are, at least, talking about it. Fading bond reinvestments by the Fed, proper tapering by the European Central Bank and an already visible slowdown in Japanese government bond purchases by the Bank of Japan is expected to culminate in a global central bank peak liquidity during the first half of 2018, in our view.

Apart from ambitious valuations in most asset classes, in our view, signs of market complacency have grown. While we remain risk-on for cyclical reasons for the time being, we are fully aware that the risks for a setback have increased. Our message remains: If you take no risk, you will earn no return. In today's markets in particular, that means using active management to identify opportunities for income and capital gain, and to manage the periods of volatility that may arise.

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/en-us/advisors/products-solutions/closed-end-funds](http://us.allianzgi.com/en-us/advisors/products-solutions/closed-end-funds).

On behalf of Allianz Global Investors U.S. LLC, the Funds' investment manager, thank you for investing with us.

We remain dedicated to serving your investment needs.

Sincerely,

Thomas J. Fuccillo  
*President & Chief Executive Officer*

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### **Fund Insights**

AllianzGI Convertible & Income 2024 Target Term Fund / AllianzGI Convertible & Income Fund /AllianzGI Convertible & Income Fund II

August 31, 2017 (unaudited)

### **AllianzGI Convertible & Income 2024 Target Term Fund**

For the period from inception on June 30, 2017 through August 31, 2017, as provided by Doug Forsyth, CFA, Portfolio Manager.

For the period since the Fund's inception through August 31, 2017, the AllianzGI Convertible & Income 2024 Target Term Fund (the Fund) returned 0.32% on net asset value (NAV) and -0.54% on market price.

### **Market Environment**

The convertible bond, high-yield bond and senior secured loan markets moved higher over the reporting period, despite a number of macro-related headwinds toward the end of the reporting period.

In general, convertibles benefited from the strength of the equity market, while high-yield bonds rallied alongside stocks, which touched record levels.

Several factors, in our view, influenced these asset classes throughout the reporting period, including corporate fundamentals, economic indicators and moves by the US Federal Reserve (Fed).

During the reporting period US companies continued to exhibit improving fundamentals as operating results for most issuers met or exceeded expectations and high-yield bond credit metrics showed further improvement. Second quarter earnings in 2017 finished stronger-than-expected and marked a second consecutive quarter of double-digit year-over-year earnings growth according to FactSet Research Systems Inc., a multinational financial

data and software company that provides financial information and analytic software for investment professionals. Concurrently, Bank of America Merrill Lynch reported that high-yield net leverage ticked lower and interest coverage rose during the period.

Certain economic statistics also factored into the market's strength. The unemployment rate fell and housing prices continued their upward trend. Consumer and small business confidence remained at bullish levels and key manufacturing and service surveys ended within expansionary territory. Lastly, price indexes remained relatively benign.

As anticipated, the Fed increased interest rates for the second time this year, pushing the federal funds rate to a range of 1.00% to 1.25%. The market's response to the Fed's rate hike decision was muted. Additionally, the Fed noted that the process of balance sheet reduction is expected to begin later this year, reflecting their confidence in the US economy. Overall, the Fed did not deviate from its gradual approach toward policy adjustments, and along with continued accommodative economic policies outside the US, this lends support to the investment in risk assets.

## **Portfolio Review**

The Fund provided a positive total return from inception to the end of the reporting period.

In the convertible bond sleeve, the sectors that contributed positively to relative performance were health care, industrials and telecommunications. On the other hand, the technology, financials and energy sectors pressured relative performance.

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In the high-yield bond sleeve, industry exposure that helped relative performance included retail, basic industry & real estate and food & drug retailers. Conversely, the telecommunications, health care and support-services sectors hindered relative performance.

In the senior secured loan sleeve, top-contributing sectors included rail, health care and capital goods. In contrast, the media, personal & household products and automotive sectors negatively impacted performance.

## **Outlook**

US stock markets are trading near all-time highs, equity volatility remains subdued and interest rates reside above the lows on an economic outlook that we believe is improving. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

We expect the US economy to expand at a moderate pace in 2017 with the stock market's strength and the Treasury's yield curve confirming this notion, in our view. Moreover, positive tax reform, decreased regulation and increased fiscal spending could result in even stronger economic growth.

US monetary policy continues to be modestly accommodative and we expect the Fed to continue to take a gradual approach toward policy adjustments. Additional interest rate hikes and balance sheet reduction efforts could signal confidence in the US economy's ability to grow. The purpose of these adjustments would be to achieve a normalized environment after an extended period of extreme accommodation. Outside of the US, global monetary policy continues to be constructive.

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

## **AllianzGI Convertible & Income Fund /AllianzGI Convertible & Income Fund II**

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

For the six-month period ended August 31, 2017, the AllianzGI Convertible & Income Fund returned 1.98% on net asset value and 7.13% on market price.

For the six-month reporting period ended August 31, 2017, the AllianzGI Convertible & Income Fund II returned 2.29% on net asset value ( NAV ) and 7.05% on market price.

## **Market Environment**

The convertible bond and high-yield bond markets moved higher over the reporting period despite a number of macro-related headwinds toward the end of the reporting period.

In general, convertibles benefited from the strength of the equity market, while high-yield bonds rallied alongside stocks, which touched record levels.

Several factors, in our view, influenced these asset classes throughout the reporting period, including corporate fundamentals, economic indicators and moves made by the US Federal Reserve ( Fed ).

During the reporting period US companies continued to exhibit improving fundamentals, as operating results for most issuers met or exceeded expectations and high-yield bond credit metrics showed further improvement. Second quarter earnings in 2017 finished stronger-than-expected and marked a second consecutive quarter of double-digit year-over-year earnings growth according to FactSet Research Systems Inc., a multinational financial data and software company that provides financial information and analytic software for investment professionals. Concurrently, Bank of America Merrill Lynch reported that high-yield net leverage ticked lower and interest coverage rose during the period.

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Certain economic statistics also factored into the market's strength. The unemployment rate fell and housing prices continued their upward trend. Consumer and small business confidence remained at bullish levels and key manufacturing and service surveys ended within expansionary territory. Lastly, price indexes remained relatively benign.

As anticipated, the Fed increased interest rates for the second time this year, pushing the federal funds rate to a range of 1.00% to 1.25%. The market's response to the Fed's rate hike decision was muted. Additionally, the Fed noted that the process of balance sheet reduction is expected to begin later this year, reflecting their confidence in the US economy. Overall, the Fed did not deviate from its gradual approach toward policy adjustments, and along with continued accommodative economic policies outside the US, this lends support to the investment in risk assets.

## **Portfolio Review**

In addition to providing a strong total return, the Funds also provided a high level of income over the reporting period.

In the convertible sleeve, the consumer discretionary sector had a positive contribution to relative performance. Additionally, issue selection was strongest in energy. On the other hand, the health care, telecommunications and technology sectors pressured relative performance.

In the high-yield sleeve, the theaters & entertainment, printing & publishing and steel producers/products sectors helped relative performance. Conversely, the telecommunications, support-services and energy industries hindered relative performance.

## **Outlook**

US stock markets are trading near all-time highs, equity volatility remains subdued and interest rates reside above the lows on an economic outlook that we believe is improving. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

We expect the US economy to expand at a moderate pace in 2017 with the stock market's strength and the Treasury's yield curve confirming this notion. Moreover, positive tax reform, decreased regulation and increased fiscal spending could result in even stronger economic growth.

US monetary policy continues to be modestly accommodative with and we expect the Fed to continue to take a gradual approach toward policy adjustments. Additional interest rate hikes and balance sheet reduction efforts could signal confidence in the US economy's ability to grow. The purpose of these adjustments would be to achieve a normalized environment after an extended period of extreme accommodation. Outside of the US, global monetary policy continues to be constructive.

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

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**Performance & Statistics**

AllianzGI Convertible & Income 2024 Target Term Fund

August 31, 2017 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Commencement of Operations (6/30/17) to 8/31/17	-0.54%	0.32%

**Market Price/NAV Performance:**

Commencement of Operations (6/30/17) to 8/31/17

**Market Price/NAV:**

Market Price	\$9.90
NAV <sup>(2)</sup>	\$9.82
Premium to NAV	0.81%
Market Price Yield <sup>(3)</sup>	5.58%
Leverage <sup>(4)</sup>	27.99%

**S&P Global Ratings\***

(as a % of total investments)

See Notes to Performance & Statistics on page 10.

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**Performance & Statistics**

AllianzGI Convertible & Income Fund

August 31, 2017 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	7.13%	1.98%
1 Year	18.40%	11.33%
5 Year	6.94%	8.01%
10 Year	6.35%	5.53%
Commencement of Operations (3/31/03) to 8/31/17	7.65%	7.69%

**Market Price/NAV Performance:**

Commencement of Operations (3/31/03) to 8/31/17

**Market Price/NAV:**

Market Price	\$7.01
NAV <sup>(2)</sup>	\$6.61
Premium to NAV	6.05%
Market Price Yield <sup>(3)</sup>	11.13%
Leverage <sup>(5)</sup>	37.89%

**S&P Global Ratings\***

(as a % of total investments)

See Notes to Performance & Statistics on page 10.

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**Performance & Statistics**

AllianzGI Convertible & Income Fund II

August 31, 2017 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	7.05%	2.29%
1 Year	21.37%	11.63%
5 Year	6.05%	8.14%
10 Year	5.49%	4.82%
Commencement of Operations (7/31/03) to 8/31/17	6.49%	6.64%

**Market Price/NAV Performance:**

Commencement of Operations (7/31/03) to 8/31/17

**Market Price/NAV:**

Market Price	\$6.24
NAV <sup>(2)</sup>	\$5.93
Premium to NAV	5.23%
Market Price Yield <sup>(3)</sup>	10.24%
Leverage <sup>(5)</sup>	38.22%

**S&P Global Ratings\***

(as a % of total investments)

See Notes to Performance & Statistics on page 10.



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### Performance & Statistics

#### AllianzGI Convertible & Income Funds

August 31, 2017 (unaudited)

#### Notes to Performance & Statistics:

\* Credit 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 S&P Global Ratings ( S&P ). Presentations of credit ratings information in this report use ratings provided by S&P for this purpose, among other reasons, because of the access to background information and other materials provided by S&P, as well as the Funds' considerations of industry practice. Securities not rated by S&P, or bonds that do not have a rating available from S&P, or bonds that had a rating withdrawn by S&P are designated as NR or 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 S&P or another rating agency are not absolute standards of credit quality and 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 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. Total return for a period of less than one year is not annualized.

Performance at market price will differ from results at NAV. Although market price returns 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 from this NAV 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 August 31, 2017.

(4) Represents 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).

(5) 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).

