

AllianzGI Equity & Convertible Income Fund  
Form N-Q  
December 22, 2014

**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 811-21989

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

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

10019  
(Zip code)

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

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

Date of fiscal year end: January 31, 2015

Date of reporting period: October 31, 2014

---

## Item 1. Schedule of Investments

## Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund

October 31, 2014 (unaudited)

Shares		Value*
<b>COMMON STOCK</b>	<b>66.6%</b>	
	<b>Aerospace &amp; Defense 3.1%</b>	
39,800	Boeing Co.	\$4,971,418
72,400	L-3 Communications Holdings, Inc.	8,793,704
142,400	Textron, Inc. (a)	5,913,872
		19,678,994
	<b>Auto Components 1.5%</b>	
197,600	Johnson Controls, Inc.	9,336,600
	<b>Automobiles 1.6%</b>	
547,300	Ford Motor Co.	7,711,457
81,109	General Motors Co.	2,546,823
		10,258,280
	<b>Beverages 2.9%</b>	
205,700	Coca-Cola Co.	8,614,716
101,300	PepsiCo, Inc.	9,742,021
		18,356,737
	<b>Biotechnology 3.0%</b>	
46,600	Amgen, Inc. (a)	7,557,588
103,600	Gilead Sciences, Inc. (a)(b)	11,603,200
		19,160,788
	<b>Chemicals 0.9%</b>	
47,600	Monsanto Co.	5,475,904
	<b>Banks 0.7%</b>	
82,000	Wells Fargo & Co.	4,353,380
	<b>Communications Equipment 3.0%</b>	
44,800	Cisco Systems, Inc.	1,096,256
108,600	Harris Corp.	7,558,560
128,100	Qualcomm, Inc.	10,057,131
		18,711,947
	<b>Computers &amp; Peripherals 3.5%</b>	
110,600	Apple, Inc. (a)	11,944,800
341,500	EMC Corp.	9,811,295
		21,756,095
	<b>Construction &amp; Engineering 0.2%</b>	
15,200	Fluor Corp. (a)	1,008,368
	<b>Diversified Telecommunications Services 1.4%</b>	
170,800	Verizon Communications, Inc.	8,582,700
	<b>Electric Utilities 1.5%</b>	
68,057	Entergy Corp.	5,718,149

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

97,185	Exelon Corp.	3,555,999
		9,274,148
	<b>Electronic Equipment, Instruments &amp; Components 1.7%</b>	
212,400	Amphenol Corp., Class A	10,743,192
	<b>Energy Equipment &amp; Services 2.2%</b>	
78,600	Diamond Offshore Drilling, Inc.	2,964,006
53,600	National Oilwell Varco, Inc. (a)	3,893,504
72,000	Schlumberger Ltd. (a)	7,103,520
		13,961,030

## Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund

October 31, 2014 (unaudited) (continued)

Shares		Value*
	<b>Food &amp; Staples Retailing 2.8%</b>	
46,900	Costco Wholesale Corp.	\$6,255,053
116,900	Kroger Co.	6,512,499
74,100	Walgreen Co.	4,758,702
		17,526,254
	<b>Health Care Equipment &amp; Supplies 2.2%</b>	
126,700	Baxter International, Inc.	8,886,738
10,600	Intuitive Surgical, Inc. (b)	5,255,480
		14,142,218
	<b>Health Care Providers &amp; Services 1.6%</b>	
49,900	McKesson Corp.	10,150,159
	<b>Hotels, Restaurants &amp; Leisure 2.3%</b>	
88,100	McDonald's Corp.	8,257,613
83,600	Starbucks Corp. (a)	6,316,816
		14,574,429
	<b>Household Products 1.4%</b>	
102,600	Procter & Gamble Co.	8,953,902
	<b>Industrial Conglomerates 1.6%</b>	
388,085	General Electric Co.	10,016,474
	<b>Insurance 2.3%</b>	
21,129	American International Group, Inc.	1,131,881
46,000	Genworth Financial, Inc., Class A (b)	643,540
45,204	MetLife, Inc.	2,451,865
105,300	Prudential Financial, Inc.	9,323,262
19,230	XL Group PLC, Class A	651,512
		14,202,060
	<b>Internet &amp; Catalog Retail 0.9%</b>	
17,500	Amazon.com, Inc. (a)(b)	5,345,550
	<b>Internet Software &amp; Services 2.6%</b>	
26,800	Alibaba Group Holding Ltd., ADR (a)(b)	2,642,480
24,800	Facebook, Inc., Class A (b)	1,859,752
	Google, Inc. (b),	
10,800	Class A	6,132,996
10,800	Class C	6,038,064
		16,673,292
	<b>IT Services 2.1%</b>	
42,400	International Business Machines Corp.	6,970,560
26,100	Visa, Inc., Class A	6,301,323
		13,271,883
	<b>Machinery 3.3%</b>	
170,200	AGCO Corp.	7,541,562
94,500	Deere & Co.	8,083,530
96,200	Joy Global, Inc.	5,063,006
		20,688,098
	<b>Media 1.7%</b>	

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

97,400	Comcast Corp., Class A	5,391,090
60,600	The Walt Disney Co.	5,537,628
		10,928,718

---

## Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund

October 31, 2014 (unaudited) (continued)

Shares		Value*
	<b>Metals &amp; Mining 0.7%</b>	
155,800	Freeport-McMoRan Copper & Gold, Inc.	\$4,440,300
	<b>Multiline Retail 1.3%</b>	
135,700	Target Corp.	8,388,974
	<b>Multi-Utilities 0.2%</b>	
28,169	PG&E Corp.	1,417,464
	<b>Oil, Gas &amp; Consumable Fuels 2.7%</b>	
29,155	Apache Corp.	2,250,766
83,400	Occidental Petroleum Corp.	7,416,762
116,900	Peabody Energy Corp.	1,219,267
127,700	Valero Energy Corp.	6,396,493
		17,283,288
	<b>Pharmaceuticals 1.7%</b>	
161,900	Bristol-Myers Squibb Co. (a)	9,420,961
26,846	Teva Pharmaceutical Industries Ltd., ADR	1,515,994
		10,936,955
	<b>Semiconductors &amp; Semiconductor Equipment 3.2%</b>	
306,300	Intel Corp.	10,417,263
196,200	Texas Instruments, Inc.	9,743,292
		20,160,555
	<b>Software 3.7%</b>	
281,700	Microsoft Corp.	13,225,815
254,000	Oracle Corp.	9,918,700
		23,144,515
	<b>Specialty Retail 1.1%</b>	
73,400	Home Depot, Inc. (a)	7,157,968
	Total Common Stock (cost-\$461,441,095)	420,061,219
	<b>CONVERTIBLE PREFERRED STOCK 25.1%</b>	
	<b>Aerospace &amp; Defense 0.8%</b>	
88,250	United Technologies Corp., 7.50%, 8/1/15	5,151,153
	<b>Automobiles 0.7%</b>	
149,215	The Goldman Sachs Group, Inc., 8.50%, 12/16/14 (General Motors) (c)	4,515,544
	<b>Banks 3.4%</b>	
3,050	Huntington Bancshares, Inc., 8.50% (d)	3,995,500
337,500	JPMorgan Chase & Co., 8.00%, 9/18/15 (Bank of America) (c)	5,653,125
124,870	The Goldman Sachs Group, Inc., 8.00%, 1/14/15 (Citigroup, Inc.) (c)	6,093,157
5,000	Wells Fargo & Co., 7.50%, Ser. L (d)	6,020,000
		21,761,782

## Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund

October 31, 2014 (unaudited) (continued)

Shares		Value*
<b>Diversified Financial Services 0.9%</b>		
4,825	Bank of America Corp., 7.25%, Ser. L (d)	\$5,515,988
<b>Electric Utilities 1.4%</b>		
105,000	Exelon Corp., 6.50%, 6/1/17	5,531,400
47,900	NextEra Energy, Inc., 5.599%, 6/1/15	3,125,475
		8,656,875
<b>Energy Equipment &amp; Services 0.9%</b>		
112,460	Credit Suisse, 8.00%, 3/5/15 (Baker Hughes) (c)	5,790,565
<b>Food Products 2.2%</b>		
48,800	Bunge Ltd., 4.875% (d)	5,423,242
61,500	Tyson Foods, Inc., 4.75%, 7/15/17	3,084,840
111,900	Wells Fargo & Co., 8.00%, 8/28/15 (Archer-Daniels-Midland Co.) (c)	5,283,918
		13,792,000
<b>Health Care Equipment &amp; Supplies 0.5%</b>		
51,500	Credit Suisse AG, 8.00%, 6/23/15 (Medtronic, Inc.) (c)	3,353,165
<b>Health Care Providers &amp; Services 1.0%</b>		
107,100	JPMorgan Chase & Co., 8.00%, 5/5/15 (HCA Holdings, Inc.) (c)	6,440,994
<b>Internet Software &amp; Services 0.8%</b>		
103,435	Barclays Bank PLC, 8.00%, 10/28/15 (Twitter, Inc.) (c)	4,763,182
<b>Machinery 1.1%</b>		
	Stanley Black & Decker, Inc.,	
25,400	4.75%, 11/17/15	3,425,190
29,415	6.25%, 11/17/16	3,413,022
		6,838,212
<b>Metals &amp; Mining 0.9%</b>		
178,300	ArcelorMittal, 6.00%, 1/15/16	3,702,506
161,000	Cliffs Natural Resources, Inc., 7.00%, 2/1/16	1,690,500
		5,393,006
<b>Multiline Retail 0.9%</b>		
111,600	The Goldman Sachs Group, Inc., 8.00%, 1/12/15 (Macy's) (c)	5,864,580
<b>Multi-Utilities 0.5%</b>		
58,650	AES Trust III, 6.75%, 10/15/29	2,954,787
<b>Oil, Gas &amp; Consumable Fuels 1.5%</b>		
25,000	ATP Oil & Gas Corp., 8.00% (b)(d)(e)(f)(h)	325
34,050	Chesapeake Energy Corp., 5.00% (d)	3,298,594
59,825	Credit Suisse, 8.00%, 3/5/15 (Occidental Petroleum Corp.) (c)	5,107,858
15,000	SandRidge Energy, Inc., 7.00% (d)	1,265,625
		9,672,402
<b>Pharmaceuticals 2.0%</b>		
49,900	Bank of America Corp., 8.00%, 2/10/15 (Allergan, Inc.) (c)	7,545,878
111,040	JPMorgan Chase & Co., 8.00%, 4/30/15 (Mylan, Inc.) (c)	5,363,232
		12,909,110

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

**Real Estate Investment Trust 2.6%**

131,200	Alexandria Real Estate Equities, Inc., 7.00% (d)	3,558,144
98,900	FelCor Lodging Trust, Inc., 1.95%, Ser. A (d)	2,484,368
75,000	Health Care REIT, Inc., 6.50%, 4/20/18, Ser. I (d)	4,651,500
103,455	Weyerhaeuser Co., 6.375%, 7/1/16	5,793,480
		16,487,492

---



## Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund

October 31, 2014 (unaudited) (continued)

Shares		Value*
<b>Semiconductors &amp; Semiconductor Equipment 0.9%</b>		
173,000	Wells Fargo & Co., 8.00%, 6/18/15 (Micron Technology, Inc.) (c)	\$5,463,340
<b>Specialty Retail 1.1%</b>		
5,000	Barnes & Noble, Inc., 7.75%, 8/18/21 (e)(f)	7,058,750
<b>Technology Hardware, Storage &amp; Peripherals 1.0%</b>		
9,325	Bank of America Corp., 8.00%, 5/12/15 (Apple, Inc.) (c)	6,306,498
	Total Convertible Preferred Stock (cost-\$166,526,032)	158,689,425
<b>Convertible Bonds &amp; Notes 6.3%</b>		
<b>Capital Markets 1.2%</b>		
\$2,900	Ares Capital Corp., 5.75%, 2/1/16	3,026,875
3,370	BGC Partners, Inc., 4.50%, 7/15/16	3,601,687
1,200	Walter Investment Management Corp., 4.50%, 11/1/19	936,750
		7,565,312
<b>Construction Materials 0.6%</b>		
3,375	Cemex S.A.B. de C.V., 4.875%, 3/15/15	3,843,281
<b>Diversified Telecommunications Services 0.3%</b>		
920	Level 3 Communications, Inc., 7.00%, 3/15/15	1,574,350
<b>Hotels, Restaurants &amp; Leisure 0.6%</b>		
2,995	MGM Resorts International, 4.25%, 4/15/15	3,848,575
<b>Internet Software &amp; Services 0.2%</b>		
1,400	Qihoo 360 Technology Co., Ltd., 2.50%, 9/15/18 (e)(f)	1,427,125
<b>Machinery 1.7%</b>		
3,315	Greenbrier Cos, Inc., 3.50%, 4/1/18	5,859,263
3,000	Meritor, Inc., 4.625%, 3/1/26 (g)	3,095,625
1,000	7.875%, 3/1/26	1,472,500
		10,427,388
<b>Media 0.5%</b>		
6,200	Liberty Interactive LLC, 3.50%, 1/15/31	3,367,375
<b>Oil, Gas &amp; Consumable Fuels 0.4%</b>		
1,750	Cobalt International Energy, Inc., 2.625%, 12/1/19	1,302,656
1,550	3.125%, 5/15/24	1,221,594
		2,524,250
<b>Software 0.5%</b>		
3,125	TeleCommunication Systems, Inc., 7.75%, 6/30/18	2,968,750

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

200	<b>Thriffs &amp; Mortgage Finance 0.0%</b> MGIC Investment Corp., 5.00%, 5/1/17	223,750
	<b>Tobacco 0.3%</b>	
1,700	Vector Group Ltd., 1.75%, 4/15/20	1,840,250
	Total Convertible Bonds & Notes (cost-\$36,136,795)	39,610,406

---

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

October 31, 2014 (unaudited) (continued)

Units		Value*
<b>WARRANTS (b) 0.0%</b>		
11,116	General Motors Co., expires 7/10/16 (cost-\$775,632)	\$199,755
Principal Amount (000s)		
<b>SHORT-TERM INVESTMENT 1.9%</b>		
\$12,184	<b>Time Deposit 1.9%</b> JPMorgan Chase & Co.-Nassau, 0.03%, 11/3/14 (cost-\$12,184,309)	12,184,309
<b>Total Investments, before call options written</b> (cost-\$677,063,863)(i) <b>99.9%</b>		<b>630,745,114</b>
Contracts		
<b>CALL OPTIONS WRITTEN (b) (0.1)%</b>		
185	Alibaba Group Holding Ltd., (ASE), strike price \$110, expires 11/22/14	(22,200)
70	Amazon.com, Inc., (ASE), strike price \$315, expires 11/22/14	(20,615)
280	Amgen, Inc., (ASE), strike price \$155, expires 11/22/14	(226,100)
665	Apple, Inc., (ASE), strike price \$105, expires 11/22/14	(229,425)
1,135	Bristol-Myers Squibb Co., (ASE), strike price \$56.50, expires 11/22/14	(262,752)
100	Fluor Corp., (ASE), strike price \$69.50, expires 11/22/14	(2,750)
722	Gilead Sciences, Inc., (ASE), strike price \$122, expires 11/22/14	(71,839)
510	Home Depot, Inc., (ASE), strike price \$101, expires 11/22/14	(35,445)
1,835	Intel Corp., (ASE), strike price \$35.50, expires 11/22/14	(38,535)
375	National Oilwell Varco, Inc., (ASE), strike price \$79, expires 11/22/14	(6,938)
233	Prudential Financial, Inc., (ASE), strike price \$92.50, expires 11/22/14	(12,815)
500	Schlumberger Ltd., (ASE), strike price \$103, expires 11/22/14	(35,000)
316	Starbucks Corp., (CBOE), strike price \$80, expires 11/22/14	(2,686)
Total Call Options Written (premiums received-\$395,565)		(967,100)
<b>Total Investments, net of call options written</b> (cost-\$676,668,298) <b>99.8%</b>		<b>629,778,014</b>
Other assets less other liabilities 0.2%		1,297,346

Net Assets 100.0%

\$631,075,360

---

**Schedule of Investments**

**AllianzGI Equity & Convertible Income Fund**

October 31, 2014 (unaudited) (continued)

---

**Notes to Schedule of Investments:**

\*Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales 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 dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the mean between the last quoted bid and ask price. 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 quotes are not readily available, and has delegated the responsibility for applying the valuation methods to Allianz Global Investors Fund Management LLC (the Investment Manager) and Allianz Global Investors U.S. LLC (the Sub-Adviser), an affiliate of 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 instructed. The Sub-Adviser monitors the continued appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

Synthetic convertible securities are valued based on quotations obtained from unaffiliated brokers who are the principal market-makers in such securities. Such valuations are derived by the brokers from proprietary models which are generally based on readily available market information including valuations of the common stock underlying the synthetic security.

Short-term securities maturing in 60 days or less are value at amortized cost, if their original term to maturity was 60 days or less, or by amortizing premium or discount 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 as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

(a) All or partial amount segregated for the benefit of the counterparty as collateral for call options written.

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

- (b) Non-income producing.
  - (c) Securities exchangeable or convertible into securities of an entity different than the issuer or structured by the issuer to provide exposure to securities of an entity different than the issuer (synthetic convertible securities). Such entity is identified in the parenthetical.
  - (d) Perpetual maturity. The date shown, if any, is the next call date.
  - (e) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$8,486,200, representing 1.3% of net assets.
  - (f) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
  - (g) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
  - (h) In default.
  - (i) At October 31, 2014, the cost basis of portfolio securities (before call options written) for federal income tax purposes was \$677,177,510. Gross unrealized appreciation was \$35,957,339, gross unrealized depreciation was \$82,389,735 and net unrealized depreciation was \$46,432,396. The difference between book and tax cost basis was attributable to wash sale loss deferrals.
-

**Schedule of Investments**

**AllianzGI Equity & Convertible Income Fund**

October 31, 2014 (unaudited) (continued)

(j) Transactions in call options written for the nine months ended October 31, 2014:

	Contracts	Premiums
Options outstanding, January 31, 2014	3,830	\$220,497
Options written	32,966	1,793,341
Options terminated in closing transactions	(8,405)	(434,220)
Options expired	(21,465)	(1,184,053)
Options outstanding, October 31, 2014	6,926	\$395,565

**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 Sub-Adviser's or Valuation Committee's own assumptions and single broker's quote)

The valuation techniques used by the Fund to measure fair value during the nine months ended October 31, 2014 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 of input, individually or in aggregate, that is significant to 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. Assets 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 for Level 2 and Level 3, in accordance with U.S. Generally Accepted Accounting Principles.

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

**Option Contracts** Option contracts traded over-the-counter ( OTC ) and FLExible EXchange ( FLEX ) are valued by independent pricing services based on pricing models that incorporate various inputs such as interest rates, credit spreads, currency exchange rates and volatility measurements for in-the-money, at-the-money, and out-of-the-money contracts based on a given strike price. To the extent that these inputs are observable, the values of OTC and FLEX option contracts are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

---



## Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund

October 31, 2014 (unaudited) (continued)

A summary of the inputs used at October 31, 2014 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 10/31/14
<b>Investments in Securities - Assets</b>				
Common Stock	\$420,061,219	\$	\$	\$420,061,219
Convertible Preferred Stock:				
Automobiles			4,515,544	4,515,544
Banks	10,015,500		11,746,282	21,761,782
Energy Equipment & Services			5,790,565	5,790,565
Food Products	8,508,082		5,283,918	13,792,000
Health Care Equipment & Supplies			3,353,165	3,353,165
Health Care Providers & Services			6,440,994	6,440,994
Internet Software & Services			4,763,182	4,763,182
Metal & Mining	1,690,500	3,702,506		5,393,006
Multiline Retail			5,864,580	5,864,580
Oil, Gas & Consumable Fuels		4,564,544	5,107,858	9,672,402
Pharmaceuticals			12,909,110	12,909,110
Semiconductors & Semiconductor Equipment			5,463,340	5,463,340
Specialty Retail		7,058,750		7,058,750
Technology Hardware, Storage & Peripherals			6,306,498	6,306,498
All Other	45,604,507			45,604,507
Convertible Bonds & Notes		39,610,406		39,610,406
Warrants	199,755			199,755
Short-Term Investment		12,184,309		12,184,309
	486,079,563	67,120,515	77,545,036	630,745,114
<b>Investments in Securities - Liabilities</b>				
Call Options Written, at value:				
Market price	\$(967,100)	\$	\$	\$(967,100)
<b>Totals</b>	\$485,112,463	\$67,120,515	\$77,545,036	\$629,778,014

At October 31, 2014, the Fund had no transfers between Levels 1 and 2.

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

October 31, 2014 (unaudited) (continued)

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the nine months ended October 31, 2014, was as follows:

	Beginning Balance 1/31/14	Purchases	Sales	Accrued Discounts (Premiums)	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3	Transfers out of Level 3	Ending Balance 10/31/14
<b>Investments in Securities - Assets</b>									
Convertible Preferred Stock:									
Automobiles	\$3,604,568	\$1,942,605	\$	\$	\$	\$(1,031,629)	\$	\$	\$4,515,544
Banks	5,469,485	6,429,353				(152,556)			11,746,282
Biotechnology	4,170,353		(4,022,539)		622,697	(770,511)			
Capital Markets	143,646		(735,599)		735,599	(143,646)			
Computers & Peripherals	3,287,138	2,213,120	(5,714,141)			213,883			
Energy Equipment & Services	5,235,552	7,034,561	(6,453,390)		1,127,509	(1,153,667)			5,790,565
Food Products		5,616,865				(332,947)			5,283,918
Health Care Equipment & Supplies		3,340,805				12,360			3,353,165
Health Care Providers & Services		5,688,595				752,399			6,440,994
Household Durables	5,724,938		(5,846,907)			121,969			
Insurance	4,310,970		(4,479,313)		356,502	(188,159)			
Internet & Catalog Retail	5,736,202		(5,696,806)		720,131	(759,527)			
Internet Software & Services		5,338,280				(575,098)			4,763,182
Multiline Retail	5,989,572					(124,992)			5,864,580
Oil, Gas & Consumable Fuels		5,729,078				(621,220)			5,107,858
Pharmaceuticals		11,303,435				1,605,675			12,909,110
Semiconductors & Semiconductor Equipment		5,610,286				(146,946)			5,463,340
Technology Hardware, Storage & Peripherals		5,593,384				713,114			6,306,498
<b>Totals</b>	<b>\$43,672,424</b>	<b>\$65,840,367</b>	<b>\$(32,948,695)</b>	<b>\$</b>	<b>\$3,562,438</b>	<b>\$(2,581,498)</b>	<b>\$</b>	<b>\$</b>	<b>\$77,545,036</b>

Conversion

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 October 31, 2014:

	Ending Balance at 10/31/14	Valuation Technique Used	Unobservable Inputs	Input Values
<b>Investments in Securities - Assets</b>				

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

Convertible Preferred Stock	\$77,545,036	Third-Party Pricing Vendor	Single Broker Quote	\$16.75 - \$676.30
-----------------------------	--------------	-------------------------------	------------------------	--------------------

The net change in unrealized appreciation/depreciation of Level 3 investments held at October 31, 2014 was \$(1,146,386).

### **Glossary:**

ADR American Depositary Receipt

ASE American Stock Exchange

CBOE Chicago Board Options Exchange

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 Act (17 CFR270.30a-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 Act (17 CFR270.30a-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**

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

---

**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 Equity & Convertible Income Fund

By: /s/ Julian Sluyters  
Julian Sluyters,  
  
President & Chief Executive Officer

Date: December 22, 2014

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

Date: December 22, 2014

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/ Julian Sluyters  
Julian Sluyters,  
President & Chief Executive Officer

Date: December 22, 2014

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

Date: December 22, 2014

---