UBS AG
Form 424B2
December 13, 2018

The information in this Preliminary Terms Supplement is not complete and may be changed. We may not sell these Securities until the Final Terms Supplement, the Prospectus Supplement, the accompanying Product Supplement and the Prospectus (collectively, the "Offering Documents") are delivered in final form. The Offering Documents are not an offer to sell these Securities, and we are not soliciting offers to buy these Securities in any state where the offer or sale is not permitted.

Subject to Completion
Dated December 13, 2018

PRELIMINARY TERMS SUPPLEMENT

Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-225551

Preliminary Terms Supplement

UBS AG Buffered Return Optimization Securities

UBS AG $ Securities linked to the common stock of Marvell Technology Group Ltd. due on or about December 18, 2019

Indicative Terms

Issuer	UBS AG, London Branch
Term	Approximately 12 months.
Underlying Asset	The common stock of Marvell Technology Group Ltd.
Trade Date	December 13, 2018 (subject to postponement in the event of a market disruption event, as described in the accompanying product supplement).
Settlement Date	December 17, 2018 (subject to postponement in the event of a market disruption event, as described in the accompanying product supplement).
Final Valuation Date	December 13, 2019 (subject to postponement in the event of a market disruption event, as described in the accompanying product supplement).
Maturity Date	December 18, 2019 (subject to postponement in the event of a market disruption event, as described in the accompanying product supplement).
Principal Amount	$10 per Security. The Securities are offered at a minimum investment of 100 Securities at $10 per Security (representing a $1,000 investment) and integral multiples of $10 in excess thereof.
Payment at Maturity (per Security)	On the maturity date,
	if the underlying return is positive, UBS will pay you a cash payment for each Security you hold equal to $10 + ($10 x the lesser of (a) Underlying Return x Multiplier and (b) Maximum Gain);

	if the underlying return is zero or negative and the percentage decline from the initial level to the final level is equal to or less than the buffer percentage, UBS will pay you a cash payment for each Security you hold equal to your principal amount; or if the underlying return is negative and the percentage decline from the initial level to the final level is greater than the buffer percentage, UBS will pay you a cash payment for each Security you hold equal to $10 + [$10 x (Underlying Return + Buffer Percentage)]. **Investors will be exposed to any percentage decline in the level of the underlying asset in excess of the buffer percentage from the trade date to the final valuation date. Specifically, if the percentage decline of the underlying asset from the initial level to the final level is greater than the buffer percentage, you will lose a percentage of your principal amount equal to the percentage decline in excess of the buffer percentage, and in extreme situations, you could lose almost all of your initial investment.**
Underlying Return	The quotient, expressed as a percentage, of the following formula: (Final Level - Initial Level) / Initial Level
Initial Level	The closing level of the underlying asset on the trade date, as determined by the calculation agent and as may be adjusted in the case of certain corporate events, as described in the accompanying product supplement.
Final Level	The closing level of the underlying asset on the final valuation date, as determined by the calculation agent and subject to adjustments in the case of certain corporate events, as described in the accompanying product supplement.
Closing Level	On any trading day, generally the last reported sale price (or, in the case of NASDAQ, the official closing price) of the underlying asset during the principal trading session on the principal national securities exchange on which it is listed for trading, as determined by the calculation agent.
Multiplier	5.00
Maximum Gain	17.86% to 18.89%. The actual maximum gain will be set on the trade date.
Buffer Percentage	10.00%
CUSIP	[ ]
ISIN	[ ]
Valoren	[ ]

Notice to investors: the Securities are significantly riskier than conventional debt instruments. UBS is not necessarily obligated to repay the full amount of your initial investment at maturity, and the Securities have downside market risk similar to an investment in the underlying asset subject to the buffer percentage. This market risk is in addition to the credit risk inherent in purchasing a debt obligation of UBS. You should not purchase the Securities if you do not understand or are not comfortable with the significant risks involved in investing in the Securities.

You should carefully consider the risks described under "Key Risks" beginning on page 4, under "Key Risks" beginning on page 4 of the BROS prospectus supplement and under "Risk Factors" beginning on page PS-9 of the accompanying product supplement before purchasing any Securities. Events relating to any of those risks, or other risks and uncertainties, could adversely affect the market value of, and the return on, your Securities. You may lose some or almost all of your initial investment in the Securities.

The estimated initial value based on an issuance size of approximately $100,000 of the Securities as of the trade date is expected to be between 93.33% and 95.83% of the issue price to the public for Securities linked to the common stock of Marvell Technology Group Ltd.. The range of the estimated initial value of the Securities was determined on the date of this preliminary terms supplement by reference to UBS' internal pricing models, inclusive of the internal funding rate. For more information about secondary market offers and the estimated initial value of the Securities, see

"Key Risks - Fair value considerations" and "Key Risks - Limited or no secondary market and secondary market price considerations" on pages 4 and 5 of this preliminary terms supplement.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these Securities or passed upon the adequacy or accuracy of this preliminary terms supplement, or the previously delivered BROS prospectus supplement, the accompanying product supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The Securities are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

See "Additional Information about UBS and the Securities" on page 7. The Securities we are offering will have the terms set forth in the BROS prospectus supplement dated November 1, 2018 relating to the Securities, the accompanying product supplement, the accompanying prospectus and this preliminary terms supplement.

Offering of Securities	**Issue Price to Public**		**Underwriting Discount**		**Proceeds to UBS AG**	
	Total	**Per Security**	**Total**	**Per Security**	**Total**	**Per Security**
Securities linked to the common stock of Marvell Technology Group Ltd.	$	100%	$	2.00%	$	98.00%

UBS Financial Services Inc. UBS Investment Bank

Additional Information About UBS and the Securities

UBS has filed a registration statement (including a prospectus, as supplemented by a product supplement and a prospectus supplement for the Securities) with the Securities and Exchange Commission, or SEC, for the offering for which this preliminary terms supplement relates. Before you invest, you should read these documents and any other documents relating to the Securities that UBS has filed with the SEC for more complete information about UBS and this offering. You may obtain these documents for free from the SEC website at www.sec.gov. Our Central Index Key, or CIK, on the SEC website is 0001114446.

You may access these documents on the SEC web site at www.sec.gov as follows:

- BROS Prospectus Supplement dated November 1, 2018:
  http://www.sec.gov/Archives/edgar/data/1114446/000091412118002107/ub46175266-424b2.htm
- Market-Linked Securities product supplement dated October 31, 2018:
  http://www.sec.gov/Archives/edgar/data/1114446/000091412118002085/ub47016353-424b2.htm
- Prospectus dated October 31, 2018:
  http://www.sec.gov/Archives/edgar/data/1114446/000119312518314003/d612032d424b3.htm

References to "UBS", "we", "our" and "us" refer only to UBS AG and not to its consolidated subsidiaries. In this document, "Buffered Return Optimization Securities" or the "Securities" refer to the Securities that are offered *hereby. Also, references to the ”BROS prospectus supplement” mean the UBS prospectus supplement dated November 1, 2018, references to the ”Market-Linked Securities product supplement” mean the UBS product supplement, dated October 31, 2018, and references to “accompanying prospectus” mean the UBS prospectus, titled “Debt Securities and Warrants”, dated October 31, 2018.*

UBS reserves the right to change the terms of, or reject any offer to purchase, the Securities prior to their issuance. In the event of any changes to the terms of the Securities, UBS will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes in which case UBS may reject your offer to purchase.

Key Risks

An investment in the Securities involves significant risks. Some of the risks that apply to the Securities are summarized here and are comparable to the corresponding risks discussed in the “Key Risks” section of the BROS prospectus supplement, but we urge you to read the more detailed explanation of risks relating to the Securities generally in the “Risk Factors” section of the accompanying product supplement. We also urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Securities.

- **Risk of loss at maturity -** The Securities differ from ordinary debt securities in that UBS will not necessarily pay the principal amount of the Securities. UBS will only pay you the principal amount of your Securities at maturity if the percentage decline of the underlying asset from the initial level to the final level is equal to or less than the buffer percentage. If the percentage decline of the underlying asset from the initial level to the final level is greater than the buffer percentage, you will lose a percentage of your principal amount equal to the percentage decline in excess of the buffer percentage, and in extreme situations, you could lose almost all of your initial investment.
- **The stated payout from the issuer applies only if you hold your Securities to maturity -** You should be willing to hold your Securities to maturity. If you are able to sell your Securities prior to maturity in the secondary market, you may have to sell them at a loss relative to your initial investment even if the then-current percentage decline of the underlying asset from the initial level is equal to or less than the buffer percentage at that time.
- **The multiplier applies only if you hold your Securities to maturity -** You should be willing to hold your Securities to maturity. If you are able to sell your Securities prior to maturity in the secondary market, the price you receive will likely not reflect the full economic value of the multiplier, and the return you realize may be less than the return of the underlying asset times the multiplier even if the then-current underlying return is positive and does not exceed the maximum gain at that time. You can receive the full benefit of the multiplier, subject to the maximum gain, from UBS only if you hold your Securities to maturity.
- **Your potential return on the Securities is limited to the maximum gain -** The return potential of the Securities is limited to the maximum gain. Therefore, you will not benefit from any positive underlying return in excess of an amount that, when multiplied by the multiplier, exceeds the maximum gain and your return on the Securities may be less than a direct investment in the underlying asset.
- **No interest payments -** UBS will not pay any interest with respect to the Securities.
- **Greater expected volatility generally indicates an increased risk of loss at maturity -** "Volatility” refers to the frequency and magnitude of changes in the level of the underlying asset. The greater the expected volatility of the

underlying asset as of the trade date, the greater the expectation is as of the trade date that the percentage decline from the initial level to the final level could be greater than the buffer percentage and, as a consequence, indicates an increased risk of loss. However, the underlying asset's volatility can change significantly over the term of the Securities, and a relatively higher buffer percentage may not necessarily indicate that the Securities have a greater likelihood of a return of principal at maturity. You should be willing to accept the downside market risk of the underlying asset and the potential to lose some or all of your initial investment.

- **Credit risk of UBS -** The Securities are unsubordinated, unsecured debt obligations of UBS and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the Securities, including any repayment of principal at maturity, depends on the ability of UBS to satisfy its obligations as they come due. As a result, UBS's actual and perceived creditworthiness may affect the market value of the Securities. If UBS were to default on its obligations, you may not receive any amounts owed to you under the terms of the Securities and you could lose all of your initial investment.
- **Single equity risk -** The return on the Securities, which may be positive or negative, is directly linked to the performance of the underlying asset. The level of the underlying asset can rise or fall sharply due to factors specific to that underlying asset and the issuer of the underlying asset (the "underlying asset issuer"), such as equity price volatility, earnings, financial conditions, corporate, industry and regulatory developments, management changes and decisions and other events, as well as general market factors, such as general market volatility and levels, interest rates and economic and political conditions. You, as an investor in the Securities, should conduct your own investigation into the respective underlying asset issuer and the underlying asset for your Securities. For additional information regarding the underlying asset issuer, please see "Information about the Underlying Asset" and "Marvell Technology Group Ltd." in this preliminary terms supplement and the respective underlying asset issuer's SEC filings referred to in these sections. We urge you to review financial and other information filed periodically by the underlying asset issuer with the SEC.
- **Fair value considerations.**

- **The issue price you pay for the Securities will exceed their estimated initial value -** The issue price you pay for the Securities will exceed their estimated initial value as of the trade date due to the inclusion in the issue price of the underwriting discount, hedging costs, issuance costs and projected profits. As of the close of the relevant markets on the trade date, we will determine the estimated initial value of the Securities by reference to our internal pricing models and it will be set forth in the final terms supplement. The pricing models used to determine the estimated initial value of the Securities incorporate certain variables, including the level and volatility of the underlying asset, the expected dividends of the underlying asset, prevailing interest rates, the term of the Securities and our internal funding rate. Our internal funding rate is typically lower than the rate we would pay to issue conventional fixed or floating rate debt securities of a similar term. The underwriting discount, hedging costs, issuance costs, projected profits and the difference in rates will reduce the economic value of the Securities to you. Due to these factors, the estimated initial value of the Securities as of the trade date will be less than the issue price you pay for the Securities.
- **The estimated initial value is a theoretical price; the actual price that you may be able to sell your Securities in any secondary market (if any) at any time after the trade date may differ from the estimated initial value -** The value of your Securities at any time will vary based on many factors, including the factors described above and in "Single equity risk" above and is impossible to predict. Furthermore, the pricing models that we use are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, after the trade date, if you attempt to sell the Securities in the secondary market, the actual value you would receive may differ, perhaps materially, from the estimated initial value of the Securities determined by reference to our internal pricing models. The estimated initial value of the Securities does not represent a minimum or maximum price at which we or any of our affiliates would be willing to purchase your Securities in any secondary

market at any time.

- **Our actual profits may be greater or less than the differential between the estimated initial value and the issue price of the Securities as of the trade date -** We may determine the economic terms of the Securities, as well as hedge our obligations, at least in part, prior to pricing the Securities on the trade date. In addition, there may be ongoing costs to us to maintain and/or adjust any hedges and such hedges are often imperfect. Therefore, our actual profits (or potentially, losses) in issuing the Securities cannot be determined as of the trade date and any such differential between the estimated initial value and the issue price of the Securities as of the trade date does not reflect our actual profits. Ultimately, our actual profits will be known only at the maturity of the Securities.

- **Limited or no secondary market and secondary market price considerations.**

- **There may be little or no secondary market for the Securities -** The Securities will not be listed or displayed on any securities exchange or any electronic communications network. There can be no assurance that a secondary market for the Securities will develop. UBS Securities LLC and its affiliates may make a market in each offering of the Securities, although they are not required to do so and may stop making a market at any time. If you are able to sell your Securities prior to maturity, you may have to sell them at a substantial loss. The estimated initial value of the Securities does not represent a minimum or maximum price at which we or any of our affiliates would be willing to purchase your Securities in any secondary market at any time.

- **The price at which UBS Securities LLC and its affiliates may offer to buy the Securities in the secondary market (if any) may be greater than UBS' valuation of the Securities at that time, greater than any other secondary market prices provided by unaffiliated dealers (if any) and, depending on your broker, greater than the valuation provided on your customer account statements -** For a limited period of time following the issuance of the Securities, UBS Securities LLC or its affiliates may offer to buy or sell such Securities at a price that exceeds (i) our valuation of the Securities at that time based on our internal pricing models, (ii) any secondary market prices provided by unaffiliated dealers (if any) and (iii) depending on your broker, the valuation provided on customer account statements. The price that UBS Securities LLC may initially offer to buy such Securities following issuance will exceed the valuations indicated by our internal pricing models due to the inclusion for a limited period of time of the aggregate value of the underwriting discount, hedging costs, issuance costs and theoretical projected trading profit. The portion of such amounts included in our price will decline to zero on a straight line basis over a period ending no later than the date specified under "Supplemental Plan of Distribution (Conflicts of Interest); Secondary Markets (if any)." Thereafter, if UBS Securities LLC or an affiliate makes secondary markets in the Securities, it will do so at prices that reflect our estimated value determined by reference to our internal pricing models at that time. The temporary positive differential relative to our internal pricing models arises from requests from and arrangements made by UBS Securities LLC with the selling agents of structured debt securities such as the Securities. As described above, UBS Securities LLC and its affiliates are not required to make a market for the Securities and may stop making a market at any time. The price at which UBS Securities LLC or an affiliate may make secondary markets at any time (if at all) will also reflect its then current bid-ask spread for similar sized trades of structured debt securities. UBS Financial Services Inc. and UBS Securities LLC reflect this temporary positive differential on their customer statements. Investors should inquire as to the valuation provided on customer account statements provided by unaffiliated dealers.

- **Price of Securities prior to maturity -** The market price of the Securities will be influenced by many unpredictable and interrelated factors, including the level of the underlying asset; the volatility of the underlying asset; the dividend rate paid on the underlying asset; the time remaining to the maturity of the Securities; interest rates in the markets; geopolitical conditions and economic, financial, political, force majeure and regulatory or judicial events; the creditworthiness of UBS and the then current bid-ask spread for the Securities.
- **Impact of fees and the use of internal funding rates rather than secondary market credit spreads on secondary market prices -** All other things being equal, the use of the internal funding rates described above under "- Fair value considerations" as well as the inclusion in the issue price of the underwriting discount, hedging costs, issuance costs and any projected profits are, subject to the temporary mitigating effect of UBS Securities LLC's and its affiliates' market making premium, expected to reduce the price at which you may be able to sell the Securities in any secondary market.

- **Owning the Securities is not the same as owning the underlying asset -** The return on your Securities may not reflect the return you would realize if you actually owned the underlying asset. For instance, you will not benefit from any positive underlying return in excess of an amount that, when multiplied by the multiplier, exceeds the maximum gain. Furthermore, you will not receive or be entitled to receive any dividend payments or other distributions during the term of the Securities, and any such dividends or distributions will not be factored into the calculation of the payment at maturity on your Securities. In addition, as an owner of the Securities, you will not have voting rights or any other rights that a holder of the underlying asset may have.
- **No assurance that the investment view implicit in the Securities will be successful -** It is impossible to predict whether and the extent to which the level of the underlying asset will rise or fall and there can be no assurance that any percentage decline of the underlying asset from the initial level to the final level will be equal to or less than the buffer percentage. The level of the underlying asset will be influenced by complex and interrelated political, economic, financial and other factors that affect the underlying asset issuer. You should be willing to accept the risks of owning equities in general and the underlying asset in particular, and to assume the risk of losing some or almost all of your initial investment.
- **The calculation agent can make antidilution and reorganization adjustments that affect the payment to you at maturity -** For antidilution and reorganization events affecting the underlying asset, the calculation agent may make adjustments to the initial level and/or the final level, as applicable and any other term of the Securities. However, the calculation agent will not make an adjustment in response to every corporate event that could affect the underlying asset. If an event occurs that does not require the calculation agent to make an adjustment, the value of the Securities and your payment at maturity may be materially and adversely affected. In addition, all determinations and calculations concerning any such adjustments will be made by the calculation agent. You should be aware that the calculation agent may make any such adjustment, determination or calculation in a manner that differs from that discussed in the accompanying product supplement, the BROS prospectus supplement or this preliminary terms supplement as necessary to achieve an equitable result. Following certain reorganization events relating to the underlying asset issuer where such issuer is not the surviving entity, the amount of cash you receive at maturity may be based on the equity security of a successor to the respective underlying asset issuer in combination with any cash or any other assets distributed to holders of the underlying asset in such reorganization event. If the underlying asset issuer becomes subject to (i) a reorganization event whereby the underlying asset is exchanged solely for cash, (ii) a merger or consolidation with UBS or any of its affiliates, or (iii) the underlying asset is delisted or otherwise suspended from trading, the amount you receive at maturity may be based on a

substitute security. The occurrence of any antidilution or reorganization event and the consequent adjustments may materially and adversely affect the value of the Securities and your payment at maturity, if any. For more information, see the sections "General Terms of the Securities - Antidilution Adjustments for Securities Linked to an Underlying Asset or Equity Basket Asset" and "- Reorganization Events for Securities Linked to an Underlying Asset or Equity Basket Asset" in the accompanying product supplement.

- **Risks associated with non-U.S. securities markets -** The Securities are linked to the ADRs of a non-U.S. company or to the common stock of a non-U.S. company traded on a U.S. exchange. An investment in securities linked directly or indirectly to the value of non-U.S. equity securities involves particular risks. For example, the non-U.S. securities markets may be more volatile than the U.S. securities markets, and market developments may affect these markets differently from the U.S. or other securities markets. Direct or indirect government intervention to stabilize the securities markets outside the U.S., as well as cross-shareholdings in certain companies, may affect trading prices and trading volumes in those markets. Also, the public availability of information concerning the non-U.S. issuers may vary depending on their home jurisdiction and the reporting requirements imposed by their respective regulators. Securities prices generally are subject to political, economic, financial and social factors that apply to the markets in which they trade and, to a lesser extent, non-U.S. markets. Securities prices outside the U.S. are subject to political, economic, financial and social factors that apply in non-U.S. countries. These factors, which could negatively affect non-U.S. securities markets, include the possibility of changes in a non-U.S. government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to non-U.S. companies or investments in non-U.S. equity securities and the possibility of fluctuations in the rate of exchange between currencies. Moreover, non-U.S. economies may differ favorably or unfavorably from the U.S. economy in important respects such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.
- **There is no affiliation between the underlying asset issuer and UBS, and UBS is not responsible for any disclosure by such issuer -** We and our affiliates may currently, or from time to time in the future engage in business with the underlying asset issuer. However, we are not affiliated with the underlying asset issuer and are not responsible for such issuer's public disclosure of information, whether contained in SEC filings or otherwise. You, as an investor in the Securities, should conduct your own investigation into the underlying asset and the underlying asset issuer. The underlying asset issuer is not involved in the Securities offered hereby in any way and has no obligation of any sort with respect to your Securities. The underlying asset issuer has no obligation to take your interests into consideration for any reason, including when taking any corporate actions that might affect the value of, and any amounts payable on, your Securities.
- **Potential UBS impact on the market price of the underlying asset -** Trading or transactions by UBS or its affiliates in the underlying asset, listed and/or over-the-counter options, futures or other instruments with returns linked to the performance of the underlying asset may adversely affect the market price of the underlying asset and, therefore, the market value of, and any amounts payable on, your Securities.
- **Potential conflict of interest -** UBS and its affiliates may engage in business with the issuer of the underlying asset, which may present a conflict between the obligations of UBS and you, as a holder of the Securities. There are also potential conflicts of interest between you and the calculation agent, which will be an affiliate of UBS. The calculation agent will determine the underlying return and the payment at maturity based on the closing level of the underlying asset on the final valuation date. The calculation agent can postpone the determination of the initial level, buffer percentage and/or maximum gain on the trade date and the final level on the final valuation date, if a market disruption event occurs and is continuing on that day and may make adjustments to the initial level, final level and the underlying asset itself for antidilution and reorganization events affecting the underlying asset. For more information, see the "General Terms of the Securities - Antidilution Adjustments for Securities Linked to an Underlying Equity or Equity Basket Asset" and " - Reorganization Events for Securities Linked to an Underlying Equity or Equity Basket Asset" in the accompanying product supplement. As UBS determines the economic terms of the Securities, including the maximum gain, buffer percentage and multiplier, and such terms include the underwriting discount, hedging costs, issuance costs and projected profits, the Securities represent a package of economic terms. There are other potential conflicts of interest insofar as an investor could potentially get better economic terms if that investor entered into exchange-traded and/or OTC derivatives or other instruments with third parties, assuming that such instruments were available and the investor had the ability to assemble and enter into

such instruments.

- **Potentially inconsistent research, opinions or recommendations by UBS -** UBS and its affiliates publish research from time to time on financial markets and other matters that may influence the value of the Securities, or express opinions or provide recommendations that are inconsistent with purchasing or holding the Securities. Any research, opinions or recommendations expressed by UBS or its affiliates may not be consistent with each other and may be modified from time to time without notice. Investors should make their own independent investigation of the merits of investing in the Securities and the underlying asset to which the Securities are linked.
- **The Securities are not bank deposits -** An investment in the Securities carries risks which are very different from the risk profile of a bank deposit placed with UBS or its affiliates. The Securities have different yield and/or return, liquidity and risk profiles and would not benefit from any protection provided to deposits.
- **If UBS experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings in respect of, and/or impose protective measures in relation to, UBS, which proceedings or measures may have a material adverse effect on the terms and market value of the Securities and/or the ability of UBS to make payments thereunder -** The Swiss Financial Market Supervisory Authority ("FINMA") has broad statutory powers to take measures and actions in relation to UBS if (i) it concludes that there is justified concern that UBS is over-indebted or has serious liquidity problems or (ii) UBS fails to fulfil the applicable capital adequacy requirements (whether on a standalone or consolidated basis) after expiry of a deadline set by FINMA. If one of these pre-requisites is met, FINMA is authorized to open restructuring proceedings or liquidation (bankruptcy) proceedings in respect of, and/or impose protective measures in relation to, UBS. The Swiss Banking Act grants significant discretion to FINMA in connection with the aforementioned proceedings and measures. In particular, a broad variety of protective measures may be imposed by FINMA, including a bank moratorium or a maturity postponement, which measures may be ordered by FINMA either on a stand-alone basis or in connection with restructuring or liquidation proceedings. The resolution regime of the Swiss Banking Act is further detailed in the FINMA Banking Insolvency Ordinance ("BIO-FINMA"). In a restructuring proceeding, FINMA, as resolution authority, is competent to approve the resolution plan. The resolution plan may, among other things, provide for (a) the transfer of all or a portion of UBS's assets, debts, other liabilities and contracts (which may or may not include the contractual relationship between UBS and the holders of Securities) to another entity, (b) a stay (for a maximum of two business days) on the termination of contracts to which UBS is a party, and/or the exercise of (w) rights to terminate, (x) netting rights, (y) rights to enforce or dispose of collateral or (z) rights to transfer claims, liabilities or collateral under contracts to which UBS is a party, (c) the conversion of UBS's debt and/or other obligations, including its obligations under the Securities, into equity (a "debt-to-equity" swap), and/or (d) the partial or full write-off of obligations owed by UBS (a "write-off"), including its obligations under the Securities. The BIO-FINMA provides that a debt-to-equity swap and/or a write-off of debt and other obligations (including the Securities) may only take place after (i) all debt instruments issued by UBS qualifying as additional tier 1 capital or tier 2 capital have been converted into equity or written-off, as applicable, and (ii) the existing equity of UBS has been fully cancelled. While the BIO-FINMA does not expressly address the order in which a write-off of debt instruments other than debt instruments qualifying as additional tier 1 capital or tier 2 capital should occur, it states that debt-to-equity swaps should occur in the following order: first, all subordinated claims not qualifying as regulatory capital; second, all other claims not excluded by law from a debt-to-equity swap (other than deposits); and third, deposits (in excess of the amount privileged by law). However, given the broad discretion granted to FINMA as the resolution authority, any restructuring plan in respect of UBS could provide that the claims under or in connection with the Securities will be partially or fully converted into equity or written-off, while preserving other obligations of UBS that rank pari passu with, or even junior to, UBS's obligations under the Securities. Consequently, holders of Securities may lose all of some of their investment in the Securities. In the case of restructuring proceedings with respect to a systemically important Swiss bank (such as UBS), the creditors whose claims are affected by the restructuring plan will not have a right to vote on, reject, or seek the suspension of the restructuring plan. In addition, if a restructuring plan has been approved by FINMA, the rights of a creditor to seek judicial review of the restructuring plan (e.g., on the grounds that the plan would unduly prejudice the rights of holders of Securities or otherwise be in violation of the Swiss Banking Act) are very limited. In particular, a court may not suspend the implementation of the restructuring plan. Furthermore, even if a creditor successfully challenges the restructuring plan, the court can only require the relevant creditor to be compensated ex post and there is currently no guidance as

to on what basis such compensation would be calculated or how it would be funded.

- **Dealer incentives -** UBS and its affiliates act in various capacities with respect to the Securities. We and our affiliates may act as a principal, agent or dealer in connection with the sale of the Securities. Such affiliates, including the sales representatives, will derive compensation from the distribution of the Securities and such compensation may serve as an incentive to sell these Securities instead of other investments. We will pay total underwriting compensation in an amount equal to the underwriting discount indicated on the cover hereof per Security to any of our affiliates acting as agents or dealers in connection with the distribution of the Securities. Given that UBS Securities LLC and its affiliates temporarily maintain a market making premium, it may have the effect of discouraging UBS Securities LLC and its affiliates from recommending sale of your Securities in the secondary market.
- **Uncertain tax treatment -** Significant aspects of the tax treatment of the Securities are uncertain. You should consult your tax advisor about your own tax situation. See the sections entitled ‘‘What are the Tax Consequences of the Securities?” herein and in the prospectus supllement and ‘‘Material U.S. Federal Income Tax Consequences” in the accompanying product supplement.

Information about the Underlying Asset

All disclosures regarding the underlying asset are derived from publicly available information. UBS has not conducted any independent review or due diligence of any publicly available information with respect to the underlying asset. **You should make your own investigation into the underlying asset.**

The underlying asset is registered under the Securities Act of 1933, the Securities Exchange Act of 1934, and/or the Investment Company Act of 1940, each as amended. Companies with securities registered with the SEC are required to file financial and other information specified by the SEC periodically. Information filed by the underlying asset issuer with the SEC can be reviewed electronically through a website maintained by the SEC. The address of the SEC’s website is http://www.sec.gov. Information filed with the SEC by the underlying asset issuer can be located by reference to its SEC file number provided below. In addition, information filed with the SEC can be inspected and copied at the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of this material can also be obtained from the Public Reference Section, at prescribed rates.

Information from outside sources is not incorporated by reference in, and should not be considered part of, this preliminary terms supplement or any accompanying prospectus, product supplement or prospectus supplement. UBS has not conducted any independent review or due diligence of any publicly available information with respect to the underlying asset.

Marvell Technology Group Ltd.

According to publicly available information, Marvell Technology Group Ltd. ("Marvell") is a fabless semiconductor provider of application-specific standard products. Information filed by Marvell with the SEC can be located by reference to its SEC file number: 000-30877, or its CIK Code: 0001058057. Marvell's website is marvell.com. Marvell's common stock is listed on The NASDAQ Global Select Market under the ticker symbol "MRVL."

Information from outside sources is not incorporated by reference in, and should not be considered part of, this preliminary terms supplement or any prospectus supplement, product supplement or accompanying prospectus. UBS has not conducted any independent review or due diligence of any publicly available information with respect to the underlying asset.

Historical Information

The following table sets forth the quarterly high and low closing levels for Marvell's common stock, based on daily closing levels on the primary exchange for Marvell. We obtained the closing level information set forth below from the Bloomberg Professional® service ("Bloomberg") without independent verification. The closing levels may be adjusted by Bloomberg for corporate actions such as stock splits, public offerings, mergers and acquisitions, spin-offs, extraordinary dividends, delistings and bankruptcy. UBS has not undertaken an independent review or due diligence of any publicly available information obtained from Bloomberg. The closing level of Marvell on December 12, 2018 was $15.35. The actual initial level will be the closing level of Marvell's common stock on the trade date. **The historical performance of the underlying asset should not be taken as indication of the future performance of the underlying asset during the term of the Securities.**

Quarter Begin	Quarter End	Quarterly High	Quarterly Low	Quarterly Close
01/02/2014	03/31/2014	$16.19	$14.16	$15.75
04/01/2014	06/30/2014	$16.23	$14.18	$14.33
07/01/2014	09/30/2014	$14.64	$12.80	$13.48
10/01/2014	12/31/2014	$15.23	$11.67	$14.50
01/02/2015	03/31/2015	$16.59	$14.28	$14.70
04/01/2015	06/30/2015	$15.38	$13.14	$13.18
07/01/2015	09/30/2015	$13.42	$8.62	$9.05
10/01/2015	12/31/2015	$9.56	$8.04	$8.82
01/04/2016	03/31/2016	$10.48	$7.77	$10.31
04/01/2016	06/30/2016	$10.91	$9.12	$9.53
07/01/2016	09/30/2016	$13.27	$9.37	$13.27
10/03/2016	12/30/2016	$14.81	$12.49	$13.87

01/03/2017	03/31/2017	$16.39	$13.95	$15.26
04/03/2017	06/30/2017	$17.84	$14.68	$16.52
07/03/2017	09/29/2017	$18.43	$15.05	$17.90
10/02/2017	12/29/2017	$23.83	$18.20	$21.47
01/02/2018	03/29/2018	$24.37	$20.52	$21.00
04/02/2018	06/29/2018	$22.49	$19.91	$21.44
07/02/2018	09/28/2018	$22.66	$18.33	$19.30
10/01/2018*	12/12/2018*	$19.57	$15.19	$15.35

* As of the date of this preliminary terms supplement, available information for the fourth calendar quarter of 2018 includes data for the period from October 1, 2018 through December 12, 2018. Accordingly, the “Quarterly High,” “Quarterly Low” and “Quarterly Close” data indicated are for this shortened period only and do not reflect complete data for the fourth calendar quarter of 2018.

The graph below illustrates the performance of Marvell's common stock for the period indicated, based on information from Bloomberg. **The historical performance of the underlying asset should not be taken as indication of the future performance of the underlying asset during the term of the Securities.**

What are the Tax Consequences of the Securities?

The U.S. federal income tax consequences of your investment in the Securities are uncertain. There are no statutory provisions, regulations, published rulings or judicial decisions addressing the charxt-indent:-10.0pt;">

	38,058,000
Communications Equipment 1.0%	
	600,000
Cisco Systems, Inc.	
	15,330,000
	24,500
Harris Corp.	
	1,398,215
	16,728,215
Consumer Finance 0.7%	

	504,304
SLM Corp. (a)	
	12,461,352
Diversified Financial Services 1.6%	
	500,000
JP Morgan Chase & Co.	
	27,865,000
Diversified Telecommunication Services 0.5%	
	150,000
AT&T, Inc.	
	5,290,500
Electric Utilities 0.0%	

	12,900
American Electric Power Co., Inc.	
	597,915
Energy Equipment & Services 1.4%	
	240,000
Diamond Offshore Drilling, Inc.	
	16,185,600
	150,000
Ensco PLC, Class A	
	8,601,000

24,786,600

Food & Staples Retailing 0.3%

75,000

Wal-Mart Stores, Inc.

5,845,500

Food Products 0.2%

39,038

Bunge Ltd.

2,967,278

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

Shares		Value
Health Care Equipment & Supplies 1.1%		
350,000	Medtronic, Inc. (a)	$19,334,000
Household Durables 1.4%		
898,100	Newell Rubbermaid, Inc. (a)	24,266,662
Industrial Conglomerates 2.0%		
1,443,217	General Electric Co. (a)	35,171,198
Insurance 6.0%		
57,396	American International Group, Inc. (b)	2,612,092
603,600	Lincoln National Corp. (a)	25,152,012
500,000	MetLife, Inc. (a)	24,210,000
700,000	The Allstate Corp. (a)	35,686,000
200,000	The Travelers Cos, Inc. (a)	16,710,000
		104,370,104
Metals & Mining 3.9%		
2,029,900	Barrick Gold Corp. (a)	34,447,403
1,130,700	Freeport-McMoRan Copper & Gold, Inc. (a)	31,976,196
		66,423,599
Multi-Utilities 1.4%		
682,600	Ameren Corp. (a)	24,443,906
Office Electronics 1.7%		
3,000,000	Xerox Corp. (a)	29,100,000
Oil, Gas & Consumable Fuels 13.0%		
200,000	Chevron Corp. (a)	25,178,000
850,000	ConocoPhillips (a)	55,131,000
235,000	EnCana Corp.	4,117,200
464,369	HollyFrontier Corp. (a)	21,152,008
700,000	Marathon Oil Corp. (a)	25,452,000
621,400	Royal Dutch Shell PLC, Class A, ADR (a)	42,472,690
976,300	Total SA, ADR (a)	51,792,715
		225,295,613
Paper & Forest Products 1.4%		
500,000	International Paper Co. (a)	24,155,000
Pharmaceuticals 9.2%		
483,000	AstraZeneca PLC, ADR (a)	24,497,760
500,000	GlaxoSmithKline PLC, ADR (a)	25,480,000
350,000	Johnson & Johnson (a)	32,725,000
430,200	Merck & Co., Inc. (a)	20,722,734
850,000	Pfizer, Inc. (a)	24,845,500
761,442	Teva Pharmaceutical Industries Ltd., ADR	30,229,248
		158,500,242
Real Estate Investment Trust 1.5%		
2,100,000	Annaly Capital Management, Inc. (a)	25,032,000
Semiconductors & Semiconductor Equipment 1.4%		
1,049,900	Intel Corp. (a)	24,462,670

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

Shares		Value
Software 1.6%		
928,200	CA, Inc. (a)	$27,604,668
Specialty Retail 2.0%		
2,000,000	Staples, Inc.	34,040,000
Thrifts & Mortgage Finance 0.3%		
600,000	Hudson City Bancorp, Inc.	5,736,000
Tobacco 0.9%		
300,000	Reynolds American, Inc. (a)	14,829,000
Total Common Stock (cost-$1,200,101,212)		1,205,680,201
Principal Amount (000s)		
Convertible Bonds & Notes 16.6%		
Airlines 0.1%		
$460	United Continental Holdings, Inc., 6.00%, 10/15/29	1,871,625
Automobiles 0.3%		
3,040	Ford Motor Co., 4.25%, 12/15/36	5,840,600
Biotechnology 1.0%		
8,750	Corsicanto Ltd., 3.50%, 1/15/32	8,930,469
1,600	Gilead Sciences, Inc., 1.625%, 5/1/16	4,330,008
3,500	Medivation, Inc., 2.625%, 4/1/17	4,858,437
		18,118,914
Capital Markets 0.9%		
7,580	Ares Capital Corp., 5.75%, 2/1/16	8,290,625
6,795	BGC Partners, Inc., 4.50%, 7/15/16	6,969,122
		15,259,747
Commercial Services 0.2%		
3,640	Cenveo Corp., 7.00%, 5/15/17	3,266,900
Communications Equipment 0.7%		
1,000	Ciena Corp., 3.75%, 10/15/18 (c) (d)	1,354,375
10,250	Ixia, 3.00%, 12/15/15	11,262,188
		12,616,563
Computers & Peripherals 0.3%		
3,800	SanDisk Corp., 1.50%, 8/15/17	4,833,125
Construction Materials 0.1%		
1,005	Cemex S.A.B. de C.V., 4.875%, 3/15/15	1,206,000
Electrical Equipment 0.5%		
7,500	General Cable Corp., 4.50%, 11/15/29 (e)	8,442,187

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
Health Care Providers & Services 0.3%		
$2,200	Molina Healthcare, Inc., 1.125%, 1/15/20 (c) (d)	$2,421,375
1,500	WellPoint, Inc., 2.75%, 10/15/42 (c) (d)	1,962,188
		4,383,563
Hotels, Restaurants & Leisure 0.6%		
7,495	MGM Resorts International, 4.25%, 4/15/15	8,755,097
1,930	Morgans Hotel Group Co., 2.375%, 10/15/14	1,903,462
		10,658,559
Household Durables 1.6%		
5,765	DR Horton, Inc., 2.00%, 5/15/14	9,083,478
4,610	KB Home, 1.375%, 2/1/19	4,710,844
3,500	Lennar Corp., 3.25%, 11/15/21 (c) (d)	5,610,937
8,500	The Ryland Group, Inc., 0.25%, 6/1/19	7,862,500
		27,267,759
Insurance 0.1%		
1,500	Amtrust Financial Services, Inc., 5.50%, 12/15/21	2,344,688
Internet Software & Services 0.6%		
4,500	Equinix, Inc., 4.75%, 6/15/16	9,945,000
Leisure Equipment & Products 0.1%		
1,300	JAKKS Pacific, Inc., 4.25%, 8/1/18 (c) (d)	1,212,250
Machinery 2.9%		
6,190	Greenbrier Cos, Inc., 3.50%, 4/1/18	6,379,569
	Meritor, Inc.,	
7,000	4.625%, 3/1/26 (e)	7,113,750
5,020	7.875%, 3/1/26 (c) (d)	6,384,812
7,000	Navistar International Corp., 3.00%, 10/15/14	7,065,625
7,605	Terex Corp., 4.00%, 6/1/15	14,620,613
6,950	Wabash National Corp., 3.375%, 5/1/18	8,687,500
		50,251,869
Marine 0.2%		
3,090	DryShips, Inc., 5.00%, 12/1/14	2,923,912
Media 0.5%		
16,500	Liberty Interactive LLC, 3.50%, 1/15/31	8,404,688
Metals & Mining 0.3%		
250	Alcoa, Inc., 5.25%, 3/15/14	318,126
4,805	Steel Dynamics, Inc., 5.125%, 6/15/14	5,216,428
		5,534,554
Oil, Gas & Consumable Fuels 1.5%		
10,800	Alpha Natural Resources, Inc., 2.375%, 4/15/15	10,071,000
2,190	Chesapeake Energy Corp., 2.50%, 5/15/37	2,106,506
6,000	Cobalt International Energy, Inc., 2.625%, 12/1/19	6,723,750
8,975	Peabody Energy Corp., 4.75%, 12/15/41	6,792,953
		25,694,209

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
Pharmaceuticals 0.7%		
$6,425	Akorn, Inc., 3.50%, 6/1/16	$11,131,313
1,000	Medicines Co., 1.375%, 6/1/17 (c) (d)	1,277,500
		12,408,813
Real Estate Investment Trust 0.3%		
6,000	Redwood Trust, Inc., 4.625%, 4/15/18	5,996,250
Semiconductors & Semiconductor Equipment 1.4%		
2,000	Intel Corp., 3.25%, 8/1/39	2,486,260
8,080	Micron Technology, Inc., 1.50%, 8/1/31	11,574,600
8,500	SunPower Corp., 4.75%, 4/15/14	10,247,812
		24,308,672
Software 1.2%		
625	Cadence Design Systems, Inc., 2.625%, 6/1/15	1,221,094
3,000	Concur Technologies, Inc., 0.50%, 6/15/18 (d)	3,146,250
2,900	Nuance Communications, Inc., 2.75%, 8/15/27	3,356,750
1,090	TeleCommunication Systems, Inc., 7.75%, 6/30/18	1,073,650
7,000	TiVo, Inc., 4.00%, 3/15/16 (c) (d)	8,688,750
2,315	Workday, Inc., 0.75%, 7/15/18 (c) (d)	2,451,006
		19,937,500
Trading Companies & Distributors 0.2%		
3,000	Air Lease Corp., 3.875%, 12/1/18	3,763,125
Total Convertible Bonds & Notes (cost-$303,670,181)		286,491,072
Shares		
Convertible Preferred Stock 9.7%		
Airlines 0.6%		
228,685	Continental Airlines Finance Trust II, 6.00%, 11/15/30	10,719,609
Auto Components 0.5%		
163,125	Goodyear Tire & Rubber Co., 5.875%, 4/1/14	9,064,856
Automobiles 0.6%		
203,705	General Motors Co., 4.75%, 12/1/13, Ser. B	10,173,028
Biotechnology 0.5%		
148,560	Credit Suisse, 8.00%, 5/9/14 (Gilead Sciences, Inc.) (f)	8,638,764
Capital Markets 0.4%		
111,360	AMG Capital Trust I, 5.10%, 4/15/36	7,189,680
Commercial Banks 0.3%		
3,525	Huntington Bancshares, Inc., 8.50%, 12/31/49 (g)	4,307,550
790	Wells Fargo & Co., 7.50%, 12/31/49, Ser. L (g)	918,770
		5,226,320
Communications Equipment 0.2%		
41,930	The Goldman Sachs Group, Inc., 8.00%, 1/15/14 (QualComm) (f)	2,543,935
Diversified Financial Services 0.4%		
6,665	Bank of America Corp., 7.25%, 12/31/49, Ser. L (g)	7,483,729

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

Shares		Value
Diversified Telecommunication Services 0.6%		
50,000	Intelsat SA, 5.75%, 5/1/16	$2,951,500
8,315	Lucent Technologies Capital Trust I, 7.75%, 3/15/17	8,150,779
		11,102,279
Electric Utilities 0.2%		
50,000	NextEra Energy, Inc., 7.00%, 9/1/13	3,235,000
Food Products 0.5%		
78,830	Bunge Ltd., 4.875%, 12/31/49 (g)	8,395,395
Health Care Providers & Services 0.2%		
2,500	HealthSouth Corp., 6.50%, 12/31/49, Ser. A (g)	3,138,125
Insurance 1.0%		
133,805	JP Morgan Chase & Co., 7.00%, 3/10/14 (American International Group, Inc.) (f)	5,566,288
205,875	MetLife, Inc., 5.00%, 3/26/14	11,747,227
		17,313,515
IT Services 0.1%		
31,360	Unisys Corp., 6.25%, 3/1/14	2,265,603
Metals & Mining 1.1%		
470,810	ArcelorMittal, 6.00%, 1/15/16	10,012,057
220,000	Cliffs Natural Resources, Inc., 7.00%, 2/1/16	4,158,000
315,000	Thompson Creek Metals Co., Inc., 6.50%, 5/15/15	5,058,900
		19,228,957
Multi-Utilities 0.6%		
204,100	AES Trust III, 6.75%, 10/15/29	10,296,845
Oil, Gas & Consumable Fuels 1.0%		
140,100	Apache Corp., 6.00%, 8/1/13	6,402,570
45,100	ATP Oil & Gas Corp., 8.00%, 10/1/14 (c) (d) (g)	17,138
114,950	Chesapeake Energy Corp., 5.00%, 12/31/49 (g)	10,137,153
4,265	Energy XXI Bermuda Ltd., 5.625%, 12/31/49 (g)	1,302,158
		17,859,019
Real Estate Investment Trust 0.4%		
176,800	Alexandria Real Estate Equities, Inc., 7.00%, 12/31/49 (g)	4,508,648
35,385	Health Care REIT, Inc., 6.50%, 4/20/18, Ser. I (g)	2,124,515
		6,633,163
Road & Rail 0.5%		
625,515	2010 Swift Mandatory Common Exchange Security Trust, 6.00%, 12/31/13 (d)	9,419,505
Total Convertible Preferred Stock (cost-$180,914,311)		169,927,327

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
Short-Term Investments 4.0%		
Time Deposits 4.0%		
$45,683	Bank of America-London, 0.03%, 8/1/13	$45,683,159
22,740	Wells Fargo-Grand Cayman, 0.03%, 8/1/13	22,739,826
Total Short Term Investments (cost-$68,422,985)		68,422,985
Total Investments, before call options written (cost-$1,753,108,689) **100.1%**		1,730,521,585
Contracts		
Call Options Written (b) (1.5)%		
	Morgan Stanley Cyclical Flex Index, (CBOE),	
325	strike price $1265, expires 9/6/13	(754,247)
	Morgan Stanley Cyclical Index, (ASE),	
300	strike price $1190, expires 8/17/13	(2,268,000)
250	strike price $1250, expires 8/17/13	(607,500)
325	strike price $1270, expires 9/21/13	(793,000)
350	strike price $1280, expires 9/21/13	(682,500)
	NASDAQ 100 Flex Index (CBOE),	
90	strike price $3000, expires 8/23/13	(902,868)
100	strike price $3010, expires 8/2/13	(827,467)
	NASDAQ 100 Index, (CBOE),	
100	strike price $2940, expires 8/17/13	(1,559,500)
	Philadelphia Oil Service Sector Flex Index, (CBOE),	
1,500	strike price $269, expires 9/13/13	(758,775)
1,500	strike price $275, expires 9/6/13	(384,078)
1,500	strike price $277, expires 9/13/13	(394,008)
	Philadelphia Oil Service Sector Index, (PHL),	
1,500	strike price $260, expires 8/17/13	(750,000)
600	strike price $265, expires 8/17/13	(150,000)
	Philadelphia Stock Exchange KBW Bank Flex Index, (CBOE),	
6,500	strike price $62.5, expires 8/23/13	(2,359,952)
6,000	strike price $66, expires 9/6/13	(819,137)
6,500	strike price $66, expires 9/13/13	(980,038)
	Philadelphia Stock Exchange KBW Bank Index, (PHL),	
8,000	strike price $62.5, expires 8/17/13	(2,740,000)
6,000	strike price $67.5, expires 9/21/13	(540,000)
	Standard & Poor s 500 Flex Index, (CBOE),	
250	strike price $1655, expires 8/2/13	(850,380)
250	strike price $1655, expires 8/23/13	(1,045,348)
250	strike price $1660, expires 8/9/13	(797,218)
250	strike price $1670, expires 8/9/13	(595,707)
200	strike price $1700, expires 9/13/13	(406,430)
200	strike price $1710, expires 9/6/13	(275,670)
	Standard & Poor s 500 Index, (CBOE),	

300	strike price $1625, expires 8/17/13	(1,842,000)

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

Contracts		Value
200	strike price $1640, expires 8/17/13	$(963,000)
200	strike price $1695, expires 8/17/13	(203,000)
200	strike price $1700, expires 9/21/13	(418,000)
Total Call Options Written (premiums received-$14,624,630)		(25,667,823)
Total Investments, net of call options written		
(cost-$1,738,484,059) **98.6%**		1,704,853,762
Other assets less other liabilities 1.4%		23,457,448
Net Assets 100.0%		**$1,728,311,210**

Notes to Schedule of Investments:

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

(b) Non-income producing.

(c) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of $31,380,331, representing 1.8% of net assets.

(d) 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.

(e) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.

(f) 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.

(g) Perpetual maturity. Maturity date shown is the next call date.

(h) Transactions in call options written for the six months ended July 31, 2013:

	Contracts	Premiums
Options outstanding, January 31, 2013	54,662	$14,374,714
Options written	157,105	47,300,687
Options terminated in closing purchase transactions	(133,367)	(36,496,599)
Options expired	(34,660)	(10,554,172)

Options outstanding, July 31, 2013	43,740	$14,624,630

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

(i) Fair Value Measurement 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 7/31/13
Investments in Securities Assets				
Common Stock	$1,205,880,201			$1,205,880,201
Convertible Bonds & Notes		$286,491,072		286,491,072
Convertible Preferred Stock:				
Airlines		10,719,609		10,719,609
Biotechnology		8,638,764		8,638,764
Capital Markets		7,189,680		7,189,680
Communications Equipment			$2,543,935	2,543,935
Health Care Providers & Services		3,138,125		3,138,125
Insurance	11,747,227	5,566,288		17,313,515
Metals & Mining	9,216,900	10,012,057		19,228,957
Oil, Gas & Consumable Fuels	6,402,570	11,456,449		17,859,019
Road & Rail		9,419,505		9,419,505
All Other	73,876,218			73,876,218
Short-Term Investments		68,422,985		68,422,985
	1,306,923,116	421,054,534	2,543,935	1,730,521,585
Investments in Securities Liabilities				
Call Options Written, at value:				
Market price	(14,366,880)	(11,300,943)		(25,667,823)
Totals	$1,292,556,236	$409,753,591	$2,543,935	$1,704,853,762

At July 31, 2013, the Fund had no transfers between Levels 1 and 2.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the six months ended July 31, 2013, was as follows:

	Beginning Balance 1/31/13	Purchases	Sales	Accrued Discounts (Premiums)	Net Realized Gain	Net Change in Unrealized Appreciation/	Transfers into Level 3	Transfers out of Level 3	Ending Balance 7/31/13

		(Loss)	Depreciation	
Investments in Securities	**Assets**			
Convertible Preferred Stock:				
Communications				
Equipment	$2,586,410		$(42,475)	$2,543,935
Totals	$2,586,410		$(42,475)	$2,543,935

The net change in unrealized appreciation/depreciation of Level 3 investments, which the Fund held at July 31, 2013, was $(42,475). Net change in unrealized appreciation/depreciation is reflected on the Statement of Operations.

Schedule of Investments

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

July 31, 2013 (unaudited) (continued)

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized as Level 3 at July 31, 2013:

	Ending Balance at 7/31/13	Valuaton Technique Used	Unobservable Inputs	Input Values
Investments in Securities Assets				
Convertible Preferred Stock:				
Communications Equipment	$2,543,935	Third-Party Pricing Vendor	Single Broker Quote	$60.67

(j) The following is a summary of the fair valuation of the Fund s derivative instruments categorized by risk exposure:

The effect of derivatives on the Fund s Statement of Assets and Liabilities at July 31, 2013:

Location	
Liability derivatives:	
Call options written, at value, Market Price	$(25,667,823)

The effect of derivatives on the Fund s Statement of Operations for the six months ended July 31, 2013:

Location	
Net realized gain (loss) on:	
Call options written, Market Price	$(54,056,537)
Net change in unrealized appreciation/depreciation of:	
Call options written, Market Price	$10,475,408

The average volume (measured at each fiscal quarter end) of derivative activity during the six months ended July 31, 2013 was 49,322 call options written contracts.

Financial and Derivatives Liabilities and Collateral Pledged as of July 31, 2013:

	Gross Amounts Not Offset in the Statement of Assets and Liabilities			
Counterparty	Gross Liability Derivatives Presented in Statement of Assets and Liabilities	Financial Instrument	Collateral Pledged	Net Amount (net less than 0)
Brown Brothers Harriman	$3,498,775		$(3,498,775)	
Goldman Sachs	4,159,127		(4,159,127)	
Morgan Stanley & Co.	5,039,519		(5,039,519)	
UBS AG	1,436,747		(1,436,747)	
UBS Securities	2,167,508		(2,167,508)	
UBS Warburg AG	275,670		(275,670)	
UBS Warburg LLC	8,706,398		(8,706,398)	
UBS Warburg Securities Ltd.	384,078		(384,078)	
	$25,667,823		$(25,667,823)	

Glossary:

ADR - American Depositary Receipt
ASE - American Stock Exchange
CBOE - Chicago Board Options Exchange
PHL - Philidelphia Stock Exchange
REIT - Real Estate Investment Trust

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

Shares		Value
Common Stock 67.0%		
Aerospace & Defense 3.0%		
74,300	L-3 Communications Holdings, Inc.	$6,921,045
265,900	Textron, Inc. (a)	7,280,342
		14,201,387
Auto Components 1.7%		
205,900	Johnson Controls, Inc.	8,279,239
Automobiles 1.7%		
465,300	Ford Motor Co. (a)	7,854,264
Beverages 4.5%		
177,500	Coca-Cola Co.	7,114,200
127,300	Molson Coors Brewing Co., Class B	6,372,638
93,800	PepsiCo, Inc. (a)	7,836,052
		21,322,890
Biotechnology 2.0%		
7,800	Amgen, Inc. (a)	844,662
141,300	Gilead Sciences, Inc. (a) (b)	8,682,885
		9,527,547
Chemicals 0.9%		
45,000	Monsanto Co.	4,445,100
Communications Equipment 5.1%		
38,628	Aviat Networks, Inc. (b)	102,364
284,200	Cisco Systems, Inc.	7,261,310
155,500	Harris Corp.	8,874,385
122,500	Qualcomm, Inc.	7,907,375
		24,145,434
Computers & Peripherals 2.9%		
13,400	Apple, Inc.	6,063,500
289,800	EMC Corp.	7,578,270
		13,641,770
Construction & Engineering 0.2%		
13,000	Fluor Corp. (a)	813,280
Diversified Telecommunication Services 1.6%		
48,488	Frontier Communications Corp.	211,408
145,200	Verizon Communications, Inc.	7,184,496
		7,395,904
Electric Utilities 1.8%		
54,202	Entergy Corp.	3,658,635
85,560	Exelon Corp.	2,617,280
67,052	PPL Corp.	2,130,242
		8,406,157
Electronic Equipment, Instruments & Components 1.5%		
92,700	Amphenol Corp., Class A (a)	7,282,512

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited) (continued)

Shares		Value
Energy Equipment & Services 4.2%		
68,900	Diamond Offshore Drilling, Inc.	$4,646,616
89,700	National Oilwell Varco, Inc.	6,294,249
96,700	Schlumberger Ltd.	7,864,611
99,113	Weatherford International Ltd. (b)	1,383,617
		20,189,093
Food & Staples Retailing 0.2%		
6,900	Costco Wholesale Corp.	809,301
Health Care Equipment & Supplies 2.8%		
111,100	Baxter International, Inc.	8,114,744
13,000	Intuitive Surgical, Inc. (b)	5,044,000
		13,158,744
Health Care Providers & Services 1.7%		
67,000	McKesson Corp. (a)	8,218,220
Hotels, Restaurants & Leisure 1.7%		
76,200	McDonald s Corp.	7,473,696
11,600	Starbucks Corp. (a)	826,384
		8,300,080
Household Products 1.7%		
98,600	Procter & Gamble Co. (a)	7,917,580
Independent Power Producers & Energy Traders 0.9%		
153,999	NRG Energy, Inc.	4,130,253
Industrial Conglomerates 1.7%		
326,059	General Electric Co.	7,946,058
Insurance 2.7%		
18,450	American International Group, Inc. (b)	839,659
81,740	Assured Guaranty Ltd.	1,768,854
46,040	MetLife, Inc.	2,229,257
100,200	Prudential Financial, Inc. (a)	7,912,794
		12,750,564
Internet & Catalog Retail 0.7%		
10,800	Amazon.com, Inc. (a) (b)	3,253,176
Internet Software & Services 1.7%		
9,200	Google, Inc., Class A (a) (b)	8,165,920
IT Services 2.3%		
37,200	International Business Machines Corp.	7,255,488
20,200	Visa, Inc., Class A (a)	3,575,602
		10,831,090
Machinery 4.0%		
151,500	AGCO Corp.	8,521,875
80,300	Deere & Co.	6,670,521
81,300	Joy Global, Inc.	4,024,350
		19,216,746

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited) (continued)

Shares		Value
Media 0.2%		
18,100	Comcast Corp., Class A (a)	$815,948
Metals & Mining 0.8%		
132,400	Freeport-McMoRan Copper & Gold, Inc.	3,744,272
Multiline Retail 1.7%		
115,500	Target Corp.	8,229,375
Oil, Gas & Consumable Fuels 2.4%		
77,900	Occidental Petroleum Corp.	6,936,995
110,100	Peabody Energy Corp.	1,823,256
70,500	Valero Energy Corp.	2,521,785
		11,282,036
Pharmaceuticals 1.4%		
132,900	Bristol-Myers Squibb Co.	5,746,596
23,345	Teva Pharmaceutical Industries Ltd., ADR	926,797
		6,673,393
Real Estate Investment Trust 0.0%		
1,947	Boston Properties, Inc.	208,232
Semiconductors & Semiconductor Equipment 3.1%		
270,000	Intel Corp.	6,291,000
215,000	Texas Instruments, Inc. (a)	8,428,000
		14,719,000
Software 3.1%		
234,500	Microsoft Corp.	7,464,135
227,900	Oracle Corp.	7,372,565
		14,836,700
Specialty Retail 1.1%		
65,900	Home Depot, Inc. (a)	5,208,077
Total Common Stock (cost-$385,924,703)		317,919,342
Convertible Preferred Stock 18.7%		
Aerospace & Defense 0.7%		
49,750	United Technologies Corp., 7.50%, 8/1/15	3,190,468
Airlines 0.8%		
82,015	Continental Airlines Finance Trust II, 6.00%, 11/15/30	3,844,453
Auto Components 0.7%		
59,600	Goodyear Tire & Rubber Co., 5.875%, 4/1/14	3,311,972
Automobiles 0.7%		
63,000	General Motors Co., 4.75%, 12/1/13, Ser. B	3,146,220
Biotechnology 0.7%		
52,925	Credit Suisse, 8.00%, 5/9/14 (Gilead Sciences, Inc.) (e)	3,077,589
Capital Markets 0.8%		
54,100	AMG Capital Trust I, 5.10%, 4/15/36	3,492,831
33,400	Escrow Lehman Brothers Holdings, Inc., 28.00%, 3/6/09, Ser. RