

AllianzGI Convertible & Income Fund II  
Form N-CSRS  
October 30, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number: 811-21338**

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

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

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

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

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

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

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

**Date of reporting period: August 31, 2015**

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Item 1. Report to Shareholders

AllianzGI Convertible & Income Fund

AllianzGI Convertible & Income Fund II

**Semi-Annual Report**

**August 31, 2015**

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Letter from the President

Julian Sluyters

*President & CEO*

Dear Shareholder:

The US economy expanded at an uneven pace during the six-month reporting period ended August 31, 2015, during which both stocks and bonds posted negative returns.

### **Six Months in Review through August 31, 2015**

n AllianzGI Convertible & Income Fund returned -7.76% on net asset value ( NAV ) and -15.38% on market price.

n AllianzGI Convertible & Income Fund II returned -7.98% on NAV and -17.65% on market price.

In comparison, the Standard & Poor's ( S&P ) 500 Index, an unmanaged index generally representative of the US stock market, declined 5.32% and the BofA Merrill Lynch High Yield Master II Index, an unmanaged index generally representative of the high yield bond market, fell 2.93% during the six-month reporting period. Convertible securities, which share characteristics of both stocks and bonds, also generated negative results. The BofA Merrill Lynch All Convertibles All Qualities Index, an unmanaged index generally representative of the convertible securities market, returned -3.72% for the period.

Turning to the US economy, gross domestic product ( GDP ), the value of goods and services produced in the country, the broadest measure of economic activity and the principal indicator of economic performance, expanded at a revised annual pace of 2.1% during the fourth quarter of 2014. The US economy moderated during the first quarter of 2015, as the US Commerce Department reported that GDP grew at an annual pace of 0.6%. US economic activity improved in the second quarter of 2015, as the Commerce Department's final estimate (released after the reporting period had ended) showed that GDP grew at an annual pace of 3.9%.

The Federal Reserve (the Fed ) maintained an accommodative monetary policy during the six month reporting period. At its June 2015 meeting, the Fed said that it currently anticipates that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run. At its meeting in July 2015, the Fed provided some clues that it remains on target to institute its first rate hike by the end of 2015. In particular, the central bank cited solid job gains and noted that underutilization of labor resources has diminished since early this year. However, on September 17, 2015, after the reporting period ended, the Fed kept rates on hold between 0% and 0.25%.

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**Outlook**

We believe macroeconomic data remain consistent with a moderate pace of growth in the second half of 2015. From an inflation standpoint, if the current trend holds, we think that easier year-over-year comparables may cause a marked uptick in inflation in the industrialized world by early 2016, a development that may be under-appreciated by some investors.

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To enroll, visit;

[us.allianzgi.com/edelivery](http://us.allianzgi.com/edelivery).

Despite the changing economic environment, we believe bond markets still do not appear to be priced for the start of Fed tightening. This, combined with poor bond-market liquidity, could result in more volatility as we get closer to interest rate lift-off. While this may also affect equities, compared to bonds, we believe that stocks should see support from improving economic growth.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Julian Sluyters  
*President & Chief Executive Officer*

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### **Fund Insights**

#### AllianzGI Convertible & Income Funds

August 31, 2015 (unaudited)

For the period of March 1, 2015, through August 31, 2015, as provided by Doug Forsyth, Portfolio Manager.

For the fiscal six-month period ended August 31, 2015, AllianzGI Convertible & Income Fund and AllianzGI Convertible & Income Fund II (the Funds) returned -7.76% and -7.98% on net asset value (NAV) and -15.38% and -17.65% on market price, respectively.

### **Market Environment**

Several factors influenced the convertible and high-yield markets during the period most notably August's global equity selloff, commodity price volatility, global economic data, corporate earnings, the movement in the US Treasury market and the Fed's outlook.

Volatility surged and risk assets fell sharply in August. Investors pointed to a number of macro-related catalysts for the selloff including the Chinese stock market rout, the Chinese currency devaluation and the potential for weakening global economic growth.

Another influential factor was the sharp decline in crude oil and metal prices in the latter half of the reporting period as angst around slowing economic activity in China increased. Steep price declines weighed on producers, pressuring commodity-linked sectors.

On the economic front, improving indicators signaled continued US expansion and relative strength. The positive trends in data supported the favorable backdrop for convertible and high-yield securities.

Another factor that influenced the markets was corporate earnings. As anticipated, adverse weather conditions, a West Coast port shutdown and a strong dollar dampened profits. However, earnings growth was impressive during the period.

Despite declines in July and August, the 10-year Treasury rate closed the reporting period higher than it started. Treasury-rate volatility had a negative impact on bond-like or busted convertible securities, and it negatively affected sentiment on yield-producing investments such as utilities and REITS. The impact on the high-yield market was mixed.

Global central banks have continued to be accommodative. Although there has been investor uncertainty around the timing of the first rate hike and the path of US monetary policy thereafter, the Fed's message has remained consistent: Changes in policy will be data-dependent and international developments will be assessed.

Against this backdrop, investment-grade convertible issuers outperformed non-investment-grade convertible issuers, and total-return convertibles outperformed yield or busted categories. Thus far, 2015 new issuance has been robust and on pace to exceed 2014's elevated levels.

## Portfolio Specifics

The Funds each provided monthly income over the trailing six-month period.

In the convertibles sleeve, sectors that helped the Funds' relative performance in the period included consumer staples, consumer discretionary and utilities. An overweight in both

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the consumer discretionary and consumer staples sectors was beneficial. Issue selection was positive in utilities. In contrast, sectors that hurt the Funds' relative performance in the period included healthcare, industrials and technology. An underweight in the healthcare sector detracted and the latter two sectors were negatively impacted by issue selection.

In the high-yield sleeve, industries that helped relative Fund performance in the period included gaming, super retail and technology. All three of these exhibited positive issue selection. Conversely, industries that hurt relative performance in the period included energy, diversified financial services and theater & entertainment. Issue selection was the primary detractor in these industries.

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**Performance & Statistics**

AllianzGI Convertible & Income Fund

August 31, 2015 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	-15.38%	-7.76%
1 Year	-18.52%	-10.77%
5 Year	7.70%	9.79%
10 Year	5.11%	5.80%
Commencement of Operations (3/31/03) to 8/31/15	7.03%	7.72%

**Market Price/NAV Performance:**

Commencement of Operations (3/31/03) to 8/31/15

**Market Price/NAV:**

Market Price	\$7.22
NAV	\$7.28
Discount to NAV	-0.82%
Market Price Yield <sup>(2)</sup>	10.80%
Leverage <sup>(3)</sup>	35.80%

**Moody's Ratings\***

(as a % of total investments)

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**Performance & Statistics**

AllianzGI Convertible & Income Fund II

August 31, 2015 (unaudited)

<b>Total Return<sup>(1)</sup>:</b>	<b>Market Price</b>	<b>NAV</b>
Six Month	-17.65%	-7.98%
1 Year	-21.64%	-11.00%
5 Year	7.32%	9.73%
10 Year	4.72%	5.07%
Commencement of Operations (7/31/03) to 8/31/15	5.90%	6.45%

**Market Price/NAV Performance:**

Commencement of Operations (7/31/03) to 8/31/15

**Market Price/NAV:**

Market Price	\$6.59
NAV	\$6.48
Premium to NAV	1.70%
Market Price Yield <sup>(2)</sup>	7.87%
Leverage <sup>(3)</sup>	36.26%

**Moody's Ratings\***

(as a % of total investments)

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**Performance & Statistics**

AllianzGI Convertible & Income Funds

August 31, 2015 (unaudited)

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

(1) **Past performance is no guarantee of future results.** Total return is calculated by determining the percentage change in NAV or market price (as applicable) in the specified period. The calculation assumes that all dividends and distributions, if any, have been reinvested. Total return does not reflect broker commissions or sales charges in connection with the purchase or sale of Fund shares. Total return for a period of more than one year represents the average annual total return. Total return for a period of less than one year is not annualized.

