

AllianzGI Convertible & Income Fund
Form N-Q
January 18, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS
OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21284

AllianzGI Convertible & Income Fund

(Exact name of registrant as specified in charter)

1633 Broadway, New York, NY 10019

(Address of principal executive offices) (Zip code)

Lawrence G. Altadonna

1633 Broadway,

New York, NY 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 28

Date of reporting period: November 30, 2017

Item 1. Schedule of Investments

Schedule of Investments

AllianzGI Convertible & Income Fund

November 30, 2017 (unaudited)

| Principal Amount (000s) | | Value* |
|--|---|--------------|
| CORPORATE BONDS & NOTES 40.3% | | |
| Aerospace & Defense 1.7% | | |
| \$6,636 | Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19 | \$ 6,838,398 |
| 7,540 | TransDigm, Inc., 6.50%, 5/15/25 | 7,714,174 |
| 1,420 | Triumph Group, Inc., 7.75%, 8/15/25 (a)(b) | 1,533,600 |
| | | 16,086,172 |
| Auto Manufacturers 0.5% | | |
| 4,660 | Navistar International Corp., 6.625%, 11/1/25 (a)(b) | 4,837,686 |
| Building Materials 0.6% | | |
| 5,665 | U.S. Concrete, Inc., 6.375%, 6/1/24 | 6,104,038 |
| Chemicals 2.7% | | |
| 7,500 | Chemours Co., 6.625%, 5/15/23 | 7,968,750 |
| 4,790 | Kraton Polymers LLC, 7.00%, 4/15/25 (a)(b) | 5,185,175 |
| 5,670 | Platform Specialty Products Corp., 6.50%, 2/1/22 (a)(b) | 5,875,537 |
| 6,720 | Tronox Finance LLC, 7.50%, 3/15/22 (a)(b) | 7,072,800 |
| | | 26,102,262 |
| Commercial Services 1.8% | | |
| 8,050 | Cenveo Corp., 6.00%, 5/15/24 (a)(b) | 7,084,000 |
| 7,375 | Monitronics International, Inc., 9.125%, 4/1/20 | 6,250,312 |
| 3,500 | United Rentals North America, Inc., 5.50%, 7/15/25 | 3,736,250 |
| | | 17,070,562 |
| Computers 1.9% | | |
| 5,203 | DynCorp International, Inc., PIK 1.50%, 11.875%, 11/30/20 | 5,527,894 |
| 7,350 | Harland Clarke Holdings Corp., 9.25%, 3/1/21 (a)(b) | 7,487,813 |
| 3,935 | Western Digital Corp., 10.50%, 4/1/24 | 4,576,897 |
| | | 17,592,604 |
| Distribution/Wholesale 0.6% | | |
| 5,380 | H&E Equipment Services, Inc., 5.625%, 9/1/25 (a)(b) | 5,649,000 |
| Diversified Financial Services 3.5% | | |
| 10,085 | Community Choice Financial, Inc., 10.75%, 5/1/19 | 8,925,225 |

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| | | |
|-------|---|------------|
| 7,130 | 12.75%, 5/1/20 (a)(b) | 5,739,650 |
| | Nationstar Mortgage LLC, | |
| 2,500 | 7.875%, 10/1/20 | 2,554,062 |
| 5,300 | 9.625%, 5/1/19 | 5,460,325 |
| | Navient Corp., | |
| 1,575 | 7.25%, 9/25/23 | 1,704,938 |
| 3,210 | 8.45%, 6/15/18 | 3,317,535 |
| 4,935 | Springleaf Finance Corp., 8.25%, 10/1/23 | 5,477,850 |
| | | 33,179,585 |
| | Electric Utilities 0.6% | |
| 5,585 | NRG Energy, Inc., 6.25%, 5/1/24 | 5,948,025 |
| | Engineering & Construction 0.6% | |
| 5,100 | Tutor Perini Corp., 6.875%, 5/1/25 (a)(b) | 5,433,540 |
| | Entertainment 0.7% | |
| 2,695 | AMC Entertainment Holdings, Inc., 6.125%, 5/15/27 | 2,684,894 |
| 4,000 | Cedar Fair L.P., 5.375%, 6/1/24 | 4,210,000 |
| | | 6,894,894 |
| | Healthcare-Services 2.9% | |
| 2,835 | Community Health Systems, Inc., 6.25%, 3/31/23 | 2,664,900 |
| 5,430 | DaVita, Inc., 5.125%, 7/15/24 | 5,535,206 |
| 3,860 | Envision Healthcare Corp., 6.25%, 12/1/24 (a)(b) | 4,086,775 |
| 3,800 | HCA, Inc., 7.50%, 2/15/22 | 4,299,320 |
| 7,955 | Kindred Healthcare, Inc., 8.75%, 1/15/23 | 7,994,775 |
| 3,500 | Tenet Healthcare Corp., 7.00%, 8/1/25 (a)(b) | 3,189,375 |
| | | 27,770,351 |

Schedule of Investments

AllianzGI Convertible & Income Fund

November 30, 2017 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|-------------------------|--|--------------|
| | Home Builders 0.5% | |
| \$ 4,395 | Beazer Homes USA, Inc., 8.75%, 3/15/22 | \$ 4,829,006 |
| | Internet & Catalog Retail 0.3% | |
| 2,800 | Netflix, Inc., 5.875%, 2/15/25 | 3,003,000 |
| | Iron/Steel 1.1% | |
| | AK Steel Corp., | |
| 2,025 | 7.00%, 3/15/27 | 2,015,280 |
| 1,315 | 7.50%, 7/15/23 | 1,433,350 |
| 5,975 | United States Steel Corp., 8.375%, 7/1/21 (a)(b) | 6,535,156 |
| | | 9,983,786 |
| | Machinery-Construction & Mining 0.5% | |
| 4,245 | Terex Corp., 5.625%, 2/1/25 (a)(b) | 4,486,434 |
| | Media 2.2% | |
| 7,370 | Cablevision Systems Corp., 8.00%, 4/15/20 | 7,904,325 |
| 3,740 | Gray Television, Inc., 5.875%, 7/15/26 (a)(b) | 3,805,450 |
| 4,671 | LiveStyle, Inc., 9.625%, 2/1/19 (a)(b)(c)(h)(j) (acquisition cost-\$4,879,905; purchased 5/7/14-2/26/15) | 93 |
| 8,355 | McClatchy Co., 9.00%, 12/15/22 | 8,736,197 |
| | | 20,446,065 |
| | Metal Fabricate/Hardware 0.4% | |
| 3,830 | Park-Ohio Industries, Inc., 6.625%, 4/15/27 | 4,131,613 |
| | Mining 1.8% | |
| 5,100 | Alcoa Nederland Holding BV, 7.00%, 9/30/26 (a)(b) | 5,788,500 |
| 3,555 | Constellium NV, 6.625%, 3/1/25 (a)(b) | 3,786,075 |
| 2,775 | Hudbay Minerals, Inc., 7.625%, 1/15/25 (a)(b) | 3,076,781 |
| 3,950 | Joseph T. Ryerson & Son, Inc., 11.00%, 5/15/22 (a)(b) | 4,461,525 |
| | | 17,112,881 |
| | Oil, Gas & Consumable Fuels 4.6% | |
| 2,700 | Calumet Specialty Products Partners L.P., 6.50%, 4/15/21 | 2,703,375 |
| 1,900 | Carrizo Oil & Gas, Inc., 6.25%, 4/15/23 | 1,954,625 |
| 16,950 | Cobalt International Energy, Inc., 10.75%, 12/1/21 (a)(b) | 18,009,375 |
| 590 | Ensco PLC, 5.20%, 3/15/25 | 486,750 |
| 7,225 | EP Energy LLC, 9.375%, 5/1/20 | 5,382,625 |
| 2,835 | NGL Energy Partners L.P., 7.50%, 11/1/23 | 2,927,137 |
| 975 | Noble Holding International Ltd., 7.75%, 1/15/24 | 848,250 |

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| | | |
|-------|--|------------|
| 4,895 | Oasis Petroleum, Inc., 6.875%, 3/15/22 | 4,999,019 |
| 4,530 | Sanchez Energy Corp., 6.125%, 1/15/23 | 3,844,837 |
| 1,670 | Transocean, Inc., 7.50%, 1/15/26 (a)(b) | 1,720,100 |
| 820 | Weatherford International Ltd., 8.25%, 6/15/23 | 815,388 |
| | | 43,691,481 |
| | Pharmaceuticals 1.2% | |
| 2,290 | Endo Finance LLC, 5.375%, 1/15/23 (a)(b) | 1,797,650 |
| 5,865 | Horizon Pharma, Inc., 6.625%, 5/1/23 | 5,747,700 |
| 4,000 | Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(b) | 3,970,000 |
| | | 11,515,350 |
| | Pipelines 0.4% | |
| 3,550 | Energy Transfer Equity L.P., 5.50%, 6/1/27 | 3,718,625 |
| | Real Estate 0.9% | |
| 3,085 | Kennedy-Wilson, Inc., 5.875%, 4/1/24 | 3,185,263 |
| 5,365 | Uniti Group L.P., 8.25%, 10/15/23 | 5,163,812 |
| | | 8,349,075 |
| | Retail 1.9% | |
| 3,500 | Claire's Stores, Inc., 9.00%, 3/15/19 (a)(b) | 2,196,250 |
| 5,980 | Conn's, Inc., 7.25%, 7/15/22 | 5,994,950 |
| 2,835 | Dollar Tree, Inc., 5.75%, 3/1/23 | 2,980,294 |
| 1,530 | L Brands, Inc., 6.875%, 11/1/35 | 1,552,950 |
| 9,465 | Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b) | 5,442,375 |
| | | 18,166,819 |
| | Semiconductors 1.1% | |
| 5,355 | Advanced Micro Devices, Inc., 7.00%, 7/1/24 | 5,622,750 |
| 4,645 | Amkor Technology, Inc., 6.375%, 10/1/22 | 4,807,575 |
| | | 10,430,325 |

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Schedule of Investments

AllianzGI Convertible & Income Fund

November 30, 2017 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|----------------------------|--|--------------|
| | Software 0.7% | |
| \$5,035 | Camelot Finance S.A., 7.875%, 10/15/24 (a)(b) | \$ 5,400,038 |
| 1,480 | Rackspace Hosting, Inc., 8.625%, 11/15/24 (a)(b) | 1,591,000 |
| | | 6,991,038 |
| | Telecommunications 4.1% | |
| 3,500 | Cincinnati Bell, Inc., 7.00%, 7/15/24 (a)(b) | 3,403,750 |
| 9,370 | Consolidated Communications, Inc., 6.50%, 10/1/22 | 8,585,262 |
| 5,290 | Frontier Communications Corp., 10.50%, 9/15/22 | 4,205,550 |
| 2,685 | GTT Communications, Inc., 7.875%, 12/31/24 (a)(b) | 2,837,347 |
| | Hughes Satellite Systems Corp., | |
| 1,460 | 6.625%, 8/1/26 | 1,531,175 |
| 4,250 | 7.625%, 6/15/21 | 4,717,500 |
| 7,205 | Sprint Communications, Inc., 11.50%, 11/15/21 | 8,790,100 |
| 8,229 | Windstream Services LLC, 6.375%, 8/1/23 (a)(b) | 5,389,995 |
| | | 39,460,679 |
| | Transportation 0.5% | |
| 4,830 | XPO Logistics, Inc., 6.50%, 6/15/22 (a)(b) | 5,065,463 |
| | Total Corporate Bonds & Notes (cost-\$395,851,167) | 384,050,359 |
| | CONVERTIBLE BONDS & NOTES 31.8% | |
| | Apparel & Textiles 1.3% | |
| 14,580 | Iconix Brand Group, Inc., 1.50%, 3/15/18 | 12,320,100 |
| | Auto Components 0.6% | |
| 6,155 | Horizon Global Corp., 2.75%, 7/1/22 | 5,881,872 |
| | Auto Manufacturers 1.0% | |
| 6,225 | Navistar International Corp., 4.75%, 4/15/19 | 6,750,234 |
| 2,850 | Tesla, Inc., 1.25%, 3/1/21 | 3,063,750 |
| | | 9,813,984 |
| | Biotechnology 0.8% | |
| 9,625 | Intercept Pharmaceuticals, Inc., 3.25%, 7/1/23 | 7,736,094 |
| | Building Materials 0.5% | |
| 4,275 | Cemex S.A.B de C.V., 3.72%, 3/15/20 | 4,456,688 |
| | Commercial Services 2.6% | |

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| | | |
|--------|--|------------|
| 13,510 | Ascent Capital Group, Inc., 4.00%, 7/15/20 | 10,774,225 |
| 10,530 | Huron Consulting Group, Inc., 1.25%, 10/1/19 | 10,016,662 |
| 3,705 | ServiceSource International, Inc., 1.50%, 8/1/18 | 3,633,216 |
| | | 24,424,103 |
| | Distribution/Wholesale 0.7% | |
| 6,600 | Titan Machinery, Inc., 3.75%, 5/1/19 | 6,608,250 |
| | Diversified Financial Services 2.4% | |
| 9,320 | Encore Capital Group, Inc., 3.00%, 7/1/20 | 10,956,825 |
| 12,165 | PRA Group, Inc., 3.00%, 8/1/20 | 11,731,622 |
| | | 22,688,447 |
| | Electric Utilities 1.0% | |
| 9,230 | NRG Yield, Inc., 3.25%, 6/1/20 (a)(b) | 9,224,231 |
| | Electrical Equipment 1.1% | |
| | SunPower Corp., | |
| 3,135 | 0.875%, 6/1/21 | 2,451,178 |
| 9,405 | 4.00%, 1/15/23 | 8,100,056 |
| | | 10,551,234 |
| | Energy-Alternate Sources 1.6% | |
| 16,800 | SolarCity Corp., 1.625%, 11/1/19 | 15,550,500 |
| | Engineering & Construction 0.3% | |
| 3,230 | Layne Christensen Co., 4.25%, 11/15/18 | 3,169,438 |
| | Equity Real Estate Investment Trusts (REITs) 1.4% | |
| 5,400 | Two Harbors Investment Corp., 6.25%, 1/15/22 | 5,636,250 |
| 7,690 | Western Asset Mortgage Capital Corp., 6.75%, 10/1/22 | 7,622,712 |
| | | 13,258,962 |

Schedule of Investments

AllianzGI Convertible & Income Fund

November 30, 2017 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|-------------------------|--|---------------|
| | Healthcare/Healthcare Distributors 1.1% | |
| \$11,415 | Aceto Corp., 2.00%, 11/1/20 | \$ 10,287,769 |
| | Insurance 1.0% | |
| 12,780 | AmTrust Financial Services, Inc., 2.75%, 12/15/44 | 9,257,513 |
| | Iron/Steel 0.1% | |
| 910 | AK Steel Corp., 5.00%, 11/15/19 | 1,122,144 |
| | Oil, Gas & Consumable Fuels 2.8% | |
| 18,235 | Helix Energy Solutions Group, Inc., 3.25%, 3/15/32 | 18,178,016 |
| 9,980 | Whiting Petroleum Corp., 1.25%, 4/1/20 | 9,031,900 |
| | | 27,209,916 |
| | Pharmaceuticals 3.2% | |
| 16,145 | Herbalife Ltd., 2.00%, 8/15/19 | 16,427,537 |
| 3,260 | Horizon Pharma Investment Ltd., 2.50%, 3/15/22 | 3,029,763 |
| 7,800 | Impax Laboratories, Inc., 2.00%, 6/15/22 | 7,668,375 |
| 3,415 | Jazz Investments I Ltd., 1.50%, 8/15/24 (a)(b) | 3,250,653 |
| | | 30,376,328 |
| | Pipelines 1.0% | |
| 13,370 | Cheniere Energy, Inc., 4.25%, 3/15/45 | 9,375,713 |
| | Retail 1.1% | |
| 10,425 | RH, zero coupon, 6/15/19 (a)(b) | 11,024,437 |
| | Semiconductors 0.8% | |
| 2,850 | Cypress Semiconductor Corp., 4.50%, 1/15/22 | 3,856,406 |
| 2,455 | Micron Technology, Inc., 3.00%, 11/15/43, Ser. G | 3,653,347 |
| | | 7,509,753 |
| | Software 1.8% | |
| 15,785 | Avid Technology, Inc., 2.00%, 6/15/20 | 13,693,487 |
| 3,985 | Synchronoss Technologies, Inc., 0.75%, 8/15/19 | 3,693,597 |
| | | 17,387,084 |
| | Telecommunications 1.1% | |
| 11,065 | Gogo, Inc., 3.75%, 3/1/20 | 10,207,462 |

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| | | |
|--|---|-------------|
| Tobacco 1.7% | | |
| | Vector Group Ltd. (g), | |
| 5,665 | 3 mo. Cash Dividends on Common Stock + 1.75%, 1.75%, 4/15/20 | 6,521,831 |
| 6,215 | 3 mo. Cash Dividends on Common Stock + 2.50%, 2.50%, 1/15/19 | 9,757,550 |
| | | 16,279,381 |
| Transportation 0.8% | | |
| 3,990 | Aegean Marine Petroleum Network, Inc., 4.25%, 12/15/21 (a)(b) | 2,698,238 |
| 4,560 | Echo Global Logistics, Inc., 2.50%, 5/1/20 | 4,636,950 |
| | | 7,335,188 |
| Total Convertible Bonds & Notes (cost-\$282,400,528) | | 303,056,591 |
| Shares | | |
| CONVERTIBLE PREFERRED STOCK 22.9% | | |
| Agriculture 0.9% | | |
| 82,645 | Bunge Ltd., 4.875% (e) | 8,527,931 |
| Banks 4.5% | | |
| 12,080 | Bank of America Corp., 7.25%, Ser. L (e) | 15,921,440 |
| 9,695 | Huntington Bancshares, Inc., 8.50%, Ser. A (e) | 13,720,849 |
| 9,880 | Wells Fargo & Co., 7.50%, Ser. L (e) | 13,249,080 |
| | | 42,891,369 |
| Chemicals 0.9% | | |
| 68,495 | Rayonier Advanced Materials, Inc., 8.00%, 8/15/19, Ser. A | 9,220,112 |

Schedule of Investments

AllianzGI Convertible & Income Fund

November 30, 2017 (unaudited) (continued)

| Shares | | Value* |
|---------|--|--------------|
| | Commercial Services & Supplies 0.8% | |
| 145,890 | Stericycle, Inc., 5.25%, 9/15/18 | \$ 7,624,211 |
| | Diversified Financial Services 0.5% | |
| 5,700 | Cowen, Inc., 5.625%, Ser. A (e) | 4,778,139 |
| | Diversified Telecommunication Services 0.2% | |
| 155,900 | Frontier Communications Corp., 11.125%, 6/29/18, Ser. A | 2,282,376 |
| | Electric Utilities 2.1% | |
| 302,350 | Dominion Energy, Inc., 6.75%, 8/15/19, Ser. A | 15,991,291 |
| 66,215 | NextEra Energy, Inc., 6.123%, 9/1/19 | 3,734,526 |
| | | 19,725,817 |
| | Equity Real Estate Investment Trusts (REITs) 4.4% | |
| 4,625 | Crown Castle International Corp., 6.875%, 8/1/20, Ser. A | 5,350,154 |
| 631,070 | RLJ Lodging Trust, 1.95%, Ser. A (e) | 17,278,697 |
| 410,065 | Sutherland Asset Management Corp., 7.00%, 8/15/23 | 10,436,154 |
| 141,135 | Welltower, Inc., 6.50%, Ser. I (e) | 8,780,008 |
| | | 41,845,013 |
| | Hand/Machine Tools 1.8% | |
| 139,055 | Stanley Black & Decker, Inc., 5.375%, 5/15/20 | 17,034,238 |
| | Healthcare Providers & Services 2.4% | |
| 401,015 | Anthem, Inc., 5.25%, 5/1/18 | 23,150,596 |
| | Healthcare-Products 1.3% | |
| 199,155 | Becton Dickinson and Co., 6.125%, 5/1/20, Ser. A | 12,098,666 |
| | Oil, Gas & Consumable Fuels 2.2% | |
| 159,375 | Anadarko Petroleum Corp., 7.50%, 6/7/18 | 5,197,219 |
| 173,410 | Kinder Morgan, Inc., 9.75%, 10/26/18, Ser. A | 6,180,332 |
| 230,425 | Sanchez Energy Corp., 6.50%, Ser. B (e) | 4,686,844 |
| 12,485 | Southwestern Energy Co., 6.25%, 1/15/18, Ser. B | 180,908 |
| 82,895 | WPX Energy, Inc., 6.25%, 7/31/18, Ser. A | 4,710,094 |
| | | 20,955,397 |
| | Pharmaceuticals 0.9% | |
| 30,895 | Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18 | 8,874,589 |
| | Total Convertible Preferred Stock (cost-\$226,111,595) | 219,008,454 |

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| | | |
|---|--|-----------|
| PREFERRED STOCK (a)(d)(f)(i)(j) 0.9% | | |
| Media 0.9% | | |
| 8,339 | LiveStyle, Inc., Ser. A | 833,900 |
| 76,572 | LiveStyle, Inc., Ser. B | 7,657,200 |
| 6,750 | LiveStyle, Inc., Ser. B | 68 |
| Total Preferred Stock (cost-\$15,074,564) | | 8,491,168 |
| COMMON STOCK (a)(d)(f)(i) 0.2% | | |
| Advertising 0.2% | | |
| 173,720 | Affinion Group Holdings, Inc., Class A (h)(acquisition cost-\$3,080,312; purchased 11/9/15-11/12/15) | 1,773,681 |
| Aerospace & Defense 0.0% | | |
| 8,295 | Erickson, Inc. | 266,436 |
| Media 0.0% | | |
| 90,407 | LiveStyle, Inc. (j) | 9 |
| Total Common Stock (cost-\$10,187,309) | | 2,040,126 |
| Units | | |
| WARRANTS (a)(d)(f)(i) 0.0% | | |
| Commercial Services 0.0% | | |
| 2,062,338 | Cenveo, Inc., strike price \$12.00, expires 6/10/24 | 46,196 |
| Media 0.0% | | |
| 19,500 | LiveStyle, Inc., expires 11/30/21, Ser. C. (j) | 2 |
| Total Warrants (cost-\$246,984) | | 46,198 |

Schedule of Investments

AllianzGI Convertible & Income Fund

November 30, 2017 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|-------------------------------|---|-----------------------|
| | Repurchase Agreements 3.9% | |
| \$36,893 | State Street Bank and Trust Co., dated 11/30/17, 0.12%, due 12/1/17, proceeds \$36,893,123; collateralized by U.S. Treasury Notes, 1.625%, due 2/15/26, valued at \$37,635,050 including accrued interest (cost-\$36,893,000) | \$ 36,893,000 |
| | Total Investments (cost-\$966,765,147) (k) 100.0% | \$ 953,585,896 |

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

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

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

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

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$188,713,359, representing 19.8% 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 \$178,135,867, representing 18.7% of total investments.
- (c) In default.
- (d) Fair-Valued Securities with an aggregate value of \$10,577,492, representing 1.1% of total investments.
- (e) Perpetual maturity. The date shown, if any, is the next call date.
- (f) Level 3 security.
- (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 \$1,773,774, representing 0.2% of total investments.

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- (i) Non-income producing.

- (j) A member of the Fund's portfolio management team is a member of the board of directors of LiveStyle, Inc. The Fund's aggregate value of investments in LiveStyle, Inc. represents 0.9% of total investments.

- (k) At November 30, 2017, the cost basis of portfolio securities for federal income tax purposes was \$973,059,693. Gross unrealized appreciation was \$69,456,658; gross unrealized depreciation was \$88,930,455; and net unrealized depreciation was \$19,473,797. The difference between book and tax cost was attributable to wash sale loss deferrals and the differing treatment of bond amortization.

Fair Value Measurements

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

Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access

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

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

The valuation techniques used by the Fund to measure fair value during the nine months ended November 30, 2017 were intended to maximize the use of observable inputs and to minimize the use of unobservable inputs.

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities within Level 2 and Level 3, in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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A summary of the inputs used at November 30, 2017 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for more detailed information on Investments in Securities):

| | Level 1 Quoted Prices | Level 2 Other Significant Observable Inputs | Level 3 Significant Unobservable Inputs | Value at 11/30/17 |
|---|--------------------------|--|--|-----------------------|
| Investments in Securities Assets | | | | |
| Corporate Bonds & Notes | \$ | \$ 384,050,359 | \$ | \$ 384,050,359 |
| Convertible Bonds & Notes | | 303,056,591 | | 303,056,591 |
| Convertible Preferred Stock: | | | | |
| Agriculture | | 8,527,931 | | 8,527,931 |
| Banks | 29,170,520 | 13,720,849 | | 42,891,369 |
| Diversified Financial Services | | 4,778,139 | | 4,778,139 |
| Healthcare-Products | | 12,098,666 | | 12,098,666 |
| Oil, Gas & Consumable Fuels | 16,268,553 | 4,686,844 | | 20,955,397 |
| Pharmaceuticals | | 8,874,589 | | 8,874,589 |
| All Other | 120,882,363 | | | 120,882,363 |
| Preferred Stock | | | 8,491,168 | 8,491,168 |
| Common Stock | | | 2,040,126 | 2,040,126 |
| Warrants | | | 46,198 | 46,198 |
| Repurchase Agreements | | 36,893,000 | | 36,893,000 |
| Totals | \$ 166,321,436 | \$ 776,686,968 | \$ 10,577,492 | \$ 953,585,896 |

At November 30, 2017, a security valued at \$13,720,849 was transferred from Level 1 to Level 2. The transfer was a result of the security having used an exchange-traded closing price at February 28, 2017, and having used an evaluated price from a third-party independent pricing vendor on November 30, 2017.

At November 30, 2017, a security valued \$9,220,112 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 having used an exchange-traded closing price on November 30, 2017.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the nine months ended November 30, 2017, was as follows:

| | Beginning Balance 2/28/17 | Purchases | Sales | Accrued Discount (Premiums) | Net Realized Gain (Loss) | Net Change in Unrealized Appreciation/ Depreciation | Transfers into Level 3 | Transfers out of Level 3* | Ending Balance 11/30/17 |
|---|---------------------------------|---------------------|-------|-----------------------------------|--------------------------------|---|------------------------------|---------------------------------|-------------------------------|
| Investments in Securities Assets | | | | | | | | | |
| Corporate Bonds & Notes: | | | | | | | | | |
| Commercial Services | \$ 7,224,875 | | | \$ (11,474) | | \$ (129,401) | | \$ (7,084,000) | |
| Preferred Stock | 7,759,048 | | | | | 732,120 | | | \$ 8,491,168 |
| Common Stock: | | | | | | | | | |
| Advertising | 2,581,479 | | | | | (807,798) | | | 1,773,681 |
| Aerospace & Defense | | \$ 7,106,998 | | | | (6,840,562) | | | 266,436 |
| Media | 9 | | | | | | | | 9 |
| Warrants: | | | | | | | | | |
| Commercial Services | 449,705 | | | | | (403,509) | | | 46,196 |
| Media | 2 | | | | | | | | 2 |
| Totals | \$ 18,015,118 | \$ 7,106,998 | | \$ (11,474) | | \$ (7,449,150) | \$ | \$ (7,084,000) | \$ 10,577,492 |

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- * Transferred out of Level 3 into Level 2 because an evaluated price from a third-party independent pricing vendor was used on November 30, 2017.

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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 November 30, 2017:

| Investments in Securities Assets | Ending Balance at 11/30/17 | Valuation Technique Used | Unobservable Inputs | Input Values |
|----------------------------------|-------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| Preferred Stock | \$ 8,491,100 | Market and Company Comparables | EV Multiples | 0.77x (0.29x - 1.17x) |
| Common Stock | \$ 1,773,681 | Market and Company Comparables | Illiquidity Discount Broker quotes | 20% \$11.50 (\$11.00 - \$12.00) |
| | | | EV Multiples | 1.04x (0.24x - 1.51x) |
| | \$ 266,436 | Market and Company Comparables | Illiquidity Discount EV Multiples | 30% 0.90x (0.74x - 1.13x) |
| Warrants | \$ 46,196 | Black Scholes Model | Illiquidity Discount Volatility | 40% 71% |

The net change in unrealized appreciation/depreciation of Level 3 investments held at November 30, 2017 was \$(7,319,749).

Glossary:

PIK Payment-in-Kind

REIT Real Estate Investment Trust

Item 2. Controls and Procedures

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "1940 Act") (17 CFR 270.30a-3(c))) are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

Certifications pursuant to Rule 30a-2(a) under the 1940 Act are filed and attached hereto as Exhibit 99_CERT:

SIGNATURES

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

Registrant: AllianzGI Convertible & Income Fund

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

Date: January 18, 2018

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

Date: January 18, 2018

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

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

Date: January 18, 2018

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

Date: January 18, 2018