

AllianzGI Convertible & Income Fund II

Form N-CSR

May 01, 2018

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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 10019

(Address of principal executive offices) (Zip code)

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Scott Whisten 1633 Broadway, New York, New York 10019

(Name and address of agent for service)

Registrant's telephone number, including area code: 212-739-3367

Date of fiscal year end: February 28

Date of reporting period: February 28, 2018

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Item 1. Report to Shareholders

AllianzGI Convertible & Income 2024 Target Term Fund

AllianzGI Convertible & Income Fund

AllianzGI Convertible & Income Fund II

Annual Report

February 28, 2018

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Letter from the President

Thomas J. Fuccillo

President & Chief Executive Officer

Dear Shareholder:

The US economy continued to expand during the twelve-month fiscal reporting period ended February 28, 2018. This trend also occurred outside the US, and global inflation remained well-contained. Against this backdrop, US and international equities generated very strong results. Elsewhere, the US bond market posted a modest gain during the reporting period.

For the period since its inception on June 30, 2017 through February 28, 2018:

AllianzGI Convertible & Income 2024 Target Term Fund returned 2.87% on net asset value (NAV) and -4.59% on market price.

For the twelve-month reporting period ended February 28, 2018:

AllianzGI Convertible & Income Fund returned 7.04% on NAV and 12.22% on market price.

AllianzGI Convertible & Income Fund II returned 7.33% on NAV and 10.84% on market price.

During the twelve-month period ended February 28, 2018, the Standard & Poor's (S&P) 500 Index, an unmanaged index generally representative of the US stock market, rose 17.09% and the ICE BofA Merrill Lynch High Yield Master II Index, an unmanaged index generally representative of the high yield bond market, gained 4.12%. Convertible securities, which share characteristics of both stocks and bonds, also generated strong results. The ICE BofA Merrill Lynch All Convertibles All Qualities Index, an unmanaged index generally representative of the convertible securities market, returned 10.77%.

Turning to the US economy, gross domestic product (GDP), the value of goods and services produced in the country, which is the broadest measure of economic activity and the principal indicator of economic performance, expanded at a 1.2% annualized pace during the first quarter of 2017. GDP growth then improved to an annual pace of 3.1% and 3.2% during the second and third quarters of 2017, respectively. Finally, the Commerce Department's third reading released after the reporting period had ended showed that GDP grew at an annual pace of 2.9% for the fourth quarter of 2017.

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The US Federal Reserve (the Fed) raised interest rates three times during the reporting period: in March 2017, June 2017 and December 2017. With the rate hike in December, the federal funds rate moved to a range between 1.25% and 1.50%. Meanwhile, in October 2017 the Fed started to gradually reduce its balance sheet a process that will likely take several years. The Fed's actions during the fiscal year were well telegraphed and there were minimal market disruptions. On March 21, 2018 after the reporting period had ended the Fed again raised rates, pushing the federal funds rate to a range between 1.50% and 1.75%.

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Outlook

Since the depths of the global financial crisis, central banks have supported financial markets and the economies they serve through expansionary monetary policies, increasing their balance sheets to previously unheard-of sizes. In our opinion, the strong growth in corporate profits and diminishing fears of deflation show that this approach has worked, and central banks will be careful not to stifle current gains.

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So, while we anticipate the scale of central bank support will diminish in 2018 led by the Fed we expect the overall shift to be slow and the precise actions to vary from one central bank to the next. In our view, interest rates will stay low overall in 2018. Consequently, we believe investors should continue to keep a careful eye on inflation, particularly because official data appear to understate rises in real-world costs. In addition to macroeconomic considerations, we feel several dominant investment themes, including geopolitical risk and business disruption, will persist in 2018.

Against this backdrop, we will continue to use our fundamental research and insights and our strong global network to help our clients balance risk and reward. Where appropriate, we will also seek to capitalize on volatility spikes and prepare to trim exposure to risky assets if cyclical data start to lose momentum.

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

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

We remain dedicated to serving your investment needs.

Sincerely,

Thomas J. Fuccillo
President & Chief Executive Officer

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Fund Insights

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

February 28, 2018 (unaudited)

AllianzGI Convertible & Income 2024 Target Term Fund

For the period from inception on June 30, 2017 through February 28, 2018, as provided by Doug Forsyth, CFA, Portfolio Manager.

For the period since the Fund's inception through February 28, 2018, the AllianzGI Convertible & Income 2024 Target Term Fund (the Fund) returned 2.87% on net asset value (NAV) and -4.59% on market price.

Market Environment

Several factors influenced convertible bonds, high-yield bonds, and senior secured loans throughout the reporting period, including constructive economic trends, corporate fundamentals, the US Federal Reserve's (the Fed) actions and commentary, tax reform and rising commodity prices.

Strong US economic trends supported the market over the reporting period. Key manufacturing and service surveys signaled ongoing expansion and housing prices rose. The unemployment rate continued to decline, consumer confidence remained elevated and inflation remained relatively stable.

Credit and profitability trends showed sustained improvement during the reporting period with most convertible, high-yield bond, and senior secured loan issuers reporting financial results that met or exceeded expectations. In particular, net leverage and interest coverage for the high-yield market were better quarter-over-quarter.

The Fed increased its benchmark interest rate three times in 2017, ending the year with a range of 1.25% to 1.50%. The Fed also began to

trim its balance sheet holdings, starting with a \$10 billion reduction in October 2017.

All three markets also benefited from optimism tied to tax reform progress and the resulting expectation of greater corporate profitability. The Tax Cuts and Jobs Act included several positive elements such as a reduction in the corporate tax rate and the immediate expensing of capital expenditures. However, the bill placed limits on the deductibility of interest expense. On balance, the prospect of US companies capturing tax savings lifted investor sentiment.

Crude oil prices rose during the reporting period and in January 2018 reached levels not seen since 2014, which benefited energy- and commodity-related issuers.

Portfolio Specifics

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The Fund was a natural beneficiary of investors' increased appetite for risk assets. The convertible, high-yield bond, and senior secured loan asset classes all finished the reporting period higher. In addition to providing a strong total return, the Fund also provided a high level of income over the reporting period.

In the convertible bond sleeve, sectors that contributed positively to relative performance were energy, materials, and industrials. On the other hand, transportation, media, and utilities pressured relative performance.

In the high-yield bond sleeve, industry exposure that helped relative performance included healthcare, financial services, and technology and electronics. Conversely, the telecommunication, energy, and support-services industries hindered relative performance.

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In the senior secured loan sleeve, all industries were positive. The top-contributing industries included technology and electronics, healthcare, and trucking and delivery.

Outlook

At the end of the reporting period, US stock markets were trading near all-time highs and interest rates were above their prior lows on an improving economic outlook. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

We believe the US economy will expand at a moderate pace in 2018 given favorable economic indicators exiting 2017. We believe the impact of tax cuts, progress toward an infrastructure spending bill and continued deregulation efforts could result in even stronger US growth. Conversely, potential risks to the economy include geopolitical and US political missteps, monetary policy surprises by the Fed or unexpected high rates of inflation.

After bottoming in the second quarter of 2016, corporate profits have accelerated through the fourth quarter of 2017. Based on bottom-up estimates, we believe earnings are poised to trend higher throughout 2018.

AllianzGI Convertible & Income Fund / AllianzGI Convertible & Income Fund II

For the period of March 1, 2017, through February 28, 2018, as provided by Doug Forsyth, CFA, Portfolio Manager.

For the twelve-month period ended February 28, 2018, the AllianzGI Convertible & Income Fund returned 7.04% on net asset value (NAV) and 12.22% on market price.

For the twelve-month period ended February 28, 2018, the AllianzGI Convertible & Income Fund II returned 7.33% on NAV and 10.84% on market price.

Market Environment

Several factors influenced convertible bonds and high-yield bonds throughout the reporting period, including constructive economic trends, corporate fundamentals, the US Federal Reserve's (the Fed) actions and commentary, tax reform and rising commodity prices.

Strong US economic trends supported the market over the reporting period. Key manufacturing and service surveys signaled ongoing expansion and housing prices rose. The unemployment rate continued to decline, consumer confidence remained elevated and inflation remained relatively stable.

Credit and profitability trends showed sustained improvement during the reporting period with most convertible and high-yield bond issuers reported financial results that met or exceeded expectations. In particular, net leverage and interest coverage for the high-yield market were better quarter-over-quarter.

The Fed increased its benchmark interest rate three times in 2017, ending the year with a range of 1.25% to 1.50%. The Fed also began to trim its balance sheet holdings, starting with a \$10 billion reduction in October.

Both markets also benefited from optimism tied to tax reform progress and the resulting expectation of greater corporate profitability. The Tax Cuts and Jobs Act included several positive elements such as a reduction in the corporate tax rate and the immediate expensing of capital expenditures. However, the bill placed limits on the deductibility of interest expense. On balance, the prospect of US companies capturing tax savings lifted investor

sentiment.

Crude oil prices rose during the reporting period and in January reached levels not seen since 2014, which benefited energy- and commodity-related issuers.

Portfolio Specifics

The Funds were natural beneficiaries of investors' increased risk appetite across the convertible and high-yield bond asset classes. In addition to providing a strong total return, the Funds also provided a high level of income over the reporting period.

In the convertible sleeve, sectors that contributed positively to relative performance were consumer discretionary, healthcare, and media. On the other hand, technology, telecommunication, and financials sectors pressured relative performance.

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In the high-yield bond sleeve, industries that aided relative performance were financial services, retail, and healthcare. In contrast, printing and publishing, telecommunications, and support-services hampered relative performance.

Outlook

At the end of the reporting period, US stock markets were trading near all-time highs and interest rates were above their prior lows on an improving economic outlook. Historically, these factors have been positive indicators for both economic and corporate earnings growth and supportive of investments in risk assets.

We believe the US economy will expand at a moderate pace in 2018 given favorable economic indicators exiting 2017. Corporate profits have accelerated and based on bottom-up estimates, earnings are poised to trend higher throughout 2018.

In addition, US monetary policy continues to be modestly accommodative with the Fed and new Chair Jerome Powell expected to take a gradual approach toward policy adjustments.

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Performance & Statistics

AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018 (unaudited)

Total Return⁽¹⁾:	Market Price	NAV
Commencement of Operations (6/30/17) to 2/28/18	-4.59%	2.87%

Market Price/NAV Performance:

Commencement of Operations (6/30/17) to 2/28/18

Market Price/NAV:

Market Price	\$9.22
NAV ⁽²⁾	\$9.79
Discount to NAV	-5.82%
Market Price Yield ⁽³⁾	5.99%
Leverage ⁽⁴⁾	28.05%

S&P Global Ratings*

(as a % of total investments)

See Notes to Performance & Statistics on page 10.

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Performance & Statistics

AllianzGI Convertible & Income Fund

February 28, 2018 (unaudited)

Total Return⁽¹⁾:	Market Price	NAV
1 Year	12.22%	7.04%
5 Year	6.69%	6.44%
10 Year	7.28%	6.82%
Commencement of Operations (3/31/03) to 2/28/18	7.72%	7.77%

Market Price/NAV Performance:

Commencement of Operations (3/31/03) to 2/28/18

Market Price/NAV:

Market Price	\$6.93
NAV ⁽²⁾	\$6.54
Premium to NAV	5.96%
Market Price Yield ⁽³⁾	11.10%
Leverage ⁽⁵⁾	38.07%

S&P Global Ratings*

(as a % of total investments)

See Notes to Performance & Statistics on page 10.

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Performance & Statistics

AllianzGI Convertible & Income Fund II

February 28, 2018 (unaudited)

Total Return⁽¹⁾:	Market Price	NAV
1 Year	10.84%	7.33%
5 Year	5.67%	6.48%
10 Year	6.53%	6.17%
Commencement of Operations (7/31/03) to 2/28/18	6.51%	6.76%

Market Price/NAV Performance:

Commencement of Operations (7/31/03) to 2/28/18

Market Price/NAV:

Market Price	\$6.10
NAV ⁽²⁾	\$5.87
Premium to NAV	3.92%
Market Price Yield ⁽³⁾	10.01%
Leverage ⁽⁵⁾	38.37%

S&P Global Ratings*

(as a % of total investments)

See Notes to Performance & Statistics on page 10.

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Performance and Statistics

AllianzGI Convertible & Income Funds

February 28, 2018 (unaudited)

Notes to Performance & Statistics:

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

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

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

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

(2) The NAV disclosed in the Funds' financial statements may differ from this NAV due to accounting principles generally accepted in the United States of America.

(3) Market Price Yield is determined by dividing the annualized current monthly dividend per common share (comprised of net investment income) by the market price per common share at February 28, 2018.

(4) Represents amounts drawn under the short-term margin loan facility (Leverage) outstanding, as a percentage of total managed assets. Total managed assets refer to total assets (including assets attributable to Leverage) minus liabilities (other than liabilities representing Leverage).

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

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AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018

Principal Amount (000s)		Value
Corporate Bonds & Notes 58.9%		
Aerospace & Defense 1.7%		
\$1,500	KLX, Inc., 5.875%, 12/1/22 (a)(c)(d)	\$1,550,625
1,500	TransDigm, Inc., 6.50%, 7/15/24 (d)	1,550,625
		3,101,250
Auto Components 0.9%		
1,500	American Axle & Manufacturing, Inc., 6.625%, 10/15/22 (d)	1,552,500
Building Materials 0.8%		
1,500	Builders FirstSource, Inc., 5.625%, 9/1/24 (a)(c)(d)	1,531,875
Chemicals 3.5%		
1,500	Chemours Co., 6.625%, 5/15/23 (d)	1,584,375
1,500	Platform Specialty Products Corp., 6.50%, 2/1/22 (a)(c)(d)	1,543,125
1,500	Tronox Finance LLC, 7.50%, 3/15/22 (a)(c)(d)	1,560,000
1,500	Univar USA, Inc., 6.75%, 7/15/23 (a)(c)(d)	1,565,625
		6,253,125
Computers 1.9%		
1,500	Dell International LLC, 7.125%, 6/15/24 (a)(c)(d)	1,620,347
1,500	Western Digital Corp., 10.50%, 4/1/24 (d)	1,745,625
		3,365,972
Diversified Financial Services 4.4%		
2,000	Community Choice Financial, Inc., 10.75%, 5/1/19 (d)	1,905,000
1,500	Nationstar Mortgage LLC, 7.875%, 10/1/20 (d)	1,540,313
2,000	Navient Corp., 7.25%, 9/25/23 (d)	2,135,000
2,000	Springleaf Finance Corp., 8.25%, 10/1/23 (d)	2,210,000
		7,790,313
Electric Utilities 0.9%		
1,500	NRG Energy, Inc., 6.25%, 5/1/24 (d)	1,560,000
Engineering & Construction 0.9%		
1,500	AECOM, 5.875%, 10/15/24 (d)	1,571,250
Entertainment 0.9%		
1,500	Cedar Fair L.P., 5.375%, 6/1/24 (d)	1,546,875
Healthcare-Services 5.3%		
1,500	Community Health Systems, Inc., 6.25%, 3/31/23 (d)	1,372,500
1,500	DaVita, Inc., 5.125%, 7/15/24 (d)	1,492,500
215	Encompass Health Corp., 5.75%, 11/1/24	218,762
1,500	Envision Healthcare Corp., 6.25%, 12/1/24 (a)(c)(d)	1,586,250
1,500	HCA, Inc., 7.50%, 2/15/22 (d)	1,663,125

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1,500	Kindred Healthcare, Inc., 8.75%, 1/15/23 (d)	1,612,500
1,500	Tenet Healthcare Corp., 8.125%, 4/1/22 (d)	1,584,375
		9,530,012
	Home Builders 1.5%	
1,000	Beazer Homes USA, Inc., 8.75%, 3/15/22 (d)	1,082,500
1,500	Lennar Corp., 5.875%, 11/15/24 (a)(c)	1,601,250
		2,683,750
	Internet & Catalog Retail 0.9%	
1,500	Netflix, Inc., 5.875%, 2/15/25	1,588,665

See accompanying Notes to Financial Statements | February 28, 2018 | Annual Report **11**

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AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018 (continued)

Principal Amount (000s)		Value
	Iron/Steel 1.6%	
\$1,500	AK Steel Corp., 7.50%, 7/15/23 (d)	\$1,608,750
1,193	United States Steel Corp., 8.375%, 7/1/21 (a)(c)(d)	1,279,493
		2,888,243
	Lodging 0.8%	
1,500	Wynn Las Vegas LLC, 5.50%, 3/1/25 (a)(c)(d)	1,524,375
	Machinery-Construction & Mining 1.1%	
2,000	Terex Corp., 5.625%, 2/1/25 (a)(c)(d)	2,022,500
	Media 5.2%	
1,500	CCO Holdings LLC, 5.75%, 1/15/24 (d)	1,530,000
1,500	Clear Channel Worldwide Holdings, Inc., 6.50%, 11/15/22, Ser. B (d)	1,548,750
1,500	CSC Holdings LLC, 6.75%, 11/15/21 (d)	1,581,563
1,500	DISH DBS Corp., 5.875%, 7/15/22 (d)	1,468,125
1,659	McClatchy Co., 9.00%, 12/15/22 (d)	1,737,802
1,500	Nexstar Broadcasting, Inc., 5.625%, 8/1/24 (a)(c)(d)	1,511,250
		9,377,490
	Mining 4.2%	
1,500	Alcoa Nederland Holding BV, 6.75%, 9/30/24 (a)(c)(d)	1,616,250
2,000	Constellium NV, 6.625%, 3/1/25 (a)(c)	2,075,000
2,000	Hudbay Minerals, Inc., 7.625%, 1/15/25 (a)(c)(d)	2,185,000
1,500	Joseph T. Ryerson & Son, Inc., 11.00%, 5/15/22 (a)(c)(d)	1,673,775
		7,550,025
	Miscellaneous Manufacturing 0.9%	
1,500	Koppers, Inc., 6.00%, 2/15/25 (a)(c)(d)	1,556,250
	Oil, Gas & Consumable Fuels 4.9%	
1,500	Callon Petroleum Co., 6.125%, 10/1/24	1,537,500
1,500	Calumet Specialty Products Partners L.P., 6.50%, 4/15/21	1,470,000
1,500	Carrizo Oil & Gas, Inc., 6.25%, 4/15/23 (d)	1,511,250
1,500	Continental Resources, Inc., 5.00%, 9/15/22 (d)	1,526,250
825	CVR Refining LLC, 6.50%, 11/1/22	848,719
280	Noble Holding International Ltd., 7.75%, 1/15/24	256,200
1,500	Oasis Petroleum, Inc., 6.875%, 3/15/22 (d)	1,540,312
		8,690,231
	Pharmaceuticals 2.0%	
2,000	Horizon Pharma, Inc., 6.625%, 5/1/23	2,010,000
1,500	Valeant Pharmaceuticals International, Inc., 7.50%, 7/15/21 (a)(c)(d)	1,513,125
		3,523,125

Real Estate 1.9%		
1,500	Kennedy-Wilson, Inc., 5.875%, 4/1/24 (d)	1,505,625
1,950	Uniti Group L.P., 8.25%, 10/15/23 (d)	1,828,125
		3,333,750
Retail 1.1%		
2,000	Conn s, Inc., 7.25%, 7/15/22 (d)	1,990,000
Semiconductors 0.9%		
1,515	Advanced Micro Devices, Inc., 7.00%, 7/1/24	1,592,644
Software 3.5%		
2,000	Camelot Finance S.A., 7.875%, 10/15/24 (a)(c)	2,125,600

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AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018 (continued)

Principal Amount (000s)		Value
	Software (continued)	
\$1,500	First Data Corp., 7.00%, 12/1/23 (a)(c)(d)	\$1,580,625
1,000	Rackspace Hosting, Inc., 8.625%, 11/15/24 (a)(c)	1,045,000
1,500	SS&C Technologies Holdings, Inc., 5.875%, 7/15/23 (d)	1,584,375
		6,335,600
	Telecommunications 6.3%	
2,000	CenturyLink, Inc., 7.50%, 4/1/24, Ser. Y (d)	2,015,000
1,500	Cincinnati Bell, Inc., 7.00%, 7/15/24 (a)(c)(d)	1,427,250
2,000	Consolidated Communications, Inc., 6.50%, 10/1/22 (d)	1,760,000
2,000	GTT Communications, Inc., 7.875%, 12/31/24 (a)(c)(d)	2,083,750
1,500	Hughes Satellite Systems Corp., 7.625%, 6/15/21 (d)	1,620,000
1,500	Sprint Corp., 7.125%, 6/15/24 (d)	1,480,312
1,620	Windstream Services LLC, 6.375%, 8/1/23 (a)(c)	915,300
		11,301,612
	Transportation 0.9%	
1,500	XPO Logistics, Inc., 6.50%, 6/15/22 (a)(c)(d)	1,564,500
	Total Corporate Bonds & Notes (cost-\$107,312,512)	105,325,932
	Convertible Bonds & Notes 56.9%	
	Auto Components 1.3%	
2,825	Horizon Global Corp., 2.75%, 7/1/22 (d)	2,300,609
	Auto Manufacturers 0.6%	
1,000	Navistar International Corp., 4.75%, 4/15/19 (d)	1,040,174
	Biotechnology 2.6%	
2,500	Exact Sciences Corp., 1.00%, 1/15/25	2,279,687
1,500	Innoviva, Inc., 2.125%, 1/15/23 (d)	1,556,471
1,000	PTC Therapeutics, Inc., 3.00%, 8/15/22 (d)	880,000
		4,716,158
	Commercial Services 2.0%	
2,500	Macquarie Infrastructure Corp., 2.00%, 10/1/23	2,261,640
1,250	Team, Inc., 5.00%, 8/1/23 (a)(c)	1,350,296
		3,611,936
	Computers 1.1%	
2,000	KeyW Holding Corp., 2.50%, 7/15/19 (d)	1,922,236
	Distribution/Wholesale 1.7%	
3,000	Titan Machinery, Inc., 3.75%, 5/1/19 (d)	2,980,062
	Diversified Financial Services 3.1%	
2,550	Encore Capital Group, Inc., 2.875%, 3/15/21 (d)	2,541,786

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3,000	PRA Group, Inc., 3.00%, 8/1/20 (d)	2,919,849
		5,461,635
	Electrical Equipment 1.5%	
3,215	SunPower Corp., 4.00%, 1/15/23 (d)	2,602,221
	Electronics 0.8%	
1,500	OSI Systems, Inc., 1.25%, 9/1/22 (a)(c)	1,347,188
	Energy-Alternate Sources 3.3%	
500	NextEra Energy Partners L.P., 1.50%, 9/15/20 (a)(c)	490,002
3,000	Pattern Energy Group, Inc., 4.00%, 7/15/20	2,988,498
2,500	SolarCity Corp., 1.625%, 11/1/19 (d)	2,343,420
		5,821,920

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AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018 (continued)

Principal Amount (000s)		Value
	Equity Real Estate Investment Trusts (REITs) 7.8%	
\$2,850	IAS Operating Partnership L.P., 5.00%, 3/15/18 (a)(c)(d)	\$2,857,125
3,000	PennyMac Corp., 5.375%, 5/1/20 (d)	3,003,753
1,000	Redwood Trust, Inc., 4.75%, 8/15/23	962,200
2,850	Starwood Property Trust, Inc., 4.375%, 4/1/23 (d)	2,878,372
2,750	Two Harbors Investment Corp., 6.25%, 1/15/22 (d)	2,827,146
1,500	Western Asset Mortgage Capital Corp., 6.75%, 10/1/22	1,479,000
		14,007,596
	Healthcare/Healthcare Distributors 1.5%	
3,100	Aceto Corp., 2.00%, 11/1/20 (d)	2,743,199
	Insurance 2.3%	
1,500	AmTrust Financial Services, Inc., 2.75%, 12/15/44 (d)	1,319,654
3,000	HCI Group, Inc., 4.25%, 3/1/37 (a)(c)	2,724,996
		4,044,650
	Internet 2.8%	
3,000	FireEye, Inc., 1.625%, 6/1/35, Ser. B (d)	2,795,424
2,500	Pandora Media, Inc., 1.75%, 12/1/20 (d)	2,266,250
		5,061,674
	Investment Companies 5.1%	
2,900	Goldman Sachs BDC, Inc., 4.50%, 4/1/22	2,948,395
3,000	Prospect Capital Corp., 4.95%, 7/15/22 (d)	3,006,411
3,000	TPG Specialty Lending, Inc., 4.50%, 8/1/22 (a)	3,098,169
		9,052,975
	Oil, Gas & Consumable Fuels 7.2%	
1,500	Ensco Jersey Finance Ltd., 3.00%, 1/31/24	1,241,250
3,000	Green Plains, Inc., 4.125%, 9/1/22	2,991,477
3,000	Helix Energy Solutions Group, Inc., 4.25%, 5/1/22 (d)	2,833,827
3,425	Nabors Industries, Inc., 0.75%, 1/15/24 (a)(c)(d)	2,613,200
3,150	PDC Energy, Inc., 1.125%, 9/15/21 (d)	3,188,253
		12,868,007
	Pharmaceuticals 4.8%	
2,000	Depomed, Inc., 2.50%, 9/1/21	1,655,890
1,750	DexCom, Inc., 0.75%, 5/15/22 (a)(c)	1,636,607
3,250	Horizon Pharma Investment Ltd., 2.50%, 3/15/22 (d)	3,010,312
1,000	Jazz Investments I Ltd., 1.50%, 8/15/24 (a)(c)	953,798
1,500	Pacira Pharmaceuticals, Inc., 2.375%, 4/1/22 (a)(c)	1,381,760
		8,638,367

Retail 0.5%		
1,000	RH, zero coupon, 7/15/20 (a)(c)	965,676
Semiconductors 3.7%		
2,000	Inphi Corp., 0.75%, 9/1/21	1,843,240
1,750	Synaptics, Inc., 0.50%, 6/15/22 (a)(c)	1,685,598
3,300	Veeco Instruments, Inc., 2.70%, 1/15/23 (d)	3,059,305
		6,588,143
Software 1.1%		
2,000	Evolent Health, Inc., 2.00%, 12/1/21	2,057,094

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AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018 (continued)

Principal Amount (000s)		Value
	Transportation 2.1%	
\$3,000	Echo Global Logistics, Inc., 2.50%, 5/1/20 (d)	\$3,072,003
750	Teekay Corp., 5.00%, 1/15/23 (a)(c)	719,456
		3,791,459
	Total Convertible Bonds & Notes (cost-\$101,701,569)	101,622,979
	Senior Loans (a)(b) 20.3%	
	Aerospace & Defense 0.5%	
912	Engility Corp., 1 mo. LIBOR + 3.250%, 4.898%, 8/12/23, Term Loan B2	920,895
	Airlines 0.6%	
995	Delta Air Lines, Inc., 1 mo. LIBOR + 2.500%, 4.09%, 10/18/18, 2018 Term Loan B1	1,001,046
	Automobiles 0.5%	
	Winnebago Industries, Inc., 11/8/23, 2017 Term Loan B	
317	1 mo. LIBOR + 3.500%, 5.0793%	321,655
598	3 mo. LIBOR + 3.500%, 5.0226%	607,570
		929,225
	Building Materials 0.6%	
995	GYP Holdings III Corp., 3 mo. LIBOR + 3.000%, 4.772%, 4/1/23, 2017 Term Loan	1,002,296
	Building Products 0.5%	
839	Ply Gem Industries, Inc., 3 mo. LIBOR + 3.000%, 4.693%, 2/1/21, Term Loan B	843,961
	Chemicals 0.8%	
	Kraton Polymers LLC, 1 mo. LIBOR + 3.000%, 4.648%, 1/6/22, 2017 USD Term	
547	Loan B	550,883
	Omnova Solutions Inc., 1 mo. LIBOR + 4.250%, 5.898%, 8/28/23, 2016 Term	
877	Loan B2	884,422
		1,435,305
	Commercial Services & Supplies 0.5%	
	Advanced Disposal Services, Inc., 1 Week LIBOR + 2.250%, 3.721%, 11/10/23,	
995	Term Loan B3	999,978
	Diversified Consumer Services 0.4%	
	Laureate Education, Inc., 1 mo. LIBOR + 3.500%, 5.148%, 4/26/24, 2017 Term Loan	
776	B	781,569
	Electronic Equipment, Instruments & Components 0.5%	
	Zebra Technologies Corp., 3 mo. LIBOR + 2.000%, 3.753%, 10/27/21, 2017 Term	
841	Loan B	846,062
	Electronics 0.5%	
975	Kemet Electronic Corp., 1 mo. LIBOR + 6.000%, 7.648%, 4/26/24, Term Loan B	993,281
	Food & Staples Retailing 0.6%	

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995	US Foods, Inc., 1 mo. LIBOR + 2.50%, 4.148%, 6/27/23, 2016 Term Loan B	1,003,994
	Healthcare Providers & Services 0.6%	
	Select Medical Corporation, 3/6/24, 2017 Term Loan B	
992	3 mo. LIBOR + 3.500%, 5.21%	998,245
3	2 mo. LIBOR + 3.500%, 5.13%	2,632
	PRIME + 2.500%, 7.00%	329
		1,001,206
	Healthcare-Products 0.5%	
909	Greatbatch Ltd., 1 mo. LIBOR + 3.250%, 4.83%, 10/27/22, 2017 1st Lien Term Loan B	918,492

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AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018 (continued)

Principal Amount (000s)		Value
	Hotels, Restaurants & Leisure 3.3%	
	1011778 B.C. Unlimited Liability Company, 2/16/24, Term Loan B3	
\$390	3 mo. LIBOR + 2.250%, 3.943%	\$391,403
607	1 mo. LIBOR + 2.250%, 3.898%	608,822
929	Boyd Gaming Corp., 1 Week LIBOR + 2.500%, 3.974%, 9/15/23, Term Loan B	934,872
	Golden Entertainment, Inc., 1 mo. LIBOR + 3.00, 4.59%, 10/20/24, 2017 1st Lien	
1,000	Term Loan	1,007,190
	Playa Resorts Holding B.V., 4/5/24, 2017 Term Loan B	
993	3 mo. LIBOR + 3.25%, 5.00%	1,000,358
2	2 mo. LIBOR + 3.25%, 4.89%	2,517
	Scientific Games International, Inc., 3 mo. LIBOR + 2.75%, 4.324%, 8/14/24,	
998	2017 Term Loan B4	1,003,241
	Travelport Finance (Luxembourg) Sarl, 3 mo. LIBOR + 2.750%, 4.589%, 9/2/21,	
948	New 2017 Term Loan D	951,659
		5,900,062
	Internet 0.6%	
995	Everi Payments, Inc., 1 mo. LIBOR + 3.500%, 5.148%, 5/9/24, Term Loan B	1,004,642
	Internet Software & Services 1.1%	
972	Blucora, Inc., 3 mo. LIBOR + 3.000%, 4.693%, 5/22/24, Term Loan	979,314
	Match Group Inc., 1 mo. LIBOR + 2.500%, 4.088%, 11/16/22, 2017 Term Loan	
1,000	B	1,007,500
		1,986,814
	IT Services 1.1%	
	First Data Corporation, 1 mo. LIBOR + 2.250%, 3.871%, 4/26/24, 2024 USD	
923	Term Loan	925,912
	Xerox Business Services LLC, 1 mo. LIBOR + 3.000%, 4.648%, 12/7/23, USD	
995	Term Loan B	1,005,547
		1,931,459
	Leisure 0.6%	
	Planet Fitness Holdings LLC, 3/31/21, Incremental Term Loan B	
188	3 mo. LIBOR + 3.000%, 4.693%	190,271
807	1 mo. LIBOR + 3.000%, 4.648%	817,128
		1,007,399
	Machinery 1.1%	
	Gardner Denver, Inc., 3 mo. LIBOR + 2.750%, 4.443%, 7/30/24, 2017 USD Term	
998	Loan B	1,002,148
997		1,011,577

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Harsco Corporation, 1 mo. LIBOR + 3.000%, 4.688%, 12/6/24, 2017 Term Loan B1

		2,013,725
	Media 1.0%	
995	Gray Television, Inc., 1 mo. LIBOR + 2.250%, 3.83%, 2/7/24, 2017 Term Loan B2	1,002,233
722	Lions Gate Entertainment Corp., 1 mo. LIBOR + 2.250%, 3.898%, 12/8/23, 2017 Term Loan B	727,798
		1,730,031
	Pharmaceuticals 1.1%	
962	HLF Financing Sarl, 1 mo. LIBOR + 5.500%, 7.148%, 2/15/23, Term Loan B	969,300
948	Lannett Company, Inc., 1 mo. LIBOR + 5.375%, 7.023%, 11/25/22, Term Loan B	947,521
		1,916,821

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AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018 (continued)

Principal Amount (000s)		Value
	Retail 0.6%	
	CWGS Group LLC, 11/8/23, 2016 Term Loan	
\$5	1 mo. LIBOR + 3.000%, 4.65%	\$5,604
992	1 mo. LIBOR + 3.000%, 4.58%	1,002,371
		1,007,975
	Road & Rail 0.5%	
	YRC Worldwide, Inc., 7/24/22, 2017 Term Loan	
932	3 mo. LIBOR + 8.500%, 10.271%	941,309
7	1 mo. LIBOR + 8.500%, 10.148%	7,167
		948,476
	Semiconductors & Semiconductor Equipment 0.5%	
	Cypress Semiconductor Corp., 1 mo. LIBOR + 2.750%, 4.35%, 7/5/21, 2016 Term Loan B	
974		980,378
	Specialty Retail 1.1%	
	Burlington Coat Factory Warehouse Corporation, 3 mo. LIBOR + 2.500%, 4.09%, 11/17/24, 2017 Term Loan B5	
998		1,001,864
	National Vision, Inc., 1 mo. LIBOR + 2.75%, 4.398%, 11/20/24, 2017 Repriced Term Loan	
998		1,003,580
		2,005,444
	Textiles, Apparel & Luxury Goods 0.6%	
	G-III Apparel Group, Ltd., 12/1/22, Term Loan B	
753	3 mo. LIBOR + 5.25%, 7.063%	762,260
188	1 mo. LIBOR + 5.25%, 6.875%	190,565
188	3 mo. PRIME + 4.25%, 8.75%	190,565
		1,143,390
	Total Senior Loans (cost-\$36,168,464)	36,253,926
	Repurchase Agreements 1.8%	
	State Street Bank and Trust Co., dated 2/28/18, 0.20%, due 3/1/18, proceeds \$3,233,018; collateralized by U.S. Treasury Notes, 1.25%, due 7/31/23, valued at \$3,300,455 including accrued interest (cost-\$3,233,000)	
3,233		3,233,000
	Total Investments (cost-\$248,415,545) 137.9%	246,435,837
	Liabilities in excess of other assets (37.9)%	(67,675,565)
	Net Assets 100.0%	\$178,760,272

Notes to Schedule of Investments:

Less than \$500.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$98,335,937, representing 55.0% of net assets.
- (b) These securities generally pay interest at rates which are periodically pre-determined by reference to a base lending rate plus a premium. These base lending rates are generally either the lending rate offered by one or more major European banks, such as the LIBOR or the prime rate offered by one or more major United States banks, or the certificate of deposit rate. These securities are generally considered to be restricted as the Fund is ordinarily contractually obligated to receive approval from the Agent bank and/or borrower prior to disposition. Remaining maturities of senior loans may be less than the stated maturities shown as a result of contractual or optional payments by the borrower. Such prepayments cannot be predicted with certainty. The interest rate disclosed reflects the rate in effect on February 28, 2018.
- (c) 144A Exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Securities with an aggregate value of \$58,983,842, representing 33.0% of net assets.

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AllianzGI Convertible & Income 2024 Target Term Fund

February 28, 2018 (continued)

(d) All or partial amount segregated for the benefit of the counterparty as collateral for long-term and short-term loan financing.

(e) Fair Value Measurements-See Note 1(b) in the Notes to Financial Statements.

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value at 2/28/18
Investments in Securities				
Assets				
Corporate Bonds & Notes		\$105,325,932		\$105,325,932
Convertible Bonds & Notes		101,622,979		101,622,979
Senior Loans		36,253,926		36,253,926
Repurchase Agreements		3,233,000		3,233,000
Totals		\$246,435,837		\$246,435,837

Glossary:

LIBOR - London Inter-Bank Offered Rate

REIT - Real Estate Investment Trust

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AllianzGI Convertible & Income Fund

February 28, 2018

Principal Amount (000s)		Value
Corporate Bonds & Notes 40.3%		
Aerospace & Defense 1.0%		
\$7,540	TransDigm, Inc., 6.50%, 5/15/25	\$7,747,350
1,420	Triumph Group, Inc., 7.75%, 8/15/25	1,471,475
		9,218,825
Auto Manufacturers 0.5%		
4,660	Navistar International Corp., 6.625%, 11/1/25 (a)(b)	4,811,450
Building Materials 0.7%		
5,665	U.S. Concrete, Inc., 6.375%, 6/1/24	6,047,388
Chemicals 2.8%		
7,500	Chemours Co., 6.625%, 5/15/23	7,921,875
4,790	Kraton Polymers LLC, 7.00%, 4/15/25 (a)(b)	4,969,625
5,670	Platform Specialty Products Corp., 6.50%, 2/1/22 (a)(b)	5,833,013
6,720	Tronox Finance LLC, 7.50%, 3/15/22 (a)(b)	6,988,800
		25,713,313
Commercial Services 1.2%		
8,050	Conveo Corp., 6.00%, 5/15/24 (a)(b)(c)(h) (acquisition cost-\$11,247,777; purchased 3/22/12)	644,000
7,375	Monitronics International, Inc., 9.125%, 4/1/20	6,453,125
3,500	United Rentals North America, Inc., 5.50%, 7/15/25	3,618,125