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

An investment in each Fund involves risk, including the loss of principal. Total return, market price, market price yield and NAV will fluctuate with changes in market conditions. This data is provided for information purposes only and is not intended for trading purposes. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one time public offering and once issued, shares of closed-end funds are traded in the open market through a stock exchange. NAV is equal to total assets attributable to common shareholders less total liabilities divided by the number of common shares outstanding. Holdings are subject to change daily.

(2) Market Price Yield is determined by dividing the annualized current (declared September 1, 2015) monthly dividend per common share (comprised of net investment income) by the market price per common share at August 31, 2015.

(3) Represents Preferred Shares (Leverage) outstanding, as a percentage of total managed assets. Total managed assets refer to total assets (including assets attributable to Leverage) minus liabilities (other than liabilities representing Leverage).

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AllianzGI Convertible &amp; Income Fund

August 31, 2015 (unaudited)

Principal

Amount

(000s)		Value
<b>Corporate Bonds &amp; Notes 40.1%</b>		
<b>Advertising 0.4%</b>		
\$5,650	Affinion Group, Inc., 7.875%, 12/15/18	\$3,930,281
<b>Aerospace &amp; Defense 1.7%</b>		
7,135	Erickson, Inc., 8.25%, 5/1/20	5,114,903
7,185	Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19	6,520,387
5,395	TransDigm, Inc., 6.50%, 5/15/25 (a)(b)	5,327,563
		16,962,853
<b>Air Freight &amp; Logistics 1.0%</b>		
XPO Logistics, Inc., (a)(b)		
2,830	6.50%, 6/15/22	2,794,625
6,820	7.875%, 9/1/19	7,254,775
		10,049,400
<b>Auto Components 0.6%</b>		
5,280	Goodyear Tire & Rubber Co., 8.25%, 8/15/20	5,524,200
<b>Auto Manufacturers 0.8%</b>		
7,410	Chrysler Group LLC, 8.25%, 6/15/21	7,967,232
<b>Chemicals 0.7%</b>		
7,500	Chemours Co., 6.625%, 5/15/23 (a)(b)	6,543,750
<b>Commercial Services 2.2%</b>		
11,500	Cenveo Corp., 11.50%, 5/15/17	10,853,125
5,705	DynCorp International, Inc., 10.375%, 7/1/17	4,193,175
7,375	Monitronics International, Inc., 9.125%, 4/1/20	6,932,500
		21,978,800
<b>Construction Materials 0.8%</b>		
7,310	US Concrete, Inc., 8.50%, 12/1/18	7,675,500
<b>Consumer Finance 0.9%</b>		
3,210	Navient Corp., 8.45%, 6/15/18	3,426,675
4,935	Springleaf Finance Corp., 8.25%, 10/1/23	5,551,875
		8,978,550
<b>Distribution/Wholesale 0.9%</b>		
8,170	HD Supply, Inc., 11.00%, 4/15/20	9,129,975
<b>Diversified Consumer Services 0.7%</b>		
6,815	Cambium Learning Group, Inc., 9.75%, 2/15/17	6,883,150
<b>Diversified Financial Services 1.4%</b>		

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	Community Choice Financial, Inc.,	
10,085	10.75%, 5/1/19	3,731,450
7,130	12.75%, 5/1/20 (a)(b)	2,459,850
	Nationstar Mortgage LLC / Nationstar Capital Corp.,	
2,500	7.875%, 10/1/20	2,371,875
5,300	9.625%, 5/1/19	5,545,125
		14,108,300
	<b>Electrical Components &amp; Equipment 1.2%</b>	
13,585	WireCo WorldGroup, Inc., 9.50%, 5/15/17	11,615,175
	<b>Electronic Equipment, Instruments &amp; Components 0.7%</b>	
7,725	Kemet Corp., 10.50%, 5/1/18	7,338,750

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AllianzGI Convertible &amp; Income Fund

August 31, 2015 (unaudited) (continued)

Principal

Amount

(000s)		Value
	<b>Food &amp; Staples Retailing 0.5%</b>	
		\$
\$ 5,000	US Foods, Inc., 8.50%, 6/30/19	5,225,000
	<b>Health Care Providers &amp; Services 1.8%</b>	
7,955	Kindred Healthcare, Inc., 8.75%, 1/15/23 (a)(b)	8,939,431
	Tenet Healthcare Corp.,	
3,500	5.00%, 3/1/19	3,506,965
4,530	8.125%, 4/1/22	5,028,300
		17,474,696
	<b>Healthcare-Products 0.9%</b>	
8,885	Kinetic Concepts, Inc./KCI USA, Inc., 10.50%, 11/1/18	9,395,888
	<b>Hotels, Restaurants &amp; Leisure 1.0%</b>	
8,405	MGM Resorts International, 11.375%, 3/1/18	9,896,888
	<b>Household Durables 1.2%</b>	
	Beazer Homes USA, Inc.,	
2,945	7.25%, 2/1/23	2,834,562
5,045	9.125%, 5/15/19	5,171,125
3,950	Jarden Corp., 7.50%, 5/1/17	4,266,000
		12,271,687
	<b>Household Products/Wares 0.8%</b>	
7,610	Reynolds Group Issuer, Inc., 9.875%, 8/15/19	8,009,525
	<b>Independent Power &amp; Renewable Electricity Producers 0.3%</b>	
3,055	TerraForm Power Operating LLC, 5.875%, 2/1/23 (a)(b)	2,917,525
	<b>Internet 0.4%</b>	
8,395	Affinion Investments LLC, 13.50%, 8/15/18	3,861,516
	<b>Internet Software &amp; Services 1.1%</b>	
	EarthLink, Inc.,	
2,800	7.375%, 6/1/20	2,940,000
7,488	8.875%, 5/15/19	7,806,240
		10,746,240
	<b>Iron/Steel 0.5%</b>	
7,305	AK Steel Corp., 8.375%, 4/1/22	4,638,675
	<b>Lodging 0.4%</b>	
12,385	Caesars Entertainment Operating Co., Inc., 12.75%, 4/15/18 (c)	3,901,275
	<b>Machinery 1.1%</b>	



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5,250	BlueLine Rental Finance Corp., 7.00%, 2/1/19 (a)(b)	4,987,500
6,755	Navistar International Corp., 8.25%, 11/1/21	5,927,513
		10,915,013
	<b>Media 2.8%</b>	
5,000	CCO Holdings LLC / CCO Holdings Capital Corp., 7.00%, 1/15/19	5,168,750
8,355	McClatchy Co., 9.00%, 12/15/22	7,592,606
	McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education	
8,220	Finance, 9.75%, 4/1/21	9,083,100
3,745	Mood Media Corp., 9.25%, 10/15/20 (a)(b)	2,864,925
4,671	SFX Entertainment, Inc., 9.625%, 2/1/19 (a)(b)	2,896,020
		27,605,401
	<b>Metals &amp; Mining 1.8%</b>	
6,590	ArcelorMittal, 10.60%, 6/1/19	7,702,062
3,680	HudBay Minerals, Inc., 9.50%, 10/1/20	3,356,900

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AllianzGI Convertible &amp; Income Fund

August 31, 2015 (unaudited) (continued)

Principal

Amount

(000s)

Value

		Value
<b>Metals &amp; Mining (continued)</b>		
Thompson Creek Metals Co., Inc.,		
		\$
\$ 8,295	7.375%, 6/1/18	5,018,475
2,830	12.50%, 5/1/19	1,736,064
		17,813,501
<b>Miscellaneous Manufacturing 0.6%</b>		
7,350	Harland Clarke Holdings Corp., 9.25%, 3/1/21 (a)(b)	6,146,438
<b>Oil &amp; Gas 1.5%</b>		
BreitBurn Energy Partners LP / BreitBurn Finance Corp.,		
5,055	7.875%, 4/15/22	2,249,475
3,680	8.625%, 10/15/20	1,992,094
1,135	Calumet Specialty Products Partners LP / Calumet Finance Corp., 6.50%, 4/15/21	1,078,250
9,050	Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17	2,669,750
6,038	United Refining Co., 10.50%, 2/28/18	6,309,710
1,000	Vanguard Natural Resources LLC / VNR Finance Corp., 7.875%, 4/1/20	705,000
		15,004,279
<b>Oil, Gas &amp; Consumable Fuels 1.2%</b>		
2,840	Arch Coal, Inc., 9.875%, 6/15/19	397,600
5,050	EP Energy LLC / Everest Acquisition Finance, Inc., 9.375%, 5/1/20	4,916,175
5,615	Linn Energy LLC / Linn Energy Finance Corp., 6.50%, 5/15/19	2,358,300
4,530	Sanchez Energy Corp., 6.125%, 1/15/23	3,420,150
730	Ultra Petroleum Corp., 6.125%, 10/1/24 (a)(b)	485,450
		11,577,675
<b>Paper &amp; Forest Products 0.3%</b>		
3,000	Louisiana-Pacific Corp., 7.50%, 6/1/20	3,187,500
<b>Pharmaceuticals 0.7%</b>		
2,290	Endo Finance LLC & Endo Finco, Inc., 5.375%, 1/15/23 (a)(b)	2,312,900
4,000	Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(b)	4,305,000
		6,617,900
<b>Real Estate Investment Trust 0.3%</b>		
3,085	Kennedy-Wilson, Inc., 5.875%, 4/1/24	3,009,418
<b>Retail 1.0%</b>		
9,465	Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b)	10,044,731
<b>Semiconductors &amp; Semiconductor Equipment 0.4%</b>		

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3,745	Amkor Technology, Inc., 6.375%, 10/1/22	3,656,056
	<b>Software 1.9%</b>	
	First Data Corp.,	
5,645	8.25%, 1/15/21 (a)(b)	5,955,475
1,834	10.625%, 6/15/21	2,033,448
9,045	12.625%, 1/15/21	10,413,056
		18,401,979
	<b>Specialty Retail 0.8%</b>	
3,500	Claire's Stores, Inc., 9.00%, 3/15/19 (a)(b)	2,966,250
5,500	Conn's, Inc., 7.25%, 7/15/22	5,238,750
		8,205,000
	<b>Telecommunications 1.3%</b>	
7,370	Consolidated Communications, Inc., 6.50%, 10/1/22 (a)(b)	6,854,100

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August 31, 2015 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Telecommunications (continued)</b>	
\$ 7,655	Windstream Corp., 7.50%, 4/1/23	\$ 6,028,389
		12,882,489
	<b>Transportation 0.7%</b>	
6,837	Quality Distribution LLC, 9.875%, 11/1/18	7,100,737
	<b>Wireless Telecommunication Services 0.8%</b>	
7,205	Sprint Communications, Inc., 11.50%, 11/15/21	8,249,725
	Total Corporate Bonds & Notes (cost-\$456,393,226)	397,442,673
	<b>Shares</b>	
	<b>Convertible Preferred Stock 37.6%</b>	
	<b>Automobiles 1.5%</b>	
532,000	The Goldman Sachs Group, Inc., 8.00%, 12/17/15 (General Motors) (d)	15,013,572
	<b>Banks 4.6%</b>	
9,695	Huntington Bancshares, Inc., 8.50% (e)	12,991,300
1,064,500	JPMorgan Chase & Co., 8.00%, 9/18/15 (Bank of America) (d)	15,839,760
13,990	Wells Fargo & Co., 7.50%, Ser. L (e)	16,494,210
		45,325,270
	<b>Diversified Financial Services 1.5%</b>	
13,220	Bank of America Corp., 7.25%, Ser. L (e)	14,608,364
	<b>Diversified Telecommunications Services 1.8%</b>	
175,845	Frontier Communications Corp., 11.125%, 6/29/18	17,725,176
	<b>Electric Utilities 0.4%</b>	
85,390	Exelon Corp., 6.50%, 6/1/17	3,867,313
	<b>Electronic Equipment, Instruments &amp; Components 1.4%</b>	
738,000	Bank of America Corp., 8.00%, 2/17/16 (Corning, Inc.) (d)	14,243,400
	<b>Food Products 0.6%</b>	
114,045	Tyson Foods, Inc., 4.75%, 7/15/17	5,868,756
	<b>Health Care Providers &amp; Services 4.4%</b>	
204,920	Anthem, Inc., 5.25%, 5/1/18	10,010,342
240,300	JPMorgan Chase & Co., 8.00%, 5/5/16 (HCA Holding, Inc.) (d)	18,962,073
	The Goldman Sachs Group, Inc., 8.00%, 3/31/16 (Laboratory Corp. of America	
127,130	Holdings) (d)	14,913,875
		43,886,290
	<b>Independent Power &amp; Renewable Electricity Producers 1.4%</b>	

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150,730	Dynegey, Inc., 5.375%, 11/1/17 <b>Internet Software &amp; Services 1.3%</b>	14,100,792
349,200	Barclays Bank PLC, 8.00%, 10/28/15 (Twitter, Inc.) (d) <b>Machinery 2.0%</b>	13,224,204
171,185	Stanley Black & Decker, Inc., 6.25%, 11/17/16 <b>Metals &amp; Mining 1.2%</b>	19,843,765
46,705	Alcoa, Inc., 5.375%, 10/1/17	1,639,345
792,720	ArcelorMittal, 6.00%, 1/15/16	10,404,450
	<b>Multiline Retail 1.5%</b>	12,043,795
258,000	The Goldman Sachs Group, Inc., 8.00%, 1/14/16 (Macy's, Inc.) (d)	14,913,948

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

AllianzGI Convertible &amp; Income Fund

August 31, 2015 (unaudited) (continued)

Shares		Value
	<b>Multi-Utilities 1.9%</b>	
		\$
239,645	AES Trust III, 6.75%, 10/15/29	12,087,095
128,500	Dominion Resources, Inc., 6.375%, 7/1/17	6,508,525
		18,595,620
	<b>Oil, Gas &amp; Consumable Fuels 2.3%</b>	
159,375	Anadarko Petroleum Corp., 7.50%, 6/7/18	7,275,469
2,660	Chesapeake Energy Corp., 5.75% (a)(b)(e)	1,172,063
14,100	Energy XXI Bermuda Ltd., 5.625% (e)	339,281
124,235	PetroQuest Energy, Inc., 6.875% (e)	2,535,164
230,425	Sanchez Energy Corp., 6.50%, 4/6/18 (e)	5,050,916
65,550	Southwestern Energy Co., 6.25%, 1/15/18	2,518,431
87,340	WPX Energy, Inc., 6.25%, 7/31/18	3,403,640
		22,294,964
	<b>Pharmaceuticals 1.6%</b>	
15,935	Allergan PLC, 5.50%, 3/1/18	16,343,334
	<b>Real Estate Investment Trust 4.5%</b>	
439,700	Alexandria Real Estate Equities, Inc., 7.00% (e)	12,132,994
798,310	FelCor Lodging Trust, Inc., 1.95%, Ser. A (e)	20,316,989
208,680	Health Care REIT, Inc., 6.50%, 4/20/18, Ser. I (e)	12,501,226
		44,951,209
	<b>Semiconductors &amp; Semiconductor Equipment 1.7%</b>	
246,000	Barclays Bank PLC, 8.00%, 11/9/15 (Lam Research Corp.) (d)	16,627,140
	<b>Technology Hardware, Storage &amp; Peripherals 1.8%</b>	
150,500	Bank of America Corp., 8.00%, 5/10/16 (Apple, Inc.) (d)	17,537,765
	<b>Wireless Telecommunication Services 0.2%</b>	
28,510	T-Mobile US, Inc., 5.50%, 12/15/17	1,967,475
	Total Convertible Preferred Stock (cost-\$384,657,330)	372,982,152
Principal Amount (000s)		
	<b>Convertible Bonds &amp; Notes 18.9%</b>	
	<b>Capital Markets 2.6%</b>	
\$13,195	BGC Partners, Inc., 4.50%, 7/15/16	14,093,909
16,490	Walter Investment Management Corp., 4.50%, 11/1/19	12,078,925
		26,172,834
	<b>Commercial Services 1.8%</b>	
20,305	Cenveo Corp., 7.00%, 5/15/17	17,931,853

	<b>Diversified Consumer Services 1.0%</b>	
13,510	Ascent Capital Group, Inc., 4.00%, 7/15/20	9,887,631
	<b>Electrical Equipment 0.4%</b>	
4,055	SolarCity Corp., 1.625%, 11/1/19 (a)(b)	3,527,850
	<b>Independent Power &amp; Renewable Electricity Producers 0.8%</b>	
8,375	NRG Yield, Inc., 3.25%, 6/1/20 (a)(b)	7,375,234
	<b>Iron/Steel 0.1%</b>	
1,425	AK Steel Corp., 5.00%, 11/15/19	1,215,703
	<b>Machinery 2.6%</b>	
	Meritor, Inc.,	
12,480	4.625%, 3/1/26	12,651,600
6,975	7.875%, 3/1/26	10,806,891

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

AllianzGI Convertible &amp; Income Fund

August 31, 2015 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Machinery (continued)</b>	
\$ 2,290	Navistar International Corp., 4.75%, 4/15/19	\$ 1,724,656
		25,183,147
	<b>Oil, Gas &amp; Consumable Fuels 2.2%</b>	
4,835	Cheniere Energy, Inc., 4.25%, 3/15/45	3,460,047
17,495	Cobalt International Energy, Inc., 2.625%, 12/1/19	12,596,400
9,295	Energy XXI Ltd., 3.00%, 12/15/18	1,254,825
16,605	Goodrich Petroleum Corp., 5.00%, 10/1/32	3,237,975
1,825	Stone Energy Corp., 1.75%, 3/1/17	1,503,344
		22,052,591
	<b>Personal Products 1.6%</b>	
17,590	Herbalife Ltd., 2.00%, 8/15/19	16,061,957
	<b>Pharmaceuticals 0.9%</b>	
9,135	IGI Laboratories, Inc., 3.75%, 12/15/19 (a)(b)	8,541,225
	<b>Semiconductors &amp; Semiconductor Equipment 0.8%</b>	
13,440	SunEdison, Inc., 3.375%, 6/1/25 (a)(b)	8,080,800
	<b>Software 1.0%</b>	
10,320	TeleCommunication Systems, Inc., 7.75%, 6/30/18	10,120,050
	<b>Thriffs &amp; Mortgage Finance 0.7%</b>	
6,535	MGIC Investment Corp., 5.00%, 5/1/17	7,257,935
	<b>Tobacco 2.4%</b>	
	Vector Group Ltd., (f)	
5,665	1.75%, 4/15/20	6,295,231
11,865	2.50%, 1/15/19	17,607,482
		23,902,713
	Total Convertible Bonds & Notes (cost-\$194,712,180)	187,311,523
	Shares	
	<b>Common Stock 1.4%</b>	
	<b>Food Products 1.4%</b>	
301,176	Archer-Daniels-Midland Co. (cost-\$16,381,771)	13,549,908
	Principal Amount (000s)	
	<b>Short-Term Investment 2.0%</b>	
	<b>Time Deposit 2.0%</b>	



\$19,760	ANZ National Bank - London, 0.03%, 9/1/15 (cost-\$19,759,733)	19,759,733
<b>Total Investments</b> (cost-\$1,071,904,240) <b>100.0%</b>		<b>\$991,045,989</b>

**Notes to Schedule of Investments:**

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$114,753,480, representing 11.6% of total investments.
- (b) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.

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AllianzGI Convertible &amp; Income Fund

August 31, 2015 (unaudited) (continued)

- (c) In default.
- (d) 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.
- (e) Perpetual maturity. The date shown, if any, is the next call date.
- (f) 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.
- (g) Fair Value Measurements-See Note 1(b) in Notes to Financial Statements

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 8/31/15
<b>Investments in Securities Assets</b>				
Corporate Bonds & Notes	\$	\$397,442,673	\$	\$397,442,673
Convertible Preferred Stock:				
Automobiles			15,013,572	15,013,572
Banks	29,485,510		15,839,760	45,325,270
Electronic Equipment, Instruments & Components			14,243,400	14,243,400
Health Care Providers & Services	10,010,342		33,875,948	43,886,290
Internet Software & Services			13,224,204	13,224,204
Metals & Mining	1,639,345	10,404,450		12,043,795
Multiline Retail			14,913,948	14,913,948
Multi-Utilities	6,508,525	12,087,095		18,595,620
Oil, Gas & Consumable Fuels	9,793,900	12,501,064		22,294,964
Pharmaceuticals		16,343,334		16,343,334
Real Estate Investment Trust	20,316,989	24,634,220		44,951,209
			16,627,140	16,627,140

Semiconductors & Semiconductor Equipment				
Technology Hardware, Storage & Peripherals			17,537,765	17,537,765
All Other	77,981,641			77,981,641
Convertible Bonds & Notes		187,311,523		187,311,523
Common Stock	13,549,908			13,549,908
Short-Term Investment		19,759,733		19,759,733
<b>Totals</b>	<b>\$ 169,286,160</b>	<b>\$680,484,092</b>	<b>\$ 141,275,737</b>	<b>\$ 991,045,989</b>

At August 31, 2015, securities valued at \$39,256,479 were transferred from Level 1 to Level 2. This transfer was the result of securities with an exchange-traded closing price at February 28, 2015, using an evaluated mean price at August 31, 2015.

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

AllianzGI Convertible &amp; Income Fund

August 31, 2015 (unaudited) (continued)

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the six months ended August 31, 2015, was as follows:

	Beginning Balance 2/28/15	Purchases	Sales	Accrued Discounts (Premiums)	Net Realized Gain (Loss)
<b>Investments in Securities Assets</b>					
Convertible Preferred Stock:					
Automobiles	\$18,538,604	\$	\$	\$	\$
Banks	16,265,560				
Electronic Equipment, Instruments & Components	18,073,620				
Energy Equipment & Services	17,643,294		(19,489,102)		
Food Products	15,175,740		(16,381,771)		
Health Care Equipment & Supplies	19,120,261		(18,680,530)		913,286
Health Care Providers & Services	20,297,075	34,697,388	(21,035,429)		2,992,332
Internet Software & Services	16,482,240				
Multiline Retail	16,338,624				
Oil, Gas & Consumable Fuels	14,301,428		(14,612,820)		(3,577,006)
Pharmaceuticals	16,504,768		(19,741,621)		3,039,542
Semiconductors & Semiconductor Equipment	34,291,700		(12,277,079)		(4,910,503)
Technology Hardware, Storage & Peripherals	21,315,600	19,068,350	(20,597,732)		3,862,567
<b>Totals</b>	<b>\$244,348,514</b>	<b>\$53,765,738</b>	<b>\$(142,816,084)</b>	<b>\$</b>	<b>\$2,320,218</b>

	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3	Transfers out of Level 3	Ending Balance 8/31/15
<b>Investments in Securities Assets (continued)</b>				
Convertible Preferred Stock:				
Automobiles	\$(3,525,032)	\$	\$	\$15,013,572
Banks	(425,800)			15,839,760
Electronic Equipment, Instruments & Components	(3,830,220)			14,243,400
Energy Equipment & Services	1,845,808			
Food Products	1,206,031			
Health Care Equipment & Supplies	(1,353,017)			
Health Care Providers & Services	(3,075,418)			33,875,948
Internet Software & Services	(3,258,036)			13,224,204

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Multiline Retail	(1,424,676)			14,913,948
Oil, Gas & Consumable Fuels	3,888,398			
Pharmaceuticals	197,311			
Semiconductors & Semiconductor Equipment	(476,978)			16,627,140
Technology Hardware, Storage & Peripherals	(6,111,020)			17,537,765
<b>Totals</b>	<b>\$(16,342,649)</b>	<b>\$</b>	<b>\$</b>	<b>\$141,275,737</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 August 31, 2015:

	Ending Balance at 8/31/15	Valuation Technique Used	Unobservable Inputs	Input Values
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**Investments in Securities Assets**

Convertible Preferred Stock	\$141,275,737	Third-Party Pricing Vendor	Single Broker Quote	\$14.88	\$117.312
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The net change in unrealized appreciation/depreciation of Level 3 investments held at August 31, 2015, was \$(17,290,550). Net realized gain (loss) and change in unrealized appreciation/depreciation is reflected on the Statement of Operations.

**Glossary :**

REIT - Estate Investment Trust

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

AllianzGI Convertible &amp; Income Fund II

August 31, 2015 (unaudited)

Principal Amount (000s)		Value
<b>Corporate Bonds &amp; Notes 40.3%</b>		
<b>Advertising 0.4%</b>		
\$4,350	Affinion Group, Inc., 7.875%, 12/15/18	\$3,025,969
<b>Aerospace &amp; Defense 1.7%</b>		
5,465	Erickson, Inc., 8.25%, 5/1/20	3,917,722
5,490	Kratos Defense & Security Solutions, Inc., 7.00%, 5/15/19	4,982,175
4,120	TransDigm, Inc., 6.50%, 5/15/25 (a)(b)	4,068,500
		12,968,397
<b>Air Freight &amp; Logistics 1.0%</b>		
XPO Logistics, Inc., (a)(b)		
2,170	6.50%, 6/15/22	2,142,875
5,230	7.875%, 9/1/19	5,563,413
		7,706,288
<b>Auto Components 0.5%</b>		
3,970	Goodyear Tire & Rubber Co., 8.25%, 8/15/20	4,153,612
<b>Auto Manufacturers 0.8%</b>		
5,590	Chrysler Group LLC, 8.25%, 6/15/21	6,010,368
<b>Chemicals 0.6%</b>		
5,500	Chemours Co., 6.625%, 5/15/23 (a)(b)	4,798,750
<b>Commercial Services 2.2%</b>		
8,535	Cenveo Corp., 11.50%, 5/15/17	8,054,906
4,295	DynCorp International, Inc., 10.375%, 7/1/17	3,156,825
5,925	Monitronics International, Inc., 9.125%, 4/1/20	5,569,500
		16,781,231
<b>Construction Materials 0.8%</b>		
5,690	US Concrete, Inc., 8.50%, 12/1/18	5,974,500
<b>Consumer Finance 0.9%</b>		
2,605	Navient Corp., 8.45%, 6/15/18	2,780,837
3,865	Springleaf Finance Corp., 8.25%, 10/1/23	4,348,125
		7,128,962
<b>Distribution/Wholesale 1.0%</b>		
6,430	HD Supply, Inc., 11.00%, 4/15/20	7,185,525
<b>Diversified Consumer Services 0.7%</b>		
5,270	Cambium Learning Group, Inc., 9.75%, 2/15/17	5,322,700
<b>Diversified Financial Services 1.5%</b>		
Community Choice Financial, Inc.,		
7,465	10.75%, 5/1/19	2,762,050

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5,370	12.75%, 5/1/20 (a)(b)	1,852,650
	Nationstar Mortgage LLC / Nationstar Capital Corp.,	
2,000	7.875%, 10/1/20	1,897,500
4,250	9.625%, 5/1/19	4,446,563
		10,958,763
	<b>Electrical Components &amp; Equipment 1.2%</b>	
10,275	WireCo WorldGroup, Inc., 9.50%, 5/15/17	8,785,125
	<b>Electronic Equipment, Instruments &amp; Components 0.7%</b>	
5,815	Kemet Corp., 10.50%, 5/1/18	5,524,250

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AllianzGI Convertible &amp; Income Fund II

August 31, 2015 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Food &amp; Staples Retailing 0.7%</b>	
		\$
\$ 5,000	US Foods, Inc., 8.50%, 6/30/19	5,225,000
	<b>Health Care Providers &amp; Services 1.8%</b>	
6,045	Kindred Healthcare, Inc., 8.75%, 1/15/23 (a)(b)	6,793,069
	Tenet Healthcare Corp.,	
2,750	5.00%, 3/1/19	2,755,472
3,470	8.125%, 4/1/22	3,851,700
		13,400,241
	<b>Healthcare-Products 1.0%</b>	
6,785	Kinetic Concepts, Inc./KCI USA, Inc., 10.50%, 11/1/18	7,175,138
	<b>Hotels, Restaurants &amp; Leisure 1.0%</b>	
6,395	MGM Resorts International, 11.375%, 3/1/18	7,530,112
	<b>Household Durables 1.0%</b>	
	Beazer Homes USA, Inc.,	
2,245	7.25%, 2/1/23	2,160,812
3,920	9.125%, 5/15/19	4,018,000
1,390	Jarden Corp., 7.50%, 5/1/17	1,501,200
		7,680,012
	<b>Household Products/Wares 0.8%</b>	
5,725	Reynolds Group Issuer, Inc., 9.875%, 8/15/19	6,025,563
	<b>Independent Power &amp; Renewable Electricity Producers 0.3%</b>	
2,340	TerraForm Power Operating LLC, 5.875%, 2/1/23 (a)(b)	2,234,700
	<b>Internet 0.4%</b>	
6,462	Affinion Investments LLC, 13.50%, 8/15/18	2,972,382
	<b>Internet Software &amp; Services 1.1%</b>	
	EarthLink, Inc.,	
2,200	7.375%, 6/1/20	2,310,000
5,652	8.875%, 5/15/19	5,892,210
		8,202,210
	<b>Iron/Steel 0.5%</b>	
5,600	AK Steel Corp., 8.375%, 4/1/22	3,556,000
	<b>Lodging 0.4%</b>	
9,455	Caesars Entertainment Operating Co., Inc., 12.75%, 4/15/18 (c)	2,978,325
	<b>Machinery 1.2%</b>	
4,225	BlueLine Rental Finance Corp., 7.00%, 2/1/19 (a)(b)	4,013,750
5,495	Navistar International Corp., 8.25%, 11/1/21	4,821,862



		8,835,612
	<b>Media 2.8%</b>	
3,250	CCO Holdings LLC / CCO Holdings Capital Corp., 7.00%, 1/15/19	3,359,687
6,645	McClatchy Co., 9.00%, 12/15/22	6,038,644
	McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education	
6,280	Finance, 9.75%, 4/1/21	6,939,400
2,850	Mood Media Corp., 9.25%, 10/15/20 (a)(b)	2,180,250
3,589	SFX Entertainment, Inc., 9.625%, 2/1/19 (a)(b)	2,225,180
		20,743,161
	<b>Metals &amp; Mining 1.8%</b>	
5,050	ArcelorMittal, 10.60%, 6/1/19	5,902,187
2,820	HudBay Minerals, Inc., 9.50%, 10/1/20	2,572,407

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AllianzGI Convertible &amp; Income Fund II

August 31, 2015 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Metals &amp; Mining (continued)</b>	
	Thompson Creek Metals Co., Inc.,	
		\$
\$ 6,145	7.375%, 6/1/18	3,717,725
2,170	12.50%, 5/1/19	1,331,187
		13,523,506
	<b>Miscellaneous Manufacturing 0.6%</b>	
5,650	Harland Clarke Holdings Corp., 9.25%, 3/1/21 (a)(b)	4,724,813
	<b>Oil &amp; Gas 1.5%</b>	
	BreitBurn Energy Partners LP / BreitBurn Finance Corp.,	
3,870	7.875%, 4/15/22	1,722,150
2,820	8.625%, 10/15/20	1,526,551
865	Calumet Specialty Products Partners LP / Calumet Finance Corp., 6.50%, 4/15/21	821,750
7,000	Energy XXI Gulf Coast, Inc., 9.25%, 12/15/17	2,065,000
4,306	United Refining Co., 10.50%, 2/28/18	4,499,770
1,000	Vanguard Natural Resources LLC / VNR Finance Corp., 7.875%, 4/1/20	705,000
		11,340,221
	<b>Oil, Gas &amp; Consumable Fuels 1.3%</b>	
2,160	Arch Coal, Inc., 9.875%, 6/15/19	302,400
4,550	EP Energy LLC / Everest Acquisition Finance, Inc., 9.375%, 5/1/20	4,429,425
4,305	Linn Energy LLC / Linn Energy Finance Corp., 6.50%, 5/15/19	1,808,100
3,470	Sanchez Energy Corp., 6.125%, 1/15/23	2,619,850
560	Ultra Petroleum Corp., 6.125%, 10/1/24 (a)(b)	372,400
		9,532,175
	<b>Paper &amp; Forest Products 0.3%</b>	
2,000	Louisiana-Pacific Corp., 7.50%, 6/1/20	2,125,000
	<b>Pharmaceuticals 0.7%</b>	
1,755	Endo Finance LLC & Endo Finco, Inc., 5.375%, 1/15/23 (a)(b)	1,772,550
3,000	Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(b)	3,228,750
		5,001,300
	<b>Real Estate Investment Trust 0.3%</b>	
2,345	Kennedy-Wilson, Inc., 5.875%, 4/1/24	2,287,548
	<b>Retail 0.8%</b>	
5,785	Neiman Marcus Group Ltd. LLC, 8.00%, 10/15/21 (a)(b)	6,139,331
	<b>Semiconductors &amp; Semiconductor Equipment 0.4%</b>	
2,875	Amkor Technology, Inc., 6.375%, 10/1/22	2,806,719
	<b>Software 1.9%</b>	

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	First Data Corp.,	
4,355	8.25%, 1/15/21 (a)(b)	4,594,525
1,465	10.625%, 6/15/21	1,624,319
6,955	12.625%, 1/15/21	8,006,943
		14,225,787
	<b>Specialty Retail 0.9%</b>	
4,500	Claire s Stores, Inc., 9.00%, 3/15/19 (a)(b)	3,813,750
3,500	Conn s, Inc., 7.25%, 7/15/22	3,333,750
		7,147,500
	<b>Telecommunications 1.3%</b>	
5,630	Consolidated Communications, Inc., 6.50%, 10/1/22 (a)(b)	5,235,900
5,845	Windstream Corp., 7.50%, 4/1/23	4,602,996
		9,838,896

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AllianzGI Convertible &amp; Income Fund II

August 31, 2015 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Transportation 0.7%</b>	
\$ 5,044	Quality Distribution LLC, 9.875%, 11/1/18	\$ 5,238,572
	<b>Wireless Telecommunication Services 0.8%</b>	
5,545	Sprint Communications, Inc., 11.50%, 11/15/21	6,349,025
	Total Corporate Bonds & Notes (cost-\$348,696,409)	303,163,289
	<b>Shares</b>	
	<b>Convertible Preferred Stock 37.3%</b>	
	<b>Automobiles 1.5%</b>	
402,000	The Goldman Sachs Group, Inc., 8.00%, 12/17/15 (General Motors) (d)	11,344,842
	<b>Banks 4.5%</b>	
7,455	Huntington Bancshares, Inc., 8.50% (e)	9,989,700
805,310	JPMorgan Chase & Co., 8.00%, 9/18/15 (Bank of America) (d)	11,983,013
9,900	Wells Fargo & Co., 7.50%, Ser. L (e)	11,672,100
		33,644,813
	<b>Diversified Financial Services 1.5%</b>	
10,100	Bank of America Corp., 7.25%, Ser. L (e)	11,160,702
	<b>Diversified Telecommunication Services 1.8%</b>	
132,535	Frontier Communications Corp., 11.125%, 6/29/18	13,359,528
	<b>Electric Utilities 0.8%</b>	
134,610	Exelon Corp., 6.50%, 6/1/17	6,096,487
	<b>Electronic Equipment, Instruments &amp; Components 1.4%</b>	
557,000	Bank of America Corp., 8.00%, 2/17/16 (Corning, Inc.) (d)	10,750,100
	<b>Food Products 0.6%</b>	
85,955	Tyson Foods, Inc., 4.75%, 7/15/17	4,423,244
	<b>Health Care Providers &amp; Services 4.4%</b>	
154,515	Anthem, Inc., 5.25%, 5/1/18	7,548,058
181,300	JPMorgan Chase & Co., 8.00%, 5/5/16 (HCA Holding, Inc.) (d)	14,306,383
95,960	The Goldman Sachs Group, Inc., 8.00%, 3/31/16 (Laboratory Corp. of America Holdings) (d)	11,257,259
		33,111,700
	<b>Independent Power &amp; Renewable Electricity Producers 1.4%</b>	
113,265	Dynegy, Inc., 5.375%, 11/1/17	10,595,941
	<b>Internet Software &amp; Services 1.3%</b>	
264,285	Barclays Bank PLC, 8.00%, 10/28/15 (Twitter, Inc.) (d)	10,008,473
	<b>Machinery 2.0%</b>	
128,815	Stanley Black & Decker, Inc., 6.25%, 11/17/16	14,932,235

<b>Metals &amp; Mining 1.2%</b>		
35,295	Alcoa, Inc., 5.375%, 10/1/17	1,238,854
604,670	ArcelorMittal, 6.00%, 1/15/16	7,936,294
		9,175,148
<b>Multiline Retail 1.5%</b>		
195,000	The Goldman Sachs Group, Inc., 8.00%, 1/14/16 (Macy's, Inc.) (d)	11,272,170
<b>Multi-Utilities 1.3%</b>		
186,560	AES Trust III, 6.75%, 10/15/29	9,409,620
<b>Oil, Gas &amp; Consumable Fuels 2.2%</b>		
120,125	Anadarko Petroleum Corp., 7.50%, 6/7/18	5,483,706

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

AllianzGI Convertible &amp; Income Fund II

August 31, 2015 (unaudited) (continued)

Shares		Value
	<b>Oil, Gas &amp; Consumable Fuels (continued)</b>	
2,010	Chesapeake Energy Corp., 5.75% (a)(b)(e)	\$ 885,656
10,900	Energy XXI Bermuda Ltd., 5.625% (e)	262,281
94,905	PetroQuest Energy, Inc., 6.875% (e)	1,936,651
173,845	Sanchez Energy Corp., 6.50%, 4/6/18 (e)	3,810,683
49,470	Southwestern Energy Co., 6.25%, 1/15/18	1,900,637
65,820	WPX Energy, Inc., 6.25%, 7/31/18	2,565,005
		16,844,619
	<b>Pharmaceuticals 1.6%</b>	
12,015	Allergan PLC, 5.50%, 3/1/18	12,322,885
	<b>Real Estate Investment Trust 4.6%</b>	
335,200	Alexandria Real Estate Equities, Inc., 7.00%, (e)	9,249,442
610,095	FelCor Lodging Trust, Inc., 1.95%, Ser. A (e)	15,526,917
159,235	Health Care REIT, Inc., 6.50%, 4/20/18, Ser. I (e)	9,539,164
		34,315,523
	<b>Semiconductors &amp; Semiconductor Equipment 1.7%</b>	
186,000	Barclays Bank PLC, 8.00%, 11/9/15 (Lam Research Corp.) (d)	12,571,740
	<b>Technology Hardware, Storage &amp; Peripherals 1.8%</b>	
113,500	Bank of America Corp., 8.00%, 5/10/16 (Apple, Inc.) (d)	13,226,155
	<b>Wireless Telecommunication Services 0.2%</b>	
21,490	T-Mobile US, Inc., 5.50%, 12/15/17	1,483,025
	Total Convertible Preferred Stock (cost-\$286,980,259)	280,048,950
Principal Amount (000s)		
	<b>Convertible Bonds &amp; Notes 18.9%</b>	
	<b>Capital Markets 2.7%</b>	
\$10,075	BGC Partners, Inc., 4.50%, 7/15/16	10,761,359
12,440	Walter Investment Management Corp., 4.50%, 11/1/19	9,112,300
		19,873,659
	<b>Commercial Services 1.8%</b>	
15,600	Cenveo Corp., 7.00%, 5/15/17	13,776,750
	<b>Diversified Consumer Services 1.0%</b>	
10,220	Ascent Capital Group, Inc., 4.00%, 7/15/20	7,479,763
	<b>Electrical Equipment 0.4%</b>	
3,045	SolarCity Corp., 1.625%, 11/1/19 (a)(b)	2,649,150
	<b>Independent Power &amp; Renewable Electricity Producers 0.7%</b>	
6,260	NRG Yield, Inc., 3.25%, 6/1/20 (a)(b)	5,512,713

	<b>Iron/Steel 0.1%</b>	
1,075	AK Steel Corp., 5.00%, 11/15/19	917,109
	<b>Machinery 2.6%</b>	
	Meritor, Inc.,	
9,545	4.625%, 3/1/26	9,676,244
5,255	7.875%, 3/1/26	8,141,965
1,710	Navistar International Corp., 4.75%, 4/15/19	1,287,844
		19,106,053
	<b>Oil, Gas &amp; Consumable Fuels 2.2%</b>	
3,650	Cheniere Energy, Inc., 4.25%, 3/15/45	2,612,031

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

AllianzGI Convertible &amp; Income Fund II

August 31, 2015 (unaudited) (continued)

Principal Amount (000s)		Value
	<b>Oil, Gas &amp; Consumable Fuels (continued)</b>	
\$		
13,200	Cobalt International Energy, Inc., 2.625%, 12/1/19	\$ 9,504,000
7,015	Energy XXI Ltd., 3.00%, 12/15/18	947,025
12,550	Goodrich Petroleum Corp., 5.00%, 10/1/32	2,447,250
1,380	Stone Energy Corp., 1.75%, 3/1/17	1,136,775
		16,647,081
	<b>Personal Products 1.6%</b>	
13,335	Herbalife Ltd., 2.00%, 8/15/19	12,176,589
	<b>Pharmaceuticals 0.9%</b>	
6,890	IGI Laboratories, Inc., 3.75%, 12/15/19 (a)(b)	6,442,150
	<b>Semiconductors &amp; Semiconductor Equipment 0.8%</b>	
10,060	SunEdison, Inc., 3.375%, 6/1/25 (a)(b)	6,048,575
	<b>Software 1.0%</b>	
7,890	TeleCommunication Systems, Inc., 7.75%, 6/30/18	7,737,131
	<b>Thriffs &amp; Mortgage Finance 0.7%</b>	
4,965	MGIC Investment Corp., 5.00%, 5/1/17	5,514,253
	<b>Tobacco 2.4%</b>	
	Vector Group Ltd., (f)	
4,335	1.75%, 4/15/20	4,817,269
9,035	2.50%, 1/15/19	13,407,804
		18,225,073
	Total Convertible Bonds & Notes (cost-\$147,560,096)	142,106,049
	<b>Shares</b>	
	<b>Common Stock 1.4%</b>	
	<b>Food Products 1.4%</b>	
227,847	Archer-Daniels-Midland Co. (cost-\$12,393,244)	10,250,837
	<b>Principal Amount</b>	
	<b>(000s)</b>	
	<b>Short-Term Investment 2.1%</b>	
	<b>Time Deposit 2.1%</b>	
\$15,601	ANZ National Bank - London, 0.03%, 9/1/15 (cost-\$15,601,416)	15,601,416



**Total Investments** (cost-\$811,231,424) **100.0%** **\$751,170,541**  
**Notes to Schedule of Investments:**

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$87,293,400, representing 11.6% of total investments.
- (b) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (c) In default.
- (d) 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.
- (e) Perpetual maturity. The date shown, if any, is the next call date.

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

AllianzGI Convertible &amp; Income Fund II

August 31, 2015 (unaudited) (continued)

(f) 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.

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

Investments in Securities	Assets	Level 2			Value at 8/31/15
		Level 1 Quoted Prices	Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
Corporate Bonds & Notes		\$	\$ 303,163,289	\$	\$ 303,163,289
Convertible Preferred Stock:					
Automobiles				11,344,842	11,344,842
Banks		21,661,800		11,983,013	33,644,813
Electronic Equipment, Instruments & Components				10,750,100	10,750,100
Health Care Providers & Services		7,548,058		25,563,642	33,111,700
Internet Software & Services				10,008,473	10,008,473
Metals & Mining		1,238,854	7,936,294		9,175,148
Multiline Retail				11,272,170	11,272,170
Multi-Utilities			9,409,620		9,409,620
Oil, Gas & Consumable Fuels		7,384,343	9,460,276		16,844,619
Pharmaceuticals			12,322,885		12,322,885
Real Estate Investment Trust		15,526,917	18,788,606		34,315,523
Semiconductors & Semiconductor Equipment				12,571,740	12,571,740
Technology Hardware, Storage & Peripherals				13,226,155	13,226,155
All Other		62,051,162			62,051,162
Convertible Bonds & Notes			142,106,049		142,106,049
Common Stock		10,250,837			10,250,837
Short-Term Investment			15,601,416		15,601,416
<b>Totals</b>		\$ 125,661,971	\$ 518,788,435	\$ 106,720,135	\$ 751,170,541

At August 31, 2015, securities valued at \$30,134,877 were transferred from Level 1 to Level 2. This transfer was the result of securities with an exchange-traded closing price at February 28, 2015, using an evaluated mean price at

August 31, 2015.

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

AllianzGI Convertible &amp; Income Fund II

August 31, 2015 (unaudited) (continued)

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the six months ended August 31, 2015, was as follows:

	Beginning Balance 2/28/15	Purchases	Sales	Accrued Discounts (Premiums)	Net Realized Gain (Loss)
<b>Investments in Securities Assets</b>					
Convertible Preferred Stock:					
Automobiles	\$14,008,494	\$	\$	\$	\$
Banks	12,305,137				
Electronic Equipment, Instruments & Components	13,640,930				
Energy Equipment & Services	13,545,217		(14,962,292)		
Food Products	11,480,850		(12,393,244)		
Health Care Equipment & Supplies	14,660,100		(14,322,945)		700,245
Health Care Providers & Services	15,403,550	26,183,923	(15,964,680)		2,271,685
Internet Software & Services	12,474,252				
Multiline Retail	12,348,960				
Oil, Gas & Consumable Fuels	10,979,490		(11,218,552)		(2,746,138)
Pharmaceuticals	12,529,303		(14,986,503)		2,307,415
Semiconductors & Semiconductor Equipment	26,480,100		(9,729,006)		(3,891,342)
Technology Hardware, Storage & Peripherals	16,147,140	14,380,450	(15,603,336)		2,925,999
<b>Totals</b>	<b>\$186,003,523</b>	<b>\$40,564,373</b>	<b>\$(109,180,558)</b>	<b>\$</b>	<b>\$1,567,864</b>

	Net Change in Unrealized Appreciation/ Depreciation	Transfers into Level 3	Transfers out of Level 3	Ending Balance 8/31/15
<b>Investments in Securities Assets</b>				
Convertible Preferred Stock:				
Automobiles	\$(2,663,652)	\$	\$	\$11,344,842
Banks	(322,124)			11,983,013
Electronic Equipment, Instruments & Components	(2,890,830)			10,750,100
Energy Equipment & Services	1,417,075			
Food Products	912,394			
Health Care Equipment & Supplies	(1,037,400)			
Health Care Providers & Services	(2,330,836)			25,563,642
Internet Software & Services	(2,465,779)			10,008,473

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Multiline Retail	(1,076,790)			11,272,170
Oil, Gas & Consumable Fuels	2,985,200			
Pharmaceuticals	149,785			
Semiconductors & Semiconductor Equipment	(288,012)			12,571,740
Technology Hardware, Storage & Peripherals	(4,624,098)			13,226,155
<b>Totals</b>	<b>\$(12,235,067)</b>	<b>\$</b>	<b>\$</b>	<b>\$106,720,135</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 August 31, 2015:

	Ending Balance at 8/31/15	Valuation Technique Used	Unobservable Inputs	Input Values
<b>Investments in Securities</b>	<b>Assets</b>			

Convertible Preferred Stock	\$106,720,135	Third-Party Pricing Vendor	Single Broker Quote	\$14.88	\$117.312
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The net change in unrealized appreciation/(depreciation) of Level 3 investments held at August 31, 2015, was \$(13,064,911). Net realized gain (loss) and net change in unrealized appreciation/(depreciation) are reflected on the Statement of Operations.

**Glossary :**

REIT - Real Estate Investment Trust

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

AllianzGI Convertible &amp; Income Funds

August 31, 2015 (unaudited)

	Convertible & Income	Convertible & Income II
<b>Assets:</b>		
Investments, at value (cost-\$1,071,904,240 and \$811,231,424, respectively)	\$991,045,989	\$751,170,541
Interest and dividends receivable	14,689,235	11,283,858
Prepaid expenses	83,752	56,557
Investments in Affiliated Funds - Trustees Deferred Compensation Plan (see Note 3)	7,266	5,503
<b>Total Assets</b>	<b>1,005,826,242</b>	<b>762,516,459</b>
<b>Liabilities:</b>		
Dividends payable to common and preferred shareholders	7,926,152	6,325,090
Investment management fees payable	601,589	455,950
Accrued expenses	187,770	120,636
Trustees Deferred Compensation Plan payable (see Note 3)	7,266	5,503
<b>Total Liabilities</b>	<b>8,722,777</b>	<b>6,907,179</b>
<b>Preferred Shares (\$0.00001 par value; \$25,000 liquidation preference per share applicable to an aggregate 14,280 and 10,960 shares issued and outstanding, respectively)</b>	<b>357,000,000</b>	<b>274,000,000</b>
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$640,103,465</b>	<b>\$481,609,280</b>

**Composition of Net Assets Applicable to Common Shareholders:**

Common Shares: