

AllianzGI Equity & Convertible Income Fund
Form N-Q
December 18, 2017

**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 January 31
end:

Date of reporting period: October 31, 2017

Item 1. Schedule of Investments

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

October 31, 2017 (unaudited)

| Shares | | Value* |
|--|-------------------------------------|--------------|
| COMMON STOCK - 65.3% | | |
| Aerospace & Defense - 1.6% | | |
| 39,900 | Boeing Co. | \$10,293,402 |
| Automobiles - 0.9% | | |
| 465,300 | Ford Motor Co. | 5,709,231 |
| Banks - 2.5% | | |
| 176,600 | Bank of America Corp. | 4,837,074 |
| 53,500 | JPMorgan Chase & Co. | 5,382,635 |
| 101,000 | Wells Fargo & Co. | 5,670,140 |
| | | 15,889,849 |
| Beverages - 1.3% | | |
| 72,000 | PepsiCo, Inc. | 7,936,560 |
| Biotechnology - 4.9% | | |
| 111,800 | AbbVie, Inc. (e) | 10,089,950 |
| 44,100 | Amgen, Inc. (e) | 7,727,202 |
| 9,700 | Biogen, Inc. (g) | 3,023,102 |
| 91,000 | Gilead Sciences, Inc. | 6,821,360 |
| 21,400 | Vertex Pharmaceuticals, Inc. (e)(g) | 3,129,322 |
| | | 30,790,936 |
| Building Products - 0.9% | | |
| 133,544 | Johnson Controls International PLC | 5,527,386 |
| Chemicals - 2.0% | | |
| 46,400 | Chemours Co. (e) | 2,626,704 |
| 43,600 | DowDuPont, Inc. | 3,152,716 |
| 56,400 | Monsanto Co. | 6,830,040 |
| | | 12,609,460 |
| Construction & Engineering - 0.1% | | |
| 13,000 | Fluor Corp. | 560,170 |
| Diversified Telecommunication Services - 0.9% | | |
| 114,800 | Verizon Communications, Inc. | 5,495,476 |
| Electric Utilities - 0.5% | | |
| 85,560 | Exelon Corp. | 3,440,368 |
| Electronic Equipment, Instruments & Components - 0.7% | | |
| 48,000 | Amphenol Corp., Class A | 4,176,000 |
| Energy Equipment & Services - 1.5% | | |
| 103,271 | Baker Hughes | 3,245,807 |

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

| | | |
|---|--------------------------------|------------|
| 53,600 | National Oilwell Varco, Inc. | 1,832,584 |
| 72,000 | Schlumberger Ltd. | 4,608,000 |
| | | 9,686,391 |
| Food & Staples Retailing - 2.5% | | |
| 44,900 | Costco Wholesale Corp. | 7,232,492 |
| 182,400 | Kroger Co. | 3,775,680 |
| 74,100 | Walgreens Boots Alliance, Inc. | 4,910,607 |
| | | 15,918,779 |
| Healthcare Equipment & Supplies - 1.0% | | |
| 93,300 | Baxter International, Inc. | 6,015,051 |
| Healthcare Providers & Services - 2.5% | | |
| 46,400 | McKesson Corp. | 6,397,632 |
| 44,400 | UnitedHealth Group, Inc. | 9,333,768 |
| | | 15,731,400 |
| Hotels, Restaurants & Leisure - 2.5% | | |
| 46,400 | McDonald's Corp. | 7,744,624 |
| 33,700 | MGM Resorts International | 1,056,495 |
| 128,900 | Starbucks Corp. | 7,068,876 |
| | | 15,869,995 |

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

| | | |
|--|---|------------|
| Industrial Conglomerates - 1.8% | | |
| 35,900 | 3M Co. (e) | 8,263,821 |
| 154,685 | General Electric Co. | 3,118,450 |
| | | 11,382,271 |
| Internet & Catalog Retail - 2.0% | | |
| 11,300 | Amazon.com, Inc. (g) | 12,489,664 |
| Internet Software & Services - 5.7% | | |
| 55,700 | Alibaba Group Holding Ltd., ADR (g) | 10,298,373 |
| 12,600 | Alphabet, Inc., Class A (e)(g) | 13,016,304 |
| 71,400 | Facebook, Inc., Class A (e)(g) | 12,856,284 |
| | | 36,170,961 |
| IT Services - 3.8% | | |
| 37,200 | International Business Machines Corp. | 5,731,032 |
| 143,800 | Square, Inc., Class A (e)(g) | 5,347,922 |
| 115,500 | Visa, Inc., Class A (e) | 12,702,690 |
| | | 23,781,644 |
| Machinery - 2.6% | | |
| 76,000 | Caterpillar, Inc. (e) | 10,320,800 |
| 47,800 | Deere & Co. | 6,351,664 |
| | | 16,672,464 |
| Media - 2.6% | | |
| 222,800 | Comcast Corp., Class A | 8,027,484 |
| 88,200 | Walt Disney Co. | 8,626,842 |
| | | 16,654,326 |
| Metals & Mining - 0.1% | | |
| 23,400 | Freeport-McMoRan, Inc. (g) | 327,132 |
| Multi-Line Retail - 1.1% | | |
| 118,000 | Target Corp. | 6,966,720 |
| Oil, Gas & Consumable Fuels - 1.5% | | |
| 77,900 | Occidental Petroleum Corp. | 5,030,003 |
| 53,700 | Valero Energy Corp. (e) | 4,236,393 |
| | | 9,266,396 |
| Pharmaceuticals - 1.0% | | |
| 99,100 | Bristol-Myers Squibb Co. | 6,110,506 |
| Road & Rail - 0.9% | | |
| 51,300 | Union Pacific Corp. (e) | 5,940,027 |
| Semiconductors & Semiconductor Equipment - 6.7% | | |
| 33,600 | Broadcom Ltd. | 8,867,376 |
| 169,800 | Intel Corp. (e) | 7,724,202 |
| 52,600 | NVIDIA Corp. | 10,878,206 |
| 128,100 | QUALCOMM, Inc. | 6,534,381 |
| 87,300 | Texas Instruments, Inc. (e) | 8,441,037 |
| | | 42,445,202 |
| Software - 5.2% | | |
| 37,300 | Adobe Systems, Inc. (g) | 6,533,468 |
| 162,100 | Microsoft Corp. (e) | 13,483,478 |
| 96,500 | Oracle Corp. | 4,911,850 |
| 17,000 | ServiceNow, Inc. (g) | 2,148,290 |
| 54,100 | Take-Two Interactive Software, Inc. (g) | 5,986,165 |
| | | 33,063,251 |
| Specialty Retail - 1.7% | | |
| 64,100 | Home Depot, Inc. (e) | 10,626,498 |

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

Technology Hardware, Storage & Peripherals - 2.3%

| | | |
|---|-------------|-------------|
| 84,800 | Apple, Inc. | 14,334,592 |
| Total Common Stock (cost-\$439,426,961) | | 411,882,108 |

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

| Principal Amount (000s) | | |
|--|--|-----------|
| CONVERTIBLE BONDS & NOTES - 24.1% | | |
| Aerospace & Defense - 0.2% | | |
| \$865 | Aerojet Rocketdyne Holdings, Inc., 2.25%, 12/15/23 (a)(b) | 1,198,566 |
| Auto Components - 0.3% | | |
| 1,725 | Meritor, Inc., 3.25%, 10/15/37 (a)(b) | 1,850,063 |
| Auto Manufacturers - 0.3% | | |
| 1,695 | Tesla, Inc., 0.25%, 3/1/19 | 1,846,491 |
| Biotechnology - 1.3% | | |
| 2,650 | BioMarin Pharmaceutical, Inc., 0.599%, 8/1/24 | 2,539,031 |
| 1,210 | 1.50%, 10/15/20 | 1,378,644 |
| 1,500 | Illumina, Inc., 0.50%, 6/15/21 | 1,729,688 |
| 590 | Innoviva, Inc., 2.50%, 8/15/25 (a)(b) | 572,669 |
| 930 | Ionis Pharmaceuticals, Inc., 1.00%, 11/15/21 | 1,049,156 |
| 1,205 | Medicines Co., 2.75%, 7/15/23 | 1,134,959 |
| | | 8,404,147 |
| Commercial Services - 0.2% | | |
| 965 | Macquarie Infrastructure Corp., 2.875%, 7/15/19 | 1,019,281 |
| Computers - 0.2% | | |
| 1,500 | Electronics For Imaging, Inc., 0.75%, 9/1/19 | 1,466,250 |
| Diversified Financial Services - 0.8% | | |
| 1,000 | Encore Capital Group, Inc., 2.875%, 3/15/21 | 1,028,750 |
| 410 | 3.25%, 3/15/22 (a)(b) | 488,412 |
| 3,625 | PRA Group, Inc., 3.00%, 8/1/20 | 3,323,672 |
| | | 4,840,834 |
| Electrical Equipment - 0.1% | | |
| 1,155 | SunPower Corp., 4.00%, 1/15/23 | 918,225 |
| Energy-Alternate Sources - 0.2% | | |
| 1,170 | SolarCity Corp., 1.625%, 11/1/19 | 1,106,381 |
| 4,000 | SunEdison, Inc. (a)(b)(c)(f), 2.625%, 6/1/23 (acquisition cost - \$4,134,388; purchased 6/5/15) | 85,200 |
| 1,000 | 3.375%, 6/1/25 (acquisition cost - \$361,809; purchased 1/8/16) | 21,300 |
| | | 1,212,881 |
| Engineering & Construction - 0.2% | | |
| 870 | Dycom Industries, Inc., 0.75%, 9/15/21 | 1,014,638 |
| Equity Real Estate Investment Trusts (REITs) - 1.1% | | |
| 1,035 | Spirit Realty Capital, Inc., 2.875%, 5/15/19 | 1,035,652 |
| 1,380 | Starwood Property Trust, Inc., 4.55%, 3/1/18 | 1,443,825 |
| 1,900 | Starwood Waypoint Homes, 3.50%, 1/15/22 (a)(b) | 2,135,125 |
| 2,000 | Two Harbors Investment Corp., 6.25%, 1/15/22 | 2,095,000 |
| | | 6,709,602 |
| Healthcare-Products - 0.7% | | |
| 1,665 | NuVasive, Inc., 2.25%, 3/15/21 | 1,935,562 |
| 2,360 | Wright Medical Group, Inc., 2.00%, 2/15/20 | 2,566,500 |
| | | 4,502,062 |
| Healthcare-Services - 0.3% | | |
| 1,175 | Molina Healthcare, Inc., 1.125%, 1/15/20 | 2,012,922 |

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

| Internet - 2.8% | | | |
|------------------------|--|---|-----------|
| 2,070 | | Altaba, Inc., zero coupon, 12/1/18 | 2,851,425 |
| 1,100 | | FireEye, Inc., 1.00%, 6/1/35, Ser. A | 1,045,000 |
| 1,380 | | Liberty Expedia Holdings, Inc., 1.00%, 6/30/47 (a)(b) | 1,414,500 |
| 1,100 | | Palo Alto Networks, Inc., zero coupon, 7/1/19 | 1,538,625 |
| 1,700 | | Pandora Media, Inc., 1.75%, 12/1/20 | 1,595,875 |
| 3,500 | | Priceline Group, Inc., 0.35%, 6/15/20 | 5,215,000 |
| | | Twitter, Inc., | |
| 1,100 | | 0.25%, 9/15/19 | 1,045,000 |
| 1,100 | | 1.00%, 9/15/21 | 1,016,813 |

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

| | | |
|---|--|------------|
| 710 | VeriSign, Inc., 4.702%, 8/15/37 | 2,234,281 |
| | | 17,956,519 |
| Iron/Steel - 0.3% | | |
| 1,035 | Allegheny Technologies, Inc., 4.75%, 7/1/22 | 1,974,909 |
| Lodging - 0.3% | | |
| 2,000 | China Lodging Group Ltd., 0.375%, 11/1/22 (a)(b) | 2,035,280 |
| Media - 1.5% | | |
| 1,385 | DISH Network Corp., 2.375%, 3/15/24 (a)(b) | 1,333,928 |
| 3,780 | 3.375%, 8/15/26 | 4,084,762 |
| 865 | Liberty Interactive LLC, 1.75%, 9/30/46 (a)(b) | 981,234 |
| | Liberty Media Corp., | |
| 1,205 | 1.00%, 1/30/23 (a)(b) | 1,442,988 |
| 1,485 | 1.375%, 10/15/23 | 1,787,792 |
| | | 9,630,704 |
| Metal Fabricate/Hardware - 0.3% | | |
| 1,635 | RTI International Metals, Inc., 1.625%, 10/15/19 | 1,813,828 |
| Miscellaneous Manufacturing - 0.3% | | |
| 1,200 | Trinity Industries, Inc., 3.875%, 6/1/36 | 1,674,000 |
| Oil, Gas & Consumable Fuels - 1.3% | | |
| 2,235 | Chesapeake Energy Corp., 5.50%, 9/15/26 (a)(b) | 1,990,547 |
| 750 | Helix Energy Solutions Group, Inc., 4.25%, 5/1/22 | 728,906 |
| 2,000 | Nabors Industries, Inc., 0.75%, 1/15/24 (a)(b) | 1,480,000 |
| 1,500 | SM Energy Co., 1.50%, 7/1/21 | 1,446,563 |
| 2,240 | Weatherford International Ltd., 5.875%, 7/1/21 | 2,265,200 |
| | | 7,911,216 |
| Pharmaceuticals - 1.4% | | |
| 1,035 | Herbalife Ltd., 2.00%, 8/15/19 | 1,072,524 |
| | Jazz Investments I Ltd., | |
| 3,000 | 1.50%, 8/15/24 (a)(b) | 2,866,875 |
| 1,900 | 1.875%, 8/15/21 | 1,961,750 |
| 1,100 | Neurocrine Biosciences, Inc., 2.25%, 5/15/24 (a)(b) | 1,262,937 |
| 270 | TESARO, Inc., 3.00%, 10/1/21 | 910,913 |
| 1,115 | Teva Pharmaceutical Finance Co. LLC, 0.25%, 2/1/26, Ser. C | 984,684 |
| | | 9,059,683 |
| Pipelines - 0.4% | | |
| 4,000 | Cheniere Energy, Inc., 4.25%, 3/15/45 | 2,802,500 |
| Semiconductors - 5.4% | | |
| 870 | Advanced Micro Devices, Inc., 2.125%, 9/1/26 | 1,373,513 |
| 2,025 | Cypress Semiconductor Corp., 4.50%, 1/15/22 | 2,728,687 |
| | Intel Corp., | |
| 2,145 | 3.25%, 8/1/39 | 4,669,408 |
| 1,895 | 3.493%, 12/15/35 | 3,183,600 |
| 800 | Lam Research Corp., 1.25%, 5/15/18 | 2,768,500 |
| 6,300 | Microchip Technology, Inc., 1.625%, 2/15/27 (a)(b) | 7,965,562 |
| 3,300 | Micron Technology, Inc., 3.00%, 11/15/43, Ser. G | 5,131,500 |
| 345 | Novellus Systems, Inc., 2.625%, 5/15/41 | 2,140,078 |
| 1,500 | ON Semiconductor Corp., 1.00%, 12/1/20 | 1,941,562 |
| 1,725 | Silicon Laboratories, Inc., 1.375%, 3/1/22 (a)(b) | 2,076,469 |
| 135 | Synaptics, Inc., 0.50%, 6/15/22 (a)(b) | 121,669 |
| | | 34,100,548 |
| Software - 2.8% | | |
| 1,700 | Citrix Systems, Inc., 0.50%, 4/15/19 | 2,088,875 |

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

| | | |
|-------|---|-----------|
| 1,380 | Evolent Health, Inc., 2.00%, 12/1/21 (a)(b) | 1,479,188 |
| 1,070 | Medidata Solutions, Inc., 1.00%, 8/1/18 | 1,426,444 |
| | Nuance Communications, Inc., | |
| 1,075 | 1.00%, 12/15/35 | 992,359 |
| 1,750 | 1.25%, 4/1/25 (a)(b) | 1,650,469 |
| 820 | Proofpoint, Inc., 0.75%, 6/15/20 | 1,060,363 |
| 1,330 | Red Hat, Inc., 0.25%, 10/1/19 | 2,211,956 |
| 1,550 | Salesforce.com, Inc., 0.25%, 4/1/18 | 2,385,062 |
| 1,250 | ServiceNow, Inc., zero coupon, 11/1/18 | 2,146,875 |

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

| | | |
|--|--|-------------|
| 2,080 | Workday, Inc., 0.25%, 10/1/22 (a)(b) | 2,107,300 |
| | | 17,548,891 |
| Telecommunications - 0.9% | | |
| | Finisar Corp., | |
| 1,200 | 0.50%, 12/15/33 | 1,270,500 |
| 1,470 | 0.50%, 12/15/36 (a)(b) | 1,407,525 |
| 1,300 | Gogo, Inc., 3.75%, 3/1/20 | 1,160,250 |
| 1,980 | Viavi Solutions, Inc., 1.00%, 3/1/24 (a)(b) | 1,988,662 |
| | | 5,826,937 |
| Transportation - 0.5% | | |
| 1,380 | Atlas Air Worldwide Holdings, Inc., 2.25%, 6/1/22 | 1,612,875 |
| 1,260 | Greenbrier Cos., Inc., 2.875%, 2/1/24 (a)(b) | 1,479,712 |
| | | 3,092,587 |
| Total Convertible Bonds & Notes (cost-\$152,663,308) | | 152,423,564 |
| Shares | | |
| CONVERTIBLE PREFERRED STOCK - 8.3% | | |
| Agriculture - 0.2% | | |
| 9,550 | Bunge Ltd., 4.875% (d) | 995,588 |
| Banks - 1.8% | | |
| 3,400 | Bank of America Corp., 7.25%, Ser. L (d) | 4,409,664 |
| 770 | Huntington Bancshares, Inc., 8.50%, Ser. A (d) | 1,082,042 |
| 4,335 | Wells Fargo & Co., 7.50%, Ser. L (d) | 5,678,850 |
| | | 11,170,556 |
| Commercial Services & Supplies - 0.3% | | |
| 29,890 | Stericycle, Inc., 5.25%, 9/15/18 | 1,701,937 |
| Computers - 0.3% | | |
| 1,484 | NCR Corp., 5.50%, Ser. A, PIK 5.50% (d) | 1,969,001 |
| Diversified Telecommunication Services - 0.1% | | |
| 42,905 | Frontier Communications Corp., 11.125%, 6/29/18, Ser. A | 852,951 |
| Electric Utilities - 0.4% | | |
| 50,000 | NextEra Energy, Inc., 6.123%, 9/1/19 | 2,850,000 |
| Electronic Equipment, Instruments & Components - 0.2% | | |
| 10,350 | Belden, Inc., 6.75%, 7/15/19 | 1,112,315 |
| Equity Real Estate Investment Trusts (REITs) - 1.2% | | |
| 19,480 | American Tower Corp., 5.50%, 2/15/18 | 2,457,791 |
| 2,780 | Crown Castle International Corp., 6.875%, 8/1/20, Ser. A | 3,057,750 |
| 32,170 | Welltower, Inc., 6.50%, Ser. I (d) | 1,972,986 |
| | | 7,488,527 |
| Food & Beverage - 0.2% | | |
| 8,430 | Post Holdings, Inc., 2.50% (d) | 1,324,564 |
| Hand/Machine Tools - 0.4% | | |
| 19,595 | Stanley Black & Decker, Inc., 5.375%, 5/15/20 | 2,317,501 |
| Healthcare Providers & Services - 0.7% | | |
| 85,670 | Anthem, Inc., 5.25%, 5/1/18 | 4,564,498 |
| Healthcare-Products - 0.5% | | |
| 57,500 | Becton Dickinson and Co., 6.125%, 5/1/20, Ser. A | 3,273,475 |
| Metal Fabricate/Hardware - 0.2% | | |

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

| | | |
|---|---|-----------|
| 25,935 | Rexnord Corp., 5.75%, 11/15/19, Ser. A | 1,492,300 |
| Oil, Gas & Consumable Fuels - 0.7% | | |
| 25,000 | ATP Oil & Gas Corp., 8.00% (a)(b)(d)(f) (acquisition cost - \$3,160,750; purchased 4/21/10) | 2 |
| 47,840 | Kinder Morgan, Inc., 9.75%, 10/26/18, Ser. A | 1,798,784 |
| 39,900 | Southwestern Energy Co., 6.25%, 1/15/18, Ser. B | 507,927 |
| 35,410 | WPX Energy, Inc., 6.25%, 7/31/18, Ser. A | 1,812,992 |
| | | 4,119,705 |
| Pharmaceuticals - 0.7% | | |
| 6,005 | Allergan PLC, 5.50%, 3/1/18, Ser. A | 3,865,358 |

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

| | | |
|--|---|----------------------|
| 2,960 | Teva Pharmaceutical Industries Ltd., 7.00%, 12/15/18 | 844,932 |
| | | 4,710,290 |
| Wireless Telecommunication Services - 0.4% | | |
| 25,160 | T-Mobile U.S., Inc., 5.50%, 12/15/17 | 2,435,488 |
| Total Convertible Preferred Stock (cost-\$62,908,078) | | 52,378,696 |
| Principal Amount (000s) | | |
| CORPORATE BONDS & NOTES (a)(b) - 0.8% | | |
| Oil, Gas & Consumable Fuels - 0.8% | | |
| | Cobalt International Energy, Inc., | |
| \$2,509 | 7.75%, 12/1/23 | 1,568,125 |
| 3,200 | 10.75%, 12/1/21 | 3,296,000 |
| Total Corporate Bonds & Notes (cost-\$6,310,727) | | 4,864,125 |
| Repurchase Agreements - 1.8% | | |
| 11,108 | State Street Bank and Trust Co., dated 10/31/17, 0.12%, due 11/1/17, proceeds \$11,108,037; collateralized by U.S. Treasury Bonds, 3.625%, due 8/15/43, valued at \$11,334,620 including accrued interest (cost-\$11,108,000) | 11,108,000 |
| Total Investments, before options written (cost-\$672,417,074) - 100.3% | | 632,656,493 |
| Total Options Written - (0.1)% (premiums received-\$276,547) (g)(h)(i) | | (357,213) |
| Total Investments, net of options written (cost-\$672,140,527) (j) - 100.2% | | 632,299,280 |
| Other liabilities in excess of other assets - (0.2)% | | (1,196,651) |
| Net Assets - 100.0% | | \$631,102,629 |

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 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 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 \$46,300,307, representing 7.3% of net assets.
- (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 \$46,300,307, representing 7.3% of net assets.
- (c) In default.
- (d) Perpetual maturity. The date shown, if any, is the next call date.
- (e) All or partial amount segregated for the benefit of the counterparty as collateral for options written.
- (f) Restricted. The aggregate acquisition cost of such securities is \$7,656,947. The aggregate value is \$106,502, representing less than 0.05% of net assets.
- (g) Non-income producing.

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

- (h) Exchange traded-Chicago Board Options Exchange.
 (i) Exchange traded option contracts outstanding at October 31, 2017:

Options written contracts outstanding at October 31, 2017:

| Description | Exercise Price | Expiration Date | Number of Contracts | Notional Amount | Market Value | Premiums Received | Unrealized Appreciation (Depreciation) |
|---------------------------------|----------------|-----------------|---------------------|-----------------|--------------|-------------------|--|
| Call options: | | | | | | | |
| 3M Co. | 250.00 USD | 11/17/17 | (170) | \$(17,000) | \$(1,700) | \$(5,093) | \$3,393 |
| AbbVie, Inc. | 100.00 USD | 11/17/17 | (280) | \$(28,000) | (2,660) | (25,303) | 22,643 |
| Alphabet, Inc. | 1,080.00 USD | 11/17/17 | (75) | (7,500) | (24,938) | (30,592) | 5,654 |
| Amgen, Inc. | 192.50 USD | 11/17/17 | (225) | (22,500) | (1,688) | (8,822) | 7,134 |
| Caterpillar, Inc. | 150.00 USD | 12/15/17 | (380) | (38,000) | (10,070) | (17,612) | 7,542 |
| Chemours Co. | 65.00 USD | 11/17/17 | (235) | (23,500) | (4,700) | (7,437) | 2,737 |
| Facebook, Inc. | 190.00 USD | 11/17/17 | (360) | (36,000) | (72,000) | (39,483) | (32,517) |
| Home Depot, Inc. | 170.00 USD | 11/17/17 | (325) | (32,500) | (42,250) | (41,585) | (665) |
| Intel Corp. | 47.00 USD | 12/15/17 | (1,020) | (102,000) | (59,160) | (19,358) | (39,802) |
| Microsoft Corp. | 84.00 USD | 11/17/17 | (570) | (57,000) | (39,900) | (14,466) | (25,434) |
| Square, Inc. | 40.00 USD | 11/17/17 | (720) | (72,000) | (68,400) | (11,850) | (56,550) |
| Texas Instruments, Inc. | 102.00 USD | 11/17/17 | (405) | (40,500) | (6,277) | (13,753) | 7,476 |
| Union Pacific Corp. | 125.00 USD | 11/17/17 | (260) | (26,000) | (2,080) | (14,889) | 12,809 |
| Valero Energy Corp. | 81.00 USD | 11/17/17 | (270) | (27,000) | (8,640) | (8,628) | (12) |
| Vertex Pharmaceuticals, Inc. | 165.00 USD | 11/17/17 | (50) | (5,000) | (2,250) | (1,948) | (302) |
| Visa, Inc. | 115.00 USD | 11/17/17 | (525) | (52,500) | (10,500) | (15,728) | 5,228 |
| Total options written contracts | | | | | \$(357,213) | \$(276,547) | \$(80,666) |

- (j) At October 31, 2017, the aggregate cost basis of portfolio securities for federal income tax purposes was \$672,438,174. Gross unrealized appreciation was \$43,314,156; gross unrealized depreciation was \$83,453,050; and net unrealized depreciation was \$40,138,894. The difference between book and tax cost was attributable to wash sale loss deferrals and the differing treatment of bond premium amortization.

Notes to Schedule of Investments

October 31, 2017 (unaudited) (continued)

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 October 31, 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) 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

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

Notes to Schedule of Investments

October 31, 2017 (unaudited) (continued)

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.

Option Contracts Option contracts traded over-the-counter (OTC) and FLExible EXchange (FLEX) options 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.

A summary of the inputs used at October 31, 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 10/31/17 |
|--|----------------------------|--|--|----------------------|
| Investments in Securities - Assets | | | | |
| Common Stock | \$411,882,108 | | | \$411,882,108 |
| Convertible Bonds & Notes | | \$152,423,564 | | 152,423,564 |
| Convertible Preferred Stock: | | | | |
| Agriculture | | 995,588 | | 995,588 |
| Banks | 10,088,514 | 1,082,042 | | 11,170,556 |
| Computers | | 1,969,001 | | 1,969,001 |
| Food & Beverage | | 1,324,564 | | 1,324,564 |
| Healthcare-Products | | 3,273,475 | | 3,273,475 |
| Oil, Gas & Consumable Fuels | 4,119,703 | 2 | | 4,119,705 |
| Pharmaceuticals | 3,865,358 | 844,932 | | 4,710,290 |
| All Other | 24,815,517 | | | 24,815,517 |
| Corporate Bonds & Notes | | 4,864,125 | | 4,864,125 |
| Repurchase Agreements | | 11,108,000 | | 11,108,000 |
| | 454,771,200 | 177,885,293 | | 632,656,493 |
| Investments in Securities - Liabilities | | | | |
| Options Written: | | | | |
| Market Price | (357,213) | | | (357,213) |
| Totals | \$454,413,987 | \$177,885,293 | | \$632,299,280 |

At October 31, 2017, a security valued at \$1,082,042 was transferred from Level 1 to Level 2. This transfer was a result of a security with an exchange-traded closing price at January 31, 2017, which was not available on October 31, 2017.

Glossary:

ADR - American Depositary Receipt

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 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 1940 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

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 Equity & Convertible Income Fund

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

Date: December 18, 2017

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

Date: December 18, 2017

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: December 18, 2017

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

Date: December 18, 2017