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AllianzGI Convertible &amp; Income 2024 Target Term Fund

August 31, 2017 (unaudited)

Principal Amount (000s)		Value
<b>Corporate Bonds &amp; Notes 59.1%</b>		
<b>Aerospace &amp; Defense 2.6%</b>		
\$1,500	KLX, Inc., 5.875%, 12/1/22 (a)(c)(e)	\$1,578,750
1,500	Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19 (e)	1,530,000
1,500	TransDigm, Inc., 6.50%, 7/15/24 (e)	1,561,875
		4,670,625
<b>Auto Components 0.9%</b>		
1,500	American Axle & Manufacturing, Inc., 6.625%, 10/15/22 (e)	1,554,375
<b>Auto Manufacturers 0.9%</b>		
1,500	Navistar International Corp., 8.25%, 11/1/21 (e)	1,515,000
<b>Building Materials 0.9%</b>		
1,500	Builders FirstSource, Inc., 5.625%, 9/1/24 (a)(c)(e)	1,573,125
<b>Chemicals 3.5%</b>		
1,500	Chemours Co., 6.625%, 5/15/23 (e)	1,599,375
1,500	Platform Specialty Products Corp., 6.50%, 2/1/22 (a)(c)(e)	1,563,750
1,500	Tronox Finance LLC, 7.50%, 3/15/22 (a)(c)(e)	1,578,750
1,500	Univar USA, Inc., 6.75%, 7/15/23 (a)(c)(e)	1,567,500
		6,309,375
<b>Computers 1.9%</b>		
1,500	Dell International LLC, 7.125%, 6/15/24 (a)(c)(e)	1,662,346
1,500	Western Digital Corp., 10.50%, 4/1/24 (e)	1,783,125
		3,445,471
<b>Diversified Financial Services 3.4%</b>		
1,500	Community Choice Financial, Inc., 10.75%, 5/1/19 (e)	1,275,000
1,500	Nationstar Mortgage LLC, 7.875%, 10/1/20 (e)	1,535,625
1,500	Navient Corp., 7.25%, 9/25/23 (e)	1,634,400
1,500	Springleaf Finance Corp., 8.25%, 10/1/23 (e)	1,706,250
		6,151,275
<b>Electric Utilities 0.9%</b>		
1,500	NRG Energy, Inc., 6.25%, 5/1/24 (e)	1,560,000
<b>Engineering &amp; Construction 0.9%</b>		
1,500	AECOM, 5.875%, 10/15/24 (e)	1,648,125
<b>Entertainment 0.9%</b>		
1,500	Cedar Fair L.P., 5.375%, 6/1/24 (e)	1,590,000
<b>Healthcare-Products 0.9%</b>		
1,500	Hologic, Inc., 5.25%, 7/15/22 (a)(c)(e)	1,584,825
<b>Healthcare-Services 5.3%</b>		

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1,500	Community Health Systems, Inc., 6.25%, 3/31/23 (e)	1,516,875
1,500	DaVita, Inc., 5.125%, 7/15/24 (e)	1,533,750
1,500	Envision Healthcare Corp., 6.25%, 12/1/24 (a)(c)(e)	1,620,000
1,500	HCA, Inc., 7.50%, 2/15/22 (e)	1,732,500
1,500	Kindred Healthcare, Inc., 8.75%, 1/15/23 (e)	1,458,750
1,500	Tenet Healthcare Corp., 8.125%, 4/1/22 (e)	1,578,750
		9,440,625
	<b>Home Builders 1.5%</b>	
1,000	Beazer Homes USA, Inc., 8.75%, 3/15/22 (e)	1,107,500
1,500	CalAtlantic Group, Inc., 5.875%, 11/15/24 (e)	1,633,125
		2,740,625

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AllianzGI Convertible &amp; Income 2024 Target Term Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Internet &amp; Catalog Retail 0.9%</b>	
\$1,500	Netflix, Inc., 5.875%, 2/15/25	\$1,627,500
	<b>Iron/Steel 1.8%</b>	
1,500	AK Steel Corp., 7.50%, 7/15/23 (e)	1,631,250
1,500	United States Steel Corp., 8.375%, 7/1/21 (a)(c)(e)	1,661,250
		3,292,500
	<b>Lodging 0.9%</b>	
1,500	Wynn Las Vegas LLC, 5.50%, 3/1/25 (a)(c)(e)	1,567,500
	<b>Machinery-Construction &amp; Mining 0.9%</b>	
1,500	Terex Corp., 5.625%, 2/1/25 (a)(c)(e)	1,578,750
	<b>Media 5.3%</b>	
1,500	CCO Holdings LLC, 5.75%, 1/15/24 (e)	1,577,325
1,500	Clear Channel Worldwide Holdings, Inc., 6.50%, 11/15/22, Ser. B (e)	1,548,750
1,500	CSC Holdings LLC, 6.75%, 11/15/21 (e)	1,661,700
1,500	DISH DBS Corp., 5.875%, 7/15/22 (e)	1,620,937
1,500	McClatchy Co., 9.00%, 12/15/22 (e)	1,565,625
1,500	Nexstar Broadcasting, Inc., 5.625%, 8/1/24 (a)(c)(e)	1,556,250
		9,530,587
	<b>Mining 3.1%</b>	
1,500	Alcoa Nederland Holding BV, 6.75%, 9/30/24 (a)(c)(e)	1,653,750
2,000	Hudbay Minerals, Inc., 7.625%, 1/15/25 (a)(c)(e)	2,215,000
1,500	Joseph T. Ryerson & Son, Inc., 11.00%, 5/15/22 (a)(c)(e)	1,700,625
		5,569,375
	<b>Miscellaneous Manufacturing 1.3%</b>	
1,500	Koppers, Inc., 6.00%, 2/15/25 (a)(c)(e)	1,593,750
750	Trinseo Materials Operating SCA, 6.75%, 5/1/22 (a)(c)(e)	800,063
		2,393,813
	<b>Oil, Gas &amp; Consumable Fuels 3.3%</b>	
1,500	Calumet Specialty Products Partners L.P., 6.50%, 4/15/21	1,447,500
1,500	Carrizo Oil & Gas, Inc., 6.25%, 4/15/23 (e)	1,462,500
1,500	Continental Resources, Inc., 5.00%, 9/15/22 (e)	1,513,125
1,500	Oasis Petroleum, Inc., 6.875%, 3/15/22 (e)	1,470,000
		5,893,125
	<b>Pharmaceuticals 0.8%</b>	
1,500	Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(c)(e)	1,477,500
	<b>Real Estate 1.9%</b>	
1,500	Kennedy-Wilson, Inc., 5.875%, 4/1/24 (e)	1,546,875

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1,950	Uniti Group L.P., 8.25%, 10/15/23 (e)	1,915,095
		3,461,970
	<b>Retail 0.8%</b>	
1,500	Conn s, Inc., 7.25%, 7/15/22 (e)	1,462,500
	<b>Semiconductors 0.9%</b>	
1,515	Advanced Micro Devices, Inc., 7.00%, 7/1/24	1,619,156
	<b>Semiconductors &amp; Semiconductor Equipment 0.8%</b>	
1,250	Microsemi Corp., 9.125%, 4/15/23 (a)(c)(e)	1,434,638
	<b>Software 2.8%</b>	
1,500	Camelot Finance S.A., 7.875%, 10/15/24 (a)(c)	1,631,250
1,500	First Data Corp., 7.00%, 12/1/23 (a)(c)(e)	1,620,000

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AllianzGI Convertible &amp; Income 2024 Target Term Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Software (continued)</b>	
\$185	Rackspace Hosting, Inc., 8.625%, 11/15/24 (a)(c)	\$196,794
1,500	SS&C Technologies Holdings, Inc., 5.875%, 7/15/23 (e)	1,582,500
		5,030,544
	<b>Telecommunications 8.2%</b>	
2,000	CenturyLink, Inc., 7.50%, 4/1/24, Ser. Y (e)	2,100,000
1,500	Cincinnati Bell, Inc., 7.00%, 7/15/24 (a)(c)(e)	1,488,750
1,500	Consolidated Communications, Inc., 6.50%, 10/1/22 (e)	1,455,937
1,500	Frontier Communications Corp., 10.50%, 9/15/22 (e)	1,353,750
2,000	GTT Communications, Inc., 7.875%, 12/31/24 (a)(c)(e)	2,140,000
1,500	Hughes Satellite Systems Corp., 7.625%, 6/15/21 (e)	1,713,750
1,500	Sprint Corp., 7.125%, 6/15/24 (e)	1,651,875
1,500	West Corp., 5.375%, 7/15/22 (a)(c)(e)	1,520,625
1,500	Windstream Services LLC, 7.50%, 6/1/22 (e)	1,177,500
		14,602,187
	<b>Transportation 0.9%</b>	
1,500	XPO Logistics, Inc., 6.50%, 6/15/22 (a)(c)(e)	1,580,625
	Total Corporate Bonds & Notes (cost-\$106,183,701)	105,905,716
	<b>Convertible Bonds &amp; Notes 54.3%</b>	
	<b>Apparel &amp; Textiles 1.8%</b>	
3,250	Iconix Brand Group, Inc., 1.50%, 3/15/18 (e)	3,227,656
	<b>Auto Components 1.6%</b>	
2,825	Horizon Global Corp., 2.75%, 7/1/22 (e)	2,925,641
	<b>Auto Manufacturers 1.4%</b>	
2,500	Navistar International Corp., 4.75%, 4/15/19 (e)	2,582,813
	<b>Biotechnology 4.0%</b>	
2,500	Innoviva, Inc., 2.125%, 1/15/23 (e)	2,415,625
3,000	Intercept Pharmaceuticals, Inc., 3.25%, 7/1/23 (e)	3,028,125
2,000	PTC Therapeutics, Inc., 3.00%, 8/15/22 (e)	1,691,250
		7,135,000
	<b>Capital Markets 1.8%</b>	
3,000	TPG Specialty Lending, Inc., 4.50%, 8/1/22 (a)(c)(e)	3,123,750
	<b>Computers 1.0%</b>	
2,000	KeyW Holding Corp., 2.50%, 7/15/19 (e)	1,847,500
	<b>Distribution/Wholesale 1.7%</b>	
3,000	Titan Machinery, Inc., 3.75%, 5/1/19 (e)	2,955,000
	<b>Diversified Financial Services 3.2%</b>	

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3,050	Encore Capital Group, Inc., 2.875%, 3/15/21 (e)	2,962,312
3,000	PRA Group, Inc., 3.00%, 8/1/20 (e)	2,756,250
		5,718,562
	<b>Electrical Equipment 1.3%</b>	
2,715	SunPower Corp., 4.00%, 1/15/23 (e)	2,399,381
	<b>Energy-Alternate Sources 1.3%</b>	
2,500	SolarCity Corp., 1.625%, 11/1/19 (e)	2,387,500
	<b>Engineering &amp; Construction 1.2%</b>	
2,200	Layne Christensen Co., 4.25%, 11/15/18 (e)	2,088,625
	<b>Equity Real Estate Investment Trusts (REITs) 7.1%</b>	
2,900	IAS Operating Partnership L.P., 5.00%, 3/15/18 (a)(c)(e)	2,936,250
3,000	PennyMac Corp., 5.375%, 5/1/20 (e)	2,992,500

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AllianzGI Convertible &amp; Income 2024 Target Term Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Equity Real Estate Investment Trusts (REITs) (continued)</b>	
\$1,000	Redwood Trust, Inc., 4.75%, 8/15/23	\$1,004,375
2,850	Starwood Property Trust, Inc., 4.375%, 4/1/23 (e)	2,901,656
2,750	Two Harbors Investment Corp., 6.25%, 1/15/22 (e)	2,944,219
		12,779,000
	<b>Health Care/Health Care Distributors 1.5%</b>	
3,100	Aceto Corp., 2.00%, 11/1/20 (e)	2,743,500
	<b>Insurance 1.4%</b>	
3,500	AmTrust Financial Services, Inc., 2.75%, 12/15/44 (e)	2,585,625
	<b>Internet 3.9%</b>	
3,000	FireEye, Inc., 1.625%, 6/1/35, Ser. B (e)	2,746,875
2,500	Pandora Media, Inc., 1.75%, 12/1/20 (e)	2,357,812
1,800	WebMD Health Corp., 2.625%, 6/15/23 (e)	1,801,125
		6,905,812
	<b>Investment Companies 3.3%</b>	
2,900	Goldman Sachs BDC, Inc., 4.50%, 4/1/22 (a)(c)(e)	2,948,937
3,000	Prospect Capital Corp., 4.95%, 7/15/22 (e)	2,970,000
		5,918,937
	<b>Oil, Gas &amp; Consumable Fuels 6.2%</b>	
3,000	Green Plains, Inc., 4.125%, 9/1/22	2,904,375
3,000	Helix Energy Solutions Group, Inc., 4.25%, 5/1/22 (e)	2,902,500
3,425	Nabors Industries, Inc., 0.75%, 1/15/24 (a)(c)(e)	2,491,688
3,150	PDC Energy, Inc., 1.125%, 9/15/21 (e)	2,854,687
		11,153,250
	<b>Pharmaceuticals 4.1%</b>	
3,750	Horizon Pharma Investment Ltd., 2.50%, 3/15/22 (e)	3,421,875
3,250	Impax Laboratories, Inc., 2.00%, 6/15/22 (e)	2,894,531
1,000	Sucampo Pharmaceuticals, Inc., 3.25%, 12/15/21 (a)(c)	1,034,375
		7,350,781
	<b>Retail 1.5%</b>	
3,500	RH, zero coupon, 7/15/20 (a)(c)(e)	2,751,875
	<b>Semiconductors 1.7%</b>	
3,300	Veeco Instruments, Inc., 2.70%, 1/15/23 (e)	3,046,313
	<b>Telecommunications 1.7%</b>	
3,100	Gogo, Inc., 3.75%, 3/1/20 (e)	2,985,688
	<b>Transportation 1.6%</b>	
3,000	Echo Global Logistics, Inc., 2.50%, 5/1/20 (e)	2,842,500

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Total Convertible Bonds & Notes (cost-\$97,479,025)		97,454,709
<b>Senior Loans (a)(b) 19.3%</b>		
<b>Aerospace &amp; Defense 0.5%</b>		
983	Engility Corp., 1 mo. LIBOR + 3.250%, 4.489%, 8/12/23, Term Loan B2	993,580
<b>Airlines 0.6%</b>		
1,000	Delta Air Lines, Inc., 1 mo. LIBOR + 2.500%, 3.729%, 10/18/18, 2018 Term Loan B1	1,007,969
<b>Automobiles 0.6%</b>		
Winnebago Industries, Inc., 11/8/23, Term Loan B		
704	3 mo. LIBOR + 4.500%, 5.719%	711,480
296	3 mo. LIBOR + 4.500%, 5.729%	299,145
		1,010,625

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AllianzGI Convertible &amp; Income 2024 Target Term Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Building Materials 0.6%</b>	
\$1,000	GYP Holdings III Corp., 3 mo. LIBOR + 3.000%, 4.311%, 4/1/23, 2017 Term Loan B	\$1,004,375
	<b>Chemicals 1.1%</b>	
448	Huntsman International LLC, 1 mo. LIBOR + 3.000%, 4.239%, 4/1/23, Term Loan B2 (d)	451,059
587	Kraton Polymers LLC, 1 mo. LIBOR + 3.000%, 4.239%, 1/6/22, 2017 USD Term Loan B (d)	592,273
997	Omnova Solutions, Inc., 1 mo. LIBOR + 4.250%, 5.489%, 8/28/23, 2016 Term Loan B	1,007,456
		2,050,788
	<b>Commercial Services &amp; Supplies 0.6%</b>	
1,000	Advanced Disposal Services, Inc., 1 Week LIBOR + 2.750%, 3.944%, 11/10/23, Term Loan B3	1,007,266
	<b>Construction &amp; Engineering 0.6%</b>	
1,000	Summit Materials Companies I LLC, 1 mo. LIBOR + 2.750%, 3.989%, 7/17/22, 2015 Term Loan B	1,009,167
	<b>Diversified Consumer Services 0.6%</b>	
1,000	Laureate Education, Inc., 1 mo. LIBOR + 4.500%, 5.739%, 4/26/24, 2017 Term Loan B	1,005,469
	<b>Electronic Equipment, Instruments &amp; Components 1.1%</b>	
1,000	TTM Technologies, Inc., 1 mo. LIBOR + 4.250%, 5.489%, 5/31/21, 1st Lien Term Loan (d)	1,014,375
1,000	Zebra Technologies Corp., 3 mo. LIBOR + 2.000%, 3.314%, 10/27/21, 2017 Term Loan B	1,001,569
		2,015,944
	<b>Electronics 0.6%</b>	
1,000	Kemet Electronic Corp., 1 mo. LIBOR + 6.000%, 7.239%, 4/26/24, Term Loan B	1,006,250
	<b>Food &amp; Staples Retailing 0.6%</b>	
1,000	US Foods, Inc., 1 mo. LIBOR + 2.750%, 3.989%, 6/27/23, 2016 Term Loan B	1,006,250
	<b>Health Care Providers &amp; Services 1.1%</b>	
1,000	Acadia Healthcare Company, Inc., 1 mo. LIBOR + 2.750%, 3.982%, 2/16/23, Term Loan B2	1,011,125
997	Select Medical Corp., 3/6/24, 2017 Term Loan B 3 mo. LIBOR + 3.500%, 4.81%	1,007,999
3	2 mo. LIBOR + 3.500%, 4.76%	3,033
*	PRIME + 2.500%, 6.75%	1

		2,022,158
	<b>Healthcare-Products 0.5%</b>	
973	Greatbatch Ltd., 1 mo. LIBOR + 3.500%, 4.73%, 10/27/22, 2017 Term Loan B	976,517
	<b>Hotels, Restaurants &amp; Leisure 2.2%</b>	
990	Boyd Gaming Corp., 1 Week LIBOR + 2.500%, 3.697%, 9/15/23, Term Loan B (d)	992,960
1,000	Playa Resorts Holding B.V., 3 mo. LIBOR + 3.000%, 4.32%, 4/5/24, 2017 Term Loan B (d)	1,004,000
1,000	Scientific Games International, Inc., 3 mo. LIBOR + 3.250%, 4.512%, 8/14/24, 2017 Term Loan B4 (d)	1,009,196
997	Travelport Finance (Luxembourg) Sarl, 3 mo. LIBOR + 2.750%, 4.061%, 9/2/21, New 2017 Term Loan C (d)	997,382
		4,003,538
	<b>Internet 0.6%</b>	
1,000	Everi Payments, Inc., 1 mo. LIBOR + 4.500%, 5.739%, 5/9/24, Term Loan B	1,010,375

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## AllianzGI Convertible &amp; Income 2024 Target Term Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Internet Software &amp; Services 0.8%</b>	
\$500	Blucora, Inc., 3 mo. LIBOR + 3.750%, 5.037%, 5/22/24, Term Loan	\$504,166
	Match Group, Inc., 3 mo. LIBOR + 2.500%, 3.809%, 11/16/22, 2017 Term	
1,000	Loan B (d)	1,008,750
		1,512,916
	<b>IT Services 1.1%</b>	
988	First Data Corp., 1 mo. LIBOR + 2.500%, 3.736%, 4/26/24, 2017 Term Loan	989,935
	Xerox Business Services LLC, 1 mo. LIBOR + 4.000%, 5.239%, 12/7/23, USD	
1,000	Term Loan B	1,010,625
		2,000,560
	<b>Machinery 1.1%</b>	
	Gardner Denver, Inc., 3 mo. LIBOR + 3.250%, 4.546%, 7/30/24, USD Term	
1,000	Loan B1	1,000,938
1,000	Harsco Corp., 1 mo. LIBOR + 5.000%, 6.25%, 11/2/23, Term Loan B	1,018,125
		2,019,063
	<b>Media 1.1%</b>	
	Gray Television, Inc., 1 mo. LIBOR + 2.500%, 3.731%, 2/7/24, 2017 Term	
1,000	Loan B2 (d)	1,006,250
	Lions Gate Entertainment Corp., 1 mo. LIBOR + 3.000%, 4.239%, 12/8/23,	
1,000	2016 1st Lien Term Loan B (d)	1,007,995
		2,014,245
	<b>Personal Products 0.5%</b>	
	Prestige Brands, Inc., 1 mo. LIBOR + 2.750%, 3.989%, 1/26/24, Term	
985	Loan B4 (d)	989,217
	<b>Pharmaceuticals 1.1%</b>	
1,000	HLF Financing Sarl, 1 mo. LIBOR + 5.500%, 6.739%, 2/15/23, Term Loan B	1,009,583
	Lannett Company, Inc., 1 mo. LIBOR + 5.375%, 6.614%, 11/25/22, Term Loan	
1,000	B	996,667
		2,006,250
	<b>Road &amp; Rail 0.5%</b>	
	YRC Worldwide, Inc., 3 mo. LIBOR + 8.500%, 9.739%, 2/3/19, 2017 Term	
945	Loan (d)	929,642
	<b>Semiconductors &amp; Semiconductor Equipment 0.6%</b>	
	Cypress Semiconductor Corp., 1 mo. LIBOR + 2.750%, 3.98%, 7/5/21, 2016	
1,000	Term Loan B (d)	1,006,750
	<b>Software 0.6%</b>	
999		1,003,047

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Go Daddy Operating Co. LLC, 1 mo. LIBOR + 2.500%, 3.734%, 2/15/24, 2017  
Term Loan B

Total Senior Loans (cost-\$34,660,878)		34,611,961
<b>Repurchase Agreements</b>	<b>11.2%</b>	
State Street Bank and Trust Co., dated 8/31/17, 0.12%, due 9/1/17, proceeds \$20,014,067; collateralized by U.S. Treasury Inflation Indexed Notes, 0.625%, due 1/15/26, valued at \$20,417,631		
20,014	including accrued interest (cost-\$20,014,000)	20,014,000
<b>Total Investments</b> (cost-\$258,337,604)	<b>143.9%</b>	257,986,386
Other liabilities in excess of other assets	(43.9)%	(78,688,071)
<b>Net Assets</b>	<b>100.0%</b>	<b>\$179,298,315</b>

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**Schedule of Investments**

AllianzGI Convertible & Income 2024 Target Term Fund

August 31, 2017 (unaudited) (continued)

**Notes to Schedule of Investments:**

\* Less than \$500.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$90,045,002, representing 50.2% of net assets.
- (b) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. The interest rate disclosed reflects the rate in effect on August 31, 2017.
- (c) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Securities with an aggregate value of \$55,433,041, representing 30.9% of net assets.
- (d) When-issued or delayed-delivery. To be settled/delivered after August 31, 2017.
- (e) All or partial amount segregated for the benefit of the counterparty as collateral for short-term loan financing.
- (f) Fair Value Measurements-See Note 1(b) in the Notes to Financial Statements.

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 8/31/17
<b>Investments in Securities</b>				
<b>Assets</b>				
Corporate Bonds & Notes	\$	\$105,905,716	\$	\$105,905,716
Convertible Bonds & Notes		97,454,709		97,454,709

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Senior Loans		34,611,961		34,611,961
Repurchase Agreements		20,014,000		20,014,000
<b>Totals</b>	\$	\$257,986,386	\$	\$257,986,386

**Glossary:**

LIBOR - London Inter-Bank Offered Rate

REIT - Real Estate Investment Trust

See accompanying Notes to Financial Statements | August 31, 2017 | Semi-Annual Report **17**



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AllianzGI Convertible &amp; Income Fund

August 31, 2017 (unaudited)

Principal Amount (000s)		Value
<b>Corporate Bonds &amp; Notes 40.1%</b>		
<b>Aerospace &amp; Defense 1.7%</b>		
\$6,636	Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19	\$6,768,720
7,540	TransDigm, Inc., 6.50%, 5/15/25	7,785,050
1,420	Triumph Group, Inc., 7.75%, 8/15/25 (a)(b)	1,464,730
		16,018,500
<b>Auto Manufacturers 0.7%</b>		
6,755	Navistar International Corp., 8.25%, 11/1/21	6,822,550
<b>Building Materials 0.7%</b>		
5,665	U.S. Concrete, Inc., 6.375%, 6/1/24	6,146,525
<b>Chemicals 2.8%</b>		
7,500	Chemours Co., 6.625%, 5/15/23	7,996,875
4,790	Kraton Polymers LLC, 7.00%, 4/15/25 (a)(b)	5,173,200
5,670	Platform Specialty Products Corp., 6.50%, 2/1/22 (a)(b)	5,910,975
6,720	Tronox Finance LLC, 7.50%, 3/15/22 (a)(b)	7,072,800
		26,153,850
<b>Commercial Services 1.8%</b>		
8,050	Cenveo Corp., 6.00%, 5/15/24 (a)(b)	7,124,250
7,375	Monitronics International, Inc., 9.125%, 4/1/20	6,241,094
3,500	United Rentals North America, Inc., 5.50%, 7/15/25	3,758,125
		17,123,469
<b>Computers 1.9%</b>		
5,203	DynCorp International, Inc., PIK 1.50%, 11.875%, 11/30/20	5,514,888
7,350	Harland Clarke Holdings Corp., 9.25%, 3/1/21 (a)(b)	7,515,375
3,935	Western Digital Corp., 10.50%, 4/1/24	4,677,731
		17,707,994
<b>Distribution/Wholesale 0.5%</b>		
H&E Equipment Services, Inc.,		
1,815	5.625%, 9/1/25 (a)(b)	1,878,525
2,250	7.00%, 9/1/22	2,337,188
		4,215,713
<b>Diversified Financial Services 3.5%</b>		
Community Choice Financial, Inc.,		
10,085	10.75%, 5/1/19	8,572,250
7,130	12.75%, 5/1/20 (a)(b)	4,991,000
Nationstar Mortgage LLC,		
2,500	7.875%, 10/1/20	2,559,375

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5,300	9.625%, 5/1/19	5,480,200
	Navient Corp.,	
1,575	7.25%, 9/25/23	1,716,120
3,210	8.45%, 6/15/18	3,374,513
4,935	Springleaf Finance Corp., 8.25%, 10/1/23	5,613,562
		32,307,020
	<b>Electric Utilities 0.6%</b>	
5,585	NRG Energy, Inc., 6.25%, 5/1/24	5,808,400
	<b>Engineering &amp; Construction 0.6%</b>	
5,100	Tutor Perini Corp., 6.875%, 5/1/25 (a)(b)	5,482,500

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AllianzGI Convertible &amp; Income Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Entertainment 0.5%</b>	
\$4,000	Cedar Fair L.P., 5.375%, 6/1/24	\$4,240,000
	<b>Healthcare-Services 3.0%</b>	
2,835	Community Health Systems, Inc., 6.25%, 3/31/23	2,866,894
5,430	DaVita, Inc., 5.125%, 7/15/24	5,552,175
3,860	Envision Healthcare Corp., 6.25%, 12/1/24 (a)(b)	4,168,800
3,800	HCA, Inc., 7.50%, 2/15/22	4,389,000
7,955	Kindred Healthcare, Inc., 8.75%, 1/15/23	7,736,237
3,500	Tenet Healthcare Corp., 7.00%, 8/1/25 (a)(b)	3,443,685
		28,156,791
	<b>Home Builders 0.5%</b>	
4,395	Beazer Homes USA, Inc., 8.75%, 3/15/22	4,867,463
	<b>Internet &amp; Catalog Retail 0.3%</b>	
2,800	Netflix, Inc., 5.875%, 2/15/25	3,038,000
	<b>Iron/Steel 1.7%</b>	
	AK Steel Corp.,	
1,315	7.50%, 7/15/23	1,430,063
7,305	8.375%, 4/1/22	7,609,984
5,975	United States Steel Corp., 8.375%, 7/1/21 (a)(b)	6,617,312
		15,657,359
	<b>Machinery-Construction &amp; Mining 0.5%</b>	
4,245	Terex Corp., 5.625%, 2/1/25 (a)(b)	4,467,863
	<b>Media 2.2%</b>	
7,370	Cablevision Systems Corp., 8.00%, 4/15/20	8,171,487
3,740	Gray Television, Inc., 5.875%, 7/15/26 (a)(b)	3,861,550
	LiveStyle, Inc., 9.625%, 2/1/19	
4,671	(acquisition cost-\$4,879,905; purchased 5/7/14-2/26/15) (a)(b)(c)(h)	29,194
8,355	McClatchy Co., 9.00%, 12/15/22	8,720,531
		20,782,762
	<b>Metal Fabricate/Hardware 0.4%</b>	
3,830	Park-Ohio Industries, Inc., 6.625%, 4/15/27	4,066,981
	<b>Mining 1.1%</b>	
5,100	Alcoa Nederland Holding BV, 7.00%, 9/30/26 (a)(b)	5,724,750
3,950	Joseph T. Ryerson & Son, Inc., 11.00%, 5/15/22 (a)(b)	4,478,312
		10,203,062
	<b>Oil, Gas &amp; Consumable Fuels 4.4%</b>	
2,700	Calumet Specialty Products Partners L.P., 6.50%, 4/15/21	2,605,500

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1,900	Carrizo Oil & Gas, Inc., 6.25%, 4/15/23	1,852,500
16,950	Cobalt International Energy, Inc., 10.75%, 12/1/21 (a)(b)	16,017,750
7,225	EP Energy LLC, 9.375%, 5/1/20	5,355,531
2,835	NGL Energy Partners L.P., 7.50%, 11/1/23	2,742,863
4,895	Oasis Petroleum, Inc., 6.875%, 3/15/22	4,797,100
3,500	Rice Energy, Inc., 6.25%, 5/1/22	3,644,375
4,530	Sanchez Energy Corp., 6.125%, 1/15/23	3,476,775
820	Weatherford International Ltd., 8.25%, 6/15/23	805,650
		41,298,044
	<b>Pharmaceuticals 1.2%</b>	
2,290	Endo Finance LLC, 5.375%, 1/15/23 (a)(b)	1,929,325
5,865	Horizon Pharma, Inc., 6.625%, 5/1/23	5,718,375
4,000	Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(b)	3,940,000
		11,587,700

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AllianzGI Convertible &amp; Income Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Pipelines 0.4%</b>	
\$3,550	Energy Transfer Equity L.P., 5.50%, 6/1/27	\$3,798,500
	<b>Real Estate 0.9%</b>	
3,085	Kennedy-Wilson, Inc., 5.875%, 4/1/24	3,181,406
5,365	Uniti Group L.P., 8.25%, 10/15/23	5,268,967
		8,450,373
	<b>Retail 1.6%</b>	
3,500	Claire's Stores, Inc., 9.00%, 3/15/19 (a)(b)	1,837,500
5,500	Conn's, Inc., 7.25%, 7/15/22	5,362,500
2,835	Dollar Tree, Inc., 5.75%, 3/1/23	3,005,100
9,465	Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b)	4,898,137
		15,103,237
	<b>Semiconductors 0.5%</b>	
4,645	Amkor Technology, Inc., 6.375%, 10/1/22	4,813,381
	<b>Software 0.7%</b>	
5,035	Camelot Finance S.A., 7.875%, 10/15/24 (a)(b)	5,475,562
645	Rackspace Hosting, Inc., 8.625%, 11/15/24 (a)(b)	686,119
		6,161,681
	<b>Telecommunications 4.9%</b>	
3,500	Cincinnati Bell, Inc., 7.00%, 7/15/24 (a)(b)	3,473,750
9,370	Consolidated Communications, Inc., 6.50%, 10/1/22	9,094,756
5,290	Frontier Communications Corp., 10.50%, 9/15/22	4,774,225
2,685	GTT Communications, Inc., 7.875%, 12/31/24 (a)(b)	2,872,950
4,250	Hughes Satellite Systems Corp., 7.625%, 6/15/21	4,855,625
7,205	Sprint Communications, Inc., 11.50%, 11/15/21	9,168,362
5,585	West Corp., 5.375%, 7/15/22 (a)(b)	5,661,794
7,655	Windstream Services LLC, 7.50%, 4/1/23	5,951,763
		45,853,225
	<b>Transportation 0.5%</b>	
4,830	XPO Logistics, Inc., 6.50%, 6/15/22 (a)(b)	5,089,612
	Total Corporate Bonds & Notes (cost-\$387,826,828)	375,422,555
	<b>Convertible Bonds &amp; Notes 30.5%</b>	
	<b>Apparel &amp; Textiles 1.6%</b>	
15,150	Iconix Brand Group, Inc., 1.50%, 3/15/18	15,045,844
	<b>Auto Components 2.1%</b>	
6,155	Horizon Global Corp., 2.75%, 7/1/22	6,374,272
6,975	Meritor, Inc., 7.875%, 3/1/26	13,213,266

		19,587,538
	<b>Auto Manufacturers 1.0%</b>	
6,225	Navistar International Corp., 4.75%, 4/15/19	6,431,203
2,850	Tesla, Inc., 1.25%, 3/1/21	3,295,313
		9,726,516
	<b>Building Materials 0.5%</b>	
4,275	Cemex S.A.B de C.V., 3.72%, 3/15/20	4,884,188
	<b>Commercial Services 1.5%</b>	
13,510	Ascent Capital Group, Inc., 4.00%, 7/15/20	10,672,900
3,705	ServiceSource International, Inc., 1.50%, 8/1/18	3,637,847
		14,310,747

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AllianzGI Convertible &amp; Income Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Distribution/Wholesale 0.7%</b>	
\$6,600	Titan Machinery, Inc., 3.75%, 5/1/19	\$6,501,000
	<b>Diversified Financial Services 2.3%</b>	
9,320	Encore Capital Group, Inc., 3.00%, 7/1/20	10,170,450
12,165	PRA Group, Inc., 3.00%, 8/1/20	11,176,594
		21,347,044
	<b>Electric Utilities 1.0%</b>	
9,230	NRG Yield, Inc., 3.25%, 6/1/20 (a)(b)	9,258,844
	<b>Electrical Equipment 1.2%</b>	
	SunPower Corp.,	
3,135	0.875%, 6/1/21	2,556,984
9,405	4.00%, 1/15/23	8,311,669
		10,868,653
	<b>Energy-Alternate Sources 1.7%</b>	
16,800	SolarCity Corp., 1.625%, 11/1/19	16,044,000
	<b>Engineering &amp; Construction 0.3%</b>	
3,230	Layne Christensen Co., 4.25%, 11/15/18	3,066,481
	<b>Equity Real Estate Investment Trusts (REITs) 0.6%</b>	
5,400	Two Harbors Investment Corp., 6.25%, 1/15/22	5,781,375
	<b>Health Care/Health Care Distributors 1.1%</b>	
11,415	Aceto Corp., 2.00%, 11/1/20	10,102,275
	<b>Insurance 1.0%</b>	
12,780	AmTrust Financial Services, Inc., 2.75%, 12/15/44	9,441,225
	<b>Iron/Steel 0.1%</b>	
910	AK Steel Corp., 5.00%, 11/15/19	1,231,344
	<b>Oil, Gas &amp; Consumable Fuels 2.9%</b>	
18,235	Helix Energy Solutions Group, Inc., 3.25%, 3/15/32	18,383,159
9,980	Whiting Petroleum Corp., 1.25%, 4/1/20	8,520,425
		26,903,584
	<b>Pharmaceuticals 2.8%</b>	
16,145	Herbalife Ltd., 2.00%, 8/15/19	16,286,349
3,260	Horizon Pharma Investment Ltd., 2.50%, 3/15/22	2,974,750
7,800	Impax Laboratories, Inc., 2.00%, 6/15/22	6,946,875
		26,207,974
	<b>Pipelines 1.0%</b>	
13,370	Cheniere Energy, Inc., 4.25%, 3/15/45	9,250,369
	<b>Retail 1.3%</b>	

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	RH (a)(b),	
10,425	zero coupon, 6/15/19	8,880,797
3,990	zero coupon, 7/15/20	3,137,137
		12,017,934
	<b>Semiconductors 0.9%</b>	
2,850	Cypress Semiconductor Corp., 4.50%, 1/15/22	3,525,094
4,570	Micron Technology, Inc., 3.00%, 11/15/43, Ser. G	5,378,318
		8,903,412
	<b>Software 1.3%</b>	
15,785	Avid Technology, Inc., 2.00%, 6/15/20	11,582,244
570	PROS Holdings, Inc., 2.00%, 12/1/19	597,431
		12,179,675

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AllianzGI Convertible &amp; Income Fund

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Telecommunications 1.1%</b>	
\$11,065	Gogo, Inc., 3.75%, 3/1/20	\$10,656,978
	<b>Tobacco 1.7%</b>	
	Vector Group Ltd. (g),	
5,665	3 mo. Cash Dividends on Common Stock + 1.75%, 1.75%, 4/15/20	6,486,425
6,215	3 mo. Cash Dividends on Common Stock + 2.50%, 2.50%, 1/15/19	9,058,362
		15,544,787
	<b>Transportation 0.8%</b>	
3,990	Aegean Marine Petroleum Network, Inc., 4.25%, 12/15/21 (a)(b)	3,019,931
4,560	Echo Global Logistics, Inc., 2.50%, 5/1/20	4,320,600
		7,340,531
	Total Convertible Bonds & Notes (cost-\$260,285,341)	286,202,318
	<b>Shares</b>	
	<b>Convertible Preferred Stock 25.6%</b>	
	<b>Aerospace &amp; Defense 0.3%</b>	
78,975	Arconic, Inc., 5.375%, 10/1/17	3,202,436
	<b>Agriculture 0.9%</b>	
82,645	Bunge Ltd., 4.875% (e)	8,765,535
	<b>Banks 4.6%</b>	
12,080	Bank of America Corp., 7.25%, Ser. L (e)	15,921,440
9,695	Huntington Bancshares, Inc., 8.50%, Ser. A (e)	13,946,258
9,880	Wells Fargo & Co., 7.50%, Ser. L (e)	13,150,280
		43,017,978
	<b>Chemicals 0.8%</b>	
68,495	Rayonier Advanced Materials, Inc., 8.00%, 8/15/19, Ser. A	7,150,878
	<b>Commercial Services &amp; Supplies 0.9%</b>	
145,890	Stericycle, Inc., 5.25%, 9/15/18	8,671,702
	<b>Computers 0.3%</b>	
2,045	NCR Corp., PIK 5.50%, 5.50%, Ser. A (e)	2,932,660
	<b>Diversified Financial Services 0.5%</b>	
5,700	Cowen, Inc., 5.625%, Ser. A (e)	4,921,152
	<b>Diversified Telecommunication Services 0.4%</b>	
155,900	Frontier Communications Corp., 11.125%, 6/29/18, Ser. A	3,648,060
	<b>Electric Utilities 2.1%</b>	
302,350	Dominion Energy, Inc., 6.75%, 8/15/19, Ser. A	15,465,203
66,215	NextEra Energy, Inc., 6.123%, 9/1/19	3,681,554

		19,146,757
	<b>Equity Real Estate Investment Trusts (REITs) 4.6%</b>	
4,940	Crown Castle International Corp., 6.875%, 8/1/20, Ser. A	5,538,555
631,070	FelCor Lodging Trust, Inc., 1.95%, Ser. A (e)	17,669,960
410,065	Sutherland Asset Management Corp., 7.00%, 8/15/23	10,427,953
141,135	Welltower, Inc., 6.50%, Ser. I (e)	9,336,080
		42,972,548
	<b>Hand/Machine Tools 1.7%</b>	
139,055	Stanley Black & Decker, Inc., 5.375%, 5/15/20	15,390,607
	<b>Health Care Providers &amp; Services 2.2%</b>	
386,815	Anthem, Inc., 5.25%, 5/1/18	20,300,051

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AllianzGI Convertible &amp; Income Fund

August 31, 2017 (unaudited) (continued)

Shares		Value
	<b>Healthcare-Products 1.2%</b>	
199,155	Becton Dickinson and Co., 6.125%, 5/1/20, Ser. A	\$11,102,891
	<b>Independent Power Producers &amp; Energy Traders 0.5%</b>	
156,435	Dynegy, Inc., 5.375%, 11/1/17, Ser. A	4,932,396
	<b>Investment Companies 1.3%</b>	
60,080	Mandatory Exchangeable Trust, 5.75%, 6/3/19 (a)(b)	11,733,924
	<b>Oil, Gas &amp; Consumable Fuels 2.3%</b>	
159,375	Anadarko Petroleum Corp., 7.50%, 6/7/18	5,896,875
173,410	Kinder Morgan, Inc., 9.75%, 10/26/18, Ser. A	7,312,700
230,425	Sanchez Energy Corp., 6.50%, Ser. B (e)	4,113,086
12,485	Southwestern Energy Co., 6.25%, 1/15/18, Ser. B	165,177
92,860	WPX Energy, Inc., 6.25%, 7/31/18, Ser. A	4,433,136
		21,920,974
	<b>Pharmaceuticals 1.0%</b>	
4,275	Allergan PLC, 5.50%, 3/1/18, Ser. A	3,502,251
19,505	Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18	6,211,367
		9,713,618
	Total Convertible Preferred Stock (cost-\$245,017,746)	239,524,167
	<b>Preferred Stock (a)(d)(f)(i) 0.9%</b>	
	<b>Media 0.9%</b>	
8,339	LiveStyle, Inc., Ser. A	833,900
76,572	LiveStyle, Inc., Ser. B	7,657,200
6,750	LiveStyle, Inc., Ser. B	67
	Total Preferred Stock (cost-\$15,074,564)	8,491,167
	<b>Common Stock (a)(d)(f)(i) 0.2%</b>	
	<b>Advertising 0.2%</b>	
173,720	Affinion Group Holdings, Inc., Class A (acquisition cost-\$3,080,312; purchased 11/9/15-11/12/15) (h)	2,074,217
	<b>Aerospace &amp; Defense 0.0%</b>	
8,295	Erickson, Inc.	231,679
	<b>Media 0.0%</b>	
90,407	LiveStyle, Inc.	9
	Total Common Stock (cost-\$10,187,309)	2,305,905
	<b>Units</b>	
	<b>Warrants (a)(d)(f)(i) 0.1%</b>	
	<b>Commercial Services 0.1%</b>	
2,062,338	Cenveo Corp., strike price \$12.00, expires 6/10/24	442,760
	<b>Media 0.0%</b>	

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19,500	LiveStyle, Inc., expires 11/30/21, Ser. C.	2
Total Warrants (cost-\$246,984)		442,762
Principal Amount (000s)		
<b>Repurchase Agreements 2.6%</b>		
\$24,782	State Street Bank and Trust Co., dated 8/31/17, 0.12%, due 9/1/17, proceeds \$24,782,083; collateralized by U.S. Treasury Inflation Indexed Notes, 0.625%, due 1/15/26, valued at \$25,278,721 including accrued interest (cost-\$24,782,000)	24,782,000
Total Investments (cost-\$943,420,772)-100.0%		\$937,170,874

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**Schedule of Investments**

AllianzGI Convertible & Income Fund

August 31, 2017 (unaudited) (continued)

**Notes to Schedule of Investments:**

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$178,557,787, representing 19.1% 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. Securities with an aggregate value of \$167,317,953, representing 17.9% of total investments.
- (c) In default.
- (d) Fair-Valued Securities with an aggregate value of \$11,239,834, representing 1.2% of total investments. See Note 1(a) and Note 1(b) in the Notes to Financial Statements.
- (e) Perpetual maturity. The date shown, if any, is the next call date.
- (f) Level 3 security. See Note 1(b) in the Notes to Financial Statements.
- (g) 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.
- (h) Restricted. The aggregate acquisition cost of such securities is \$7,960,217. The aggregate value is \$2,103,411 representing 0.2% of total investments.
- (i) Non-income producing.
- (j) Fair Value Measurements-See Note 1(b) in the Notes to Financial Statements.

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	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 8/31/17
<b>Investments in Securities Assets</b>				
Corporate Bonds & Notes	\$	\$375,422,555	\$	\$375,422,555
Convertible Bonds & Notes		286,202,318		286,202,318
Convertible Preferred Stock:				
Agriculture		8,765,535		8,765,535
Computers		2,932,660		2,932,660
Diversified Financial Services		4,921,152		4,921,152
Healthcare-Products		11,102,891		11,102,891
Investment Companies		11,733,924		11,733,924
Oil, Gas & Consumable Fuels	17,807,888	4,113,086		21,920,974
Pharmaceuticals	3,502,251	6,211,367		9,713,618
All Other	168,433,413			168,433,413
Preferred Stock			8,491,167	8,491,167
Common Stock			2,305,905	2,305,905
Warrants			442,762	442,762
Repurchase Agreements		24,782,000		24,782,000
<b>Totals</b>	<b>\$ 189,743,552</b>	<b>\$736,187,488</b>	<b>\$ 11,239,834</b>	<b>\$937,170,874</b>

At August 31, 2017, a security valued at \$7,150,878 was transferred from Level 2 to Level 1. The transfer was a result of the security having used an evaluated price from a third-party independent pricing vendor at February 28, 2017, and used an exchange-traded closing price on August 31, 2017.

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AllianzGI Convertible &amp; Income Fund

August 31, 2017 (unaudited) (continued)

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

	Beginning Balance 2/28/17	Purchases	Sales	Accrued Discount (Premiums)	Net Realized Gain (Loss)
<b>Investments in Securities Assets</b>					
Corporate Bonds & Notes:					
Commercial Services	\$7,224,875	\$	\$	\$(86,351)	\$
Preferred Stock	7,759,048				
Common Stock:					
Advertising	2,581,479				
Aerospace & Defense		7,106,997			
Media	9				
Warrants:					
Commercial Services	449,705				
Media	2				
<b>Totals</b>	\$18,015,118	\$7,106,997	\$	\$(86,351)	\$

	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3	Transfers out of Level 3*	Ending Balance 8/31/17
<b>Investments in Securities Assets</b>				
Corporate Bonds & Notes:				
Commercial Services	\$(14,274)	\$	\$(7,124,250)	\$
Preferred Stock	732,119			8,491,167
Common Stock:				
Advertising	(507,262)			2,074,217
Aerospace & Defense	(6,875,318)			231,679
Media				9
Warrants:				
Commercial Services	(6,945)			442,760
Media				2
<b>Totals</b>	\$ (6,671,680)	\$	\$(7,124,250)	\$ 11,239,834

Issued via reorganization

- \* Transferred out of Level 3 into Level 2 because an evaluated price from a third-party independent pricing vendor was used on August 31, 2017.

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AllianzGI Convertible &amp; Income Fund

August 31, 2017 (unaudited) (continued)

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

	Ending Balance at 8/31/17	Valuation Technique Used	Unobservable Inputs	Input Values
<b>Investments in Securities</b>				
<b>Assets</b>				
Preferred Stock	\$8,491,100	Model Price	Proprietary Data Used in Model	\$100
	\$67	Liquidation Value	Price of Stock	\$0.01*
Common Stock	\$2,305,905	Model Price	Proprietary Data Used in Model	\$0.01 \$27.93
Warrants	\$442,760	Fundamental Analytical Data Relating to the Investment	Price of Warrant	\$0.214690
	\$2	Model Price	Proprietary Data Used in Model	\$0.0001

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

The net change in unrealized appreciation/depreciation of Level 3 investments held at August 31, 2017, was \$(6,657,406). Net change in unrealized appreciation/depreciation is reflected on the Statements of Operations.

**Glossary:**

PIK - Payment-in-Kind

REIT - Real Estate Investment Trust

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**Table of Contents****Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

August 31, 2017 (unaudited)

Principal Amount (000s)		Value
<b>Corporate Bonds &amp; Notes 40.4%</b>		
<b>Aerospace &amp; Defense 1.7%</b>		
\$5,071	Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19	\$5,172,420
5,750	TransDigm, Inc., 6.50%, 5/15/25	5,936,875
1,080	Triumph Group, Inc., 7.75%, 8/15/25 (a)(b)	1,114,020
		12,223,315
<b>Auto Manufacturers 0.8%</b>		
5,495	Navistar International Corp., 8.25%, 11/1/21	5,549,950
<b>Building Materials 0.7%</b>		
4,335	U.S. Concrete, Inc., 6.375%, 6/1/24	4,703,475
<b>Chemicals 2.8%</b>		
5,500	Chemours Co., 6.625%, 5/15/23	5,864,375
3,640	Kraton Polymers LLC, 7.00%, 4/15/25 (a)(b)	3,931,200
4,330	Platform Specialty Products Corp., 6.50%, 2/1/22 (a)(b)	4,514,025
5,120	Tronox Finance LLC, 7.50%, 3/15/22 (a)(b)	5,388,800
		19,698,400
<b>Commercial Services 1.8%</b>		
5,974	Cenveo Corp., 6.00%, 5/15/24 (a)(b)	5,286,990
5,925	Monitronics International, Inc., 9.125%, 4/1/20	5,014,031
2,500	United Rentals North America, Inc., 5.50%, 7/15/25	2,684,375
		12,985,396
<b>Computers 1.9%</b>		
3,917	DynCorp International, Inc., PIK 1.50%, 11.875%, 11/30/20	4,151,874
5,650	Harland Clarke Holdings Corp., 9.25%, 3/1/21 (a)(b)	5,777,125
3,155	Western Digital Corp., 10.50%, 4/1/24	3,750,506
		13,679,505
<b>Distribution/Wholesale 0.5%</b>		
H&E Equipment Services, Inc.,		
1,395	5.625%, 9/1/25 (a)(b)	1,443,825
1,750	7.00%, 9/1/22	1,817,813
		3,261,638
<b>Diversified Financial Services 3.5%</b>		
Community Choice Financial, Inc.,		
7,465	10.75%, 5/1/19	6,345,250
5,370	12.75%, 5/1/20 (a)(b)	3,759,000
Nationstar Mortgage LLC,		
2,000	7.875%, 10/1/20	2,047,500

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4,250	9.625%, 5/1/19	4,394,500
	Navient Corp.,	
1,200	7.25%, 9/25/23	1,307,520
2,605	8.45%, 6/15/18	2,738,506
3,865	Springleaf Finance Corp., 8.25%, 10/1/23	4,396,438
		24,988,714
	<b>Electric Utilities 0.6%</b>	
4,265	NRG Energy, Inc., 6.25%, 5/1/24	4,435,600
	<b>Engineering &amp; Construction 0.6%</b>	
3,900	Tutor Perini Corp., 6.875%, 5/1/25 (a)(b)	4,192,500
	<b>Entertainment 0.4%</b>	
3,045	Cedar Fair L.P., 5.375%, 6/1/24	3,227,700

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AllianzGI Convertible &amp; Income Fund II

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Healthcare-Services 3.0%</b>	
\$2,165	Community Health Systems, Inc., 6.25%, 3/31/23	\$2,189,356
4,125	DaVita, Inc., 5.125%, 7/15/24	4,217,813
2,950	Envision Healthcare Corp., 6.25%, 12/1/24 (a)(b)	3,186,000
2,950	HCA, Inc., 7.50%, 2/15/22	3,407,250
6,045	Kindred Healthcare, Inc., 8.75%, 1/15/23	5,878,762
2,750	Tenet Healthcare Corp., 7.00%, 8/1/25 (a)(b)	2,705,753
		21,584,934
	<b>Home Builders 0.5%</b>	
3,365	Beazer Homes USA, Inc., 8.75%, 3/15/22	3,726,738
	<b>Internet &amp; Catalog Retail 0.3%</b>	
2,200	Netflix, Inc., 5.875%, 2/15/25	2,387,000
	<b>Iron/Steel 1.7%</b>	
	AK Steel Corp.,	
1,005	7.50%, 7/15/23	1,092,938
5,600	8.375%, 4/1/22	5,833,800
4,525	United States Steel Corp., 8.375%, 7/1/21 (a)(b)	5,011,437
		11,938,175
	<b>Machinery-Construction &amp; Mining 0.5%</b>	
3,235	Terex Corp., 5.625%, 2/1/25 (a)(b)	3,404,838
	<b>Media 2.3%</b>	
5,630	Cablevision Systems Corp., 8.00%, 4/15/20	6,242,262
2,850	Gray Television, Inc., 5.875%, 7/15/26 (a)(b)	2,942,625
	LiveStyle, Inc., 9.625%, 2/1/19	
3,589	(acquisition cost-\$3,749,795; purchased 5/7/14-2/26/15) (a)(b)(c)(h)	22,431
6,645	McClatchy Co., 9.00%, 12/15/22	6,935,719
		16,143,037
	<b>Metal Fabricate/Hardware 0.4%</b>	
2,920	Park-Ohio Industries, Inc., 6.625%, 4/15/27	3,100,675
	<b>Mining 1.1%</b>	
3,900	Alcoa Nederland Holding BV, 7.00%, 9/30/26 (a)(b)	4,377,750
3,050	Joseph T. Ryerson & Son, Inc., 11.00%, 5/15/22 (a)(b)	3,457,938
		7,835,688
	<b>Oil, Gas &amp; Consumable Fuels 4.5%</b>	
2,300	Calumet Specialty Products Partners L.P., 6.50%, 4/15/21	2,219,500
1,420	Carrizo Oil & Gas, Inc., 6.25%, 4/15/23	1,384,500
12,800	Cobalt International Energy, Inc., 10.75%, 12/1/21 (a)(b)	12,096,000

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6,180	EP Energy LLC, 9.375%, 5/1/20	4,580,925
2,165	NGL Energy Partners L.P., 7.50%, 11/1/23	2,094,637
3,745	Oasis Petroleum, Inc., 6.875%, 3/15/22	3,670,100
2,500	Rice Energy, Inc., 6.25%, 5/1/22	2,603,125
3,470	Sanchez Energy Corp., 6.125%, 1/15/23	2,663,225
630	Weatherford International Ltd., 8.25%, 6/15/23	618,975
		31,930,987
	<b>Pharmaceuticals 1.2%</b>	
1,755	Endo Finance LLC, 5.375%, 1/15/23 (a)(b)	1,478,587
4,425	Horizon Pharma, Inc., 6.625%, 5/1/23	4,314,375
3,000	Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(b)	2,955,000
		8,747,962

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AllianzGI Convertible &amp; Income Fund II

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Pipelines 0.4%</b>	
\$2,715	Energy Transfer Equity L.P., 5.50%, 6/1/27	\$2,905,050
	<b>Real Estate 0.9%</b>	
2,345	Kennedy-Wilson, Inc., 5.875%, 4/1/24	2,418,281
4,090	Uniti Group L.P., 8.25%, 10/15/23	4,016,789
		6,435,070
	<b>Retail 1.6%</b>	
4,500	Claire's Stores, Inc., 9.00%, 3/15/19 (a)(b)	2,362,500
4,000	Conn's, Inc., 7.25%, 7/15/22	3,900,000
2,165	Dollar Tree, Inc., 5.75%, 3/1/23	2,294,900
5,785	Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b)	2,993,737
		11,551,137
	<b>Semiconductors 0.4%</b>	
2,875	Amkor Technology, Inc., 6.375%, 10/1/22	2,979,219
	<b>Software 0.7%</b>	
3,850	Camelot Finance S.A., 7.875%, 10/15/24 (a)(b)	4,186,875
490	Rackspace Hosting, Inc., 8.625%, 11/15/24 (a)(b)	521,238
		4,708,113
	<b>Telecommunications 5.0%</b>	
2,750	Cincinnati Bell, Inc., 7.00%, 7/15/24 (a)(b)	2,729,375
7,130	Consolidated Communications, Inc., 6.50%, 10/1/22	6,920,556
4,045	Frontier Communications Corp., 10.50%, 9/15/22	3,650,613
2,050	GTT Communications, Inc., 7.875%, 12/31/24 (a)(b)	2,193,500
3,500	Hughes Satellite Systems Corp., 7.625%, 6/15/21	3,998,750
5,545	Sprint Communications, Inc., 11.50%, 11/15/21	7,056,012
4,265	West Corp., 5.375%, 7/15/22 (a)(b)	4,323,644
5,845	Windstream Services LLC, 7.50%, 4/1/23	4,544,487
		35,416,937
	<b>Transportation 0.6%</b>	
3,920	XPO Logistics, Inc., 6.50%, 6/15/22 (a)(b)	4,130,700
	Total Corporate Bonds & Notes (cost-\$297,384,525)	287,872,453
	<b>Convertible Bonds &amp; Notes 30.3%</b>	
	<b>Apparel &amp; Textiles 1.6%</b>	
11,450	Iconix Brand Group, Inc., 1.50%, 3/15/18	11,371,281
	<b>Auto Components 2.1%</b>	
4,645	Horizon Global Corp., 2.75%, 7/1/22	4,810,478
5,255	Meritor, Inc., 7.875%, 3/1/26	9,954,941

		14,765,419
	<b>Auto Manufacturers 1.0%</b>	
4,675	Navistar International Corp., 4.75%, 4/15/19	4,829,859
2,150	Tesla, Inc., 1.25%, 3/1/21	2,485,938
		7,315,797
	<b>Building Materials 0.5%</b>	
3,225	Cemex S.A.B de C.V., 3.72%, 3/15/20	3,684,563
	<b>Commercial Services 1.5%</b>	
10,220	Ascent Capital Group, Inc., 4.00%, 7/15/20	8,073,800
2,795	ServiceSource International, Inc., 1.50%, 8/1/18	2,744,341
		10,818,141
	<b>Distribution/Wholesale 0.7%</b>	
4,975	Titan Machinery, Inc., 3.75%, 5/1/19	4,900,375

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**Table of Contents****Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Diversified Financial Services 2.3%</b>	
\$7,030	Encore Capital Group, Inc., 3.00%, 7/1/20	\$7,671,487
9,160	PRA Group, Inc., 3.00%, 8/1/20	8,415,750
		16,087,237
	<b>Electric Utilities 1.0%</b>	
6,905	NRG Yield, Inc., 3.25%, 6/1/20 (a)(b)	6,926,578
	<b>Electrical Equipment 1.1%</b>	
	SunPower Corp.,	
2,365	0.875%, 6/1/21	1,928,953
7,095	4.00%, 1/15/23	6,270,206
		8,199,159
	<b>Energy-Alternate Sources 1.7%</b>	
12,690	SolarCity Corp., 1.625%, 11/1/19	12,118,950
	<b>Engineering &amp; Construction 0.3%</b>	
2,445	Layne Christensen Co., 4.25%, 11/15/18	2,321,222
	<b>Equity Real Estate Investment Trusts (REITs) 0.6%</b>	
4,100	Two Harbors Investment Corp., 6.25%, 1/15/22	4,389,563
	<b>Health Care/Health Care Distributors 1.1%</b>	
8,615	Aceto Corp., 2.00%, 11/1/20	7,624,275
	<b>Insurance 1.0%</b>	
9,690	AmTrust Financial Services, Inc., 2.75%, 12/15/44	7,158,487
	<b>Iron/Steel 0.1%</b>	
690	AK Steel Corp., 5.00%, 11/15/19	933,656
	<b>Oil, Gas &amp; Consumable Fuels 2.8%</b>	
13,775	Helix Energy Solutions Group, Inc., 3.25%, 3/15/32	13,886,922
7,525	Whiting Petroleum Corp., 1.25%, 4/1/20	6,424,469
		20,311,391
	<b>Pharmaceuticals 2.8%</b>	
12,175	Herbalife Ltd., 2.00%, 8/15/19	12,281,592
2,460	Horizon Pharma Investment Ltd., 2.50%, 3/15/22	2,244,750
5,885	Impax Laboratories, Inc., 2.00%, 6/15/22	5,241,328
		19,767,670
	<b>Pipelines 1.0%</b>	
10,095	Cheniere Energy, Inc., 4.25%, 3/15/45	6,984,478
	<b>Retail 1.3%</b>	
	RH (a)(b),	
7,860	zero coupon, 6/15/19	6,695,737



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3,010	zero coupon, 7/15/20	2,366,613
		9,062,350
	<b>Semiconductors 0.9%</b>	
2,150	Cypress Semiconductor Corp., 4.50%, 1/15/22	2,659,281
3,430	Micron Technology, Inc., 3.00%, 11/15/43, Ser. G	4,036,682
		6,695,963
	<b>Software 1.3%</b>	
11,915	Avid Technology, Inc., 2.00%, 6/15/20	8,742,631
430	PROS Holdings, Inc., 2.00%, 12/1/19	450,694
		9,193,325
	<b>Telecommunications 1.1%</b>	
8,310	Gogo, Inc., 3.75%, 3/1/20	8,003,569

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**Table of Contents****Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

August 31, 2017 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Tobacco 1.7%</b>	
	Vector Group Ltd. (g),	
\$4,335	3 mo. Cash Dividends on Common Stock + 1.75%, 1.75%, 4/15/20	\$4,963,575
4,685	3 mo. Cash Dividends on Common Stock + 2.50%, 2.50%, 1/15/19	6,828,387
		11,791,962
	<b>Transportation 0.8%</b>	
3,010	Aegean Marine Petroleum Network, Inc., 4.25%, 12/15/21 (a)(b)	2,278,194
3,440	Echo Global Logistics, Inc., 2.50%, 5/1/20	3,259,400
		5,537,594
	Total Convertible Bonds & Notes (cost-\$196,412,213)	215,963,005
	<b>Shares</b>	
	<b>Convertible Preferred Stock 25.4%</b>	
	<b>Aerospace &amp; Defense 0.3%</b>	
59,615	Arconic, Inc., 5.375%, 10/1/17	2,417,388
	<b>Agriculture 0.9%</b>	
62,355	Bunge Ltd., 4.875% (e)	6,613,527
	<b>Banks 4.6%</b>	
9,140	Bank of America Corp., 7.25%, Ser. L (e)	12,046,520
7,455	Huntington Bancshares, Inc., 8.50%, Ser. A (e)	10,724,018
7,435	Wells Fargo & Co., 7.50%, Ser. L (e)	9,895,985
		32,666,523
	<b>Chemicals 0.8%</b>	
51,505	Rayonier Advanced Materials, Inc., 8.00%, 8/15/19, Ser. A	5,377,122
	<b>Commercial Services &amp; Supplies 0.9%</b>	
110,120	Stericycle, Inc., 5.25%, 9/15/18	6,545,533
	<b>Computers 0.3%</b>	
1,543	NCR Corp., PIK 5.50%, 5.50%, Ser. A (e)	2,212,944
	<b>Diversified Financial Services 0.5%</b>	
4,300	Cowen, Inc., 5.625%, Ser. A (e)	3,712,448
	<b>Diversified Telecommunication Services 0.4%</b>	
117,480	Frontier Communications Corp., 11.125%, 6/29/18, Ser. A	2,749,032
	<b>Electric Utilities 2.0%</b>	
228,650	Dominion Energy, Inc., 6.75%, 8/15/19, Ser. A	11,695,448
50,060	NextEra Energy, Inc., 6.123%, 9/1/19	2,783,336
		14,478,784
	<b>Equity Real Estate Investment Trusts (REITs) 4.6%</b>	

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3,730	Crown Castle International Corp., 6.875%, 8/1/20, Ser. A	4,181,946
476,235	FelCor Lodging Trust, Inc., 1.95%, Ser. A (e)	13,334,580
309,935	Sutherland Asset Management Corp., 7.00%, 8/15/23	7,881,647
106,440	Welltower, Inc., 6.50%, Ser. I (e)	7,041,006
		32,439,179
	<b>Hand/Machine Tools 1.6%</b>	
104,940	Stanley Black & Decker, Inc., 5.375%, 5/15/20	11,614,759
	<b>Health Care Providers &amp; Services 2.2%</b>	
292,115	Anthem, Inc., 5.25%, 5/1/18	15,330,195
	<b>Healthcare-Products 1.2%</b>	
150,440	Becton Dickinson and Co., 6.125%, 5/1/20, Ser. A	8,387,030

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**Table of Contents****Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

August 31, 2017 (unaudited) (continued)

Shares		Value
	<b>Independent Power Producers &amp; Energy Traders 0.5%</b>	
117,560	Dynegy, Inc., 5.375%, 11/1/17, Ser. A	\$3,706,667
	<b>Investment Companies 1.3%</b>	
45,390	Mandatory Exchangeable Trust, 5.75%, 6/3/19 (a)(b)	8,864,894
	<b>Oil, Gas &amp; Consumable Fuels 2.3%</b>	
120,125	Anadarko Petroleum Corp., 7.50%, 6/7/18	4,444,625
130,590	Kinder Morgan, Inc., 9.75%, 10/26/18, Ser. A	5,506,980
173,845	Sanchez Energy Corp., 6.50%, Ser. B (e)	3,103,133
8,585	Southwestern Energy Co., 6.25%, 1/15/18, Ser. B	113,580
70,105	WPX Energy, Inc., 6.25%, 7/31/18, Ser. A	3,346,813
		16,515,131
	<b>Pharmaceuticals 1.0%</b>	
3,225	Allergan PLC, 5.50%, 3/1/18, Ser. A	2,642,049
14,705	Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18	4,682,807
		7,324,856
	Total Convertible Preferred Stock (cost-\$183,981,632)	180,956,012
	<b>Preferred Stock (a)(d)(f)(i) 1.2%</b>	
	<b>Media 1.2%</b>	
8,339	LiveStyle, Inc., Ser. A	833,900
76,572	LiveStyle, Inc., Ser. B	7,657,200
5,000	LiveStyle, Inc., Ser. B	50
	Total Preferred Stock (cost-\$13,324,564)	8,491,150
	<b>Common Stock (a)(d)(f)(i) 0.2%</b>	
	<b>Advertising 0.2%</b>	
133,715	Affinion Group Holdings, Inc., Class A (acquisition cost-\$2,371,020; purchased 11/9/15-11/12/15) (h)	1,596,557
	<b>Aerospace &amp; Defense 0.0%</b>	
6,354	Erickson, Inc.	177,467
	<b>Media 0.0%</b>	
90,407	LiveStyle, Inc.	9
	Total Common Stock (cost-\$7,842,203)	1,774,033
	<b>Units</b>	
	<b>Warrants (a)(d)(f)(i) 0.0%</b>	
	<b>Commercial Services 0.0%</b>	
1,562,241	Conveo Corp. strike price \$12.00, expires 6/10/24	335,394
	<b>Media 0.0%</b>	
19,500	LiveStyle, Inc., expires 11/30/21, Ser. C	2
	Total Warrants (cost-\$183,305)	335,396

Principal Amount (000s)		
	<b>Repurchase Agreements</b>	<b>2.5%</b>
\$17,543	State Street Bank and Trust Co., dated 8/31/17, 0.12%, due 9/1/17, proceeds \$17,543,058; collateralized by U.S. Treasury Inflation Indexed Notes, 0.625%, due 1/15/26, valued at \$17,897,650 including accrued interest (cost-\$17,543,000)	17,543,000
	<b>Total Investments (cost-\$716,671,442)-100.0%</b>	<b>\$712,935,049</b>

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**Schedule of Investments**

AllianzGI Convertible & Income Fund II

August 31, 2017 (unaudited) (continued)

**Notes to Schedule of Investments:**

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$138,220,008, representing 19.4% 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. Securities with an aggregate value of \$127,619,429, representing 17.9% of total investments.
- (c) In default.
- (d) Fair-Valued Securities with an aggregate value of \$10,600,579, representing 1.5% of total investments. See Note 1(a) and Note 1(b) in the Notes to Financial Statements.
- (e) Perpetual maturity. The date shown, if any, is the next call date.
- (f) Level 3 security. See Note 1(b) in the Notes to Financial Statements.
- (g) 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.
- (h) Restricted. The aggregate acquisition cost of such securities is \$6,830,107. The aggregate value is \$1,618,988, representing 0.2% of total investments.
- (i) Non-income producing.
- (j) Fair Value Measurements-See Note 1(b) in the Notes to Financial Statements.

Level 1 Quoted	Level 2 Other Significant	Level 3 Significant	Value at 8/31/17
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	Prices	Observable Inputs	Unobservable Inputs	
<b>Investments in Securities</b>				<b>Assets</b>
Corporate Bonds & Notes	\$	\$287,872,453	\$	\$287,872,453
Convertible Bonds & Notes		215,963,005		215,963,005
Convertible Preferred Stock:				
Agriculture		6,613,527		6,613,527
Computers		2,212,944		2,212,944
Diversified Financial Services		3,712,448		3,712,448
Healthcare-Products		8,387,030		8,387,030
Investment Companies		8,864,894		8,864,894
Oil, Gas & Consumable Fuels	13,411,998	3,103,133		16,515,131
Pharmaceuticals	2,642,049	4,682,807		7,324,856
All Other	127,325,182			127,325,182
Preferred Stock			8,491,150	8,491,150
Common Stock			1,774,033	1,774,033
Warrants			335,396	335,396
Repurchase Agreements		17,543,000		17,543,000
<b>Totals</b>	<b>\$ 143,379,229</b>	<b>\$558,955,241</b>	<b>\$ 10,600,579</b>	<b>\$712,935,049</b>

At August 31, 2017, a security valued at \$5,377,122 was transferred from Level 2 to Level 1. The transfer was a result of the security having used an evaluated price from a third-party independent pricing vendor at February 28, 2017, and used an exchange-traded closing price on August 31, 2017.

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**Table of Contents****Schedule of Investments**

AllianzGI Convertible &amp; Income Fund II

August 31, 2017 (unaudited) (continued)

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

	Beginning Balance 2/28/17	Purchases	Sales	Accrued Discounts (Premiums)	Net Realized Gain (Loss)
<b>Investments in Securities Assets</b>					
Corporate Bonds & Notes:					
Commercial Services	\$5,361,665	\$	\$	\$(64,082)	\$
Preferred Stock	7,759,031				
Common Stock:					
Advertising	1,987,005				
Aerospace & Defense		5,471,183			
Media	9				
Warrants:					
Commercial Services	340,656				
Media	2				
<b>Totals</b>	<b>\$15,448,368</b>	<b>\$5,471,183</b>	<b>\$</b>	<b>\$(64,082)</b>	<b>\$</b>

	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3	Transfers out of Level 3*	Ending Balance 8/31/17
<b>Investments in Securities Assets</b>				
Corporate Bonds & Notes:				
Commercial Services	\$(10,593)	\$	\$(5,286,990)	\$
Preferred Stock	732,119			8,491,150
Common Stock:				
Advertising	(390,448)			1,596,557
Aerospace & Defense	(5,293,716)			177,467
Media				9
Warrants:				
Commercial Services	(5,262)			335,394
Media				2
<b>Totals</b>	<b>\$(4,967,900)</b>	<b>\$</b>	<b>\$(5,286,990)</b>	<b>\$10,600,579</b>



Issued via reorganization

\* Transferred out of Level 3 into Level 2 because an evaluated price from a third-party independent pricing vendor was used on August 31, 2017.

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

	Ending Balance at 8/31/17	Valuation Technique Used	Unobservable Inputs	Input Values
<b>Investments in Securities</b>	<b>Assets</b>			
Preferred Stock	\$8,491,100	Model Price	Proprietary Data Used in Model	\$100
	\$50	Liquidation Value	Price of Stock	\$0.01*
Common Stock	\$1,774,033	Model Price	Proprietary Data Used in Model	\$0.01 \$27.93
Warrants	\$335,394	Fundamental Analytical Data Relating to the Investment	Price of Warrant	\$0.21469
	\$2	Model Price	Proprietary Data Used in Model	\$0.0001

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

The net change in unrealized appreciation/depreciation of Level 3 investments held at August 31, 2017, was \$(4,957,307). Net change in unrealized appreciation/depreciation is reflected on the Statements of Operations.

**Glossary:**

PIK - Payment-in-Kind

REIT - Real Estate Investment Trust

**Table of Contents****Statements of Assets and Liabilities**

AllianzGI Convertible &amp; Income Funds

August 31, 2017 (unaudited)

	Convertible & Income 2024 Target Term	Convertible & Income	Convertible & Income II
<b>Assets:</b>			
Investments, at value (cost-\$258,337,604, \$943,420,772 and \$716,671,442, respectively)	\$257,986,386	\$937,170,874	\$712,935,049
Cash	1,015,286	265	95
Receivable for investments sold	3,755,579		
Interest and dividends receivable	3,027,358	12,427,672	9,529,179
Investments in Affiliated Funds - Trustees Deferred Compensation Plan (see Note 3)		60,872	45,955
Tax reclaims receivable		11,756	8,869
Prepaid expenses and other assets	4,978	80,036	32,680
<b>Total Assets</b>	<b>265,789,587</b>	<b>949,751,475</b>	<b>722,551,827</b>
<b>Liabilities:</b>			
Loan payable (See Note 7)	69,700,000		
Payable for investments purchased	15,342,853	837,314	637,378
Dividends payable to common and preferred shareholders	839,820	5,809,716	4,337,483
Due to Investment Manager	364,936		
Investment management fees payable	154,680	560,491	426,428
Loan interest payable	7,059		
Trustees Deferred Compensation Plan payable (see Note 3)		60,872	45,955
Accrued expenses	81,924	166,670	149,872
<b>Total Liabilities</b>	<b>86,491,272</b>	<b>7,435,063</b>	<b>5,597,116</b>
<b>Preferred Shares (\$0.00001 par value and \$25,000 liquidation preference per share applicable to an aggregate of 0, 14,280 and 10,960 shares issued and outstanding, respectively)</b>		357,000,000	274,000,000
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$179,298,315</b>	<b>\$585,316,412</b>	<b>\$442,954,711</b>
<b>Composition of Net Assets Applicable to Common Shareholders:</b>			
Common Shares:			
Par value (\$0.00001 per share)	\$183	\$885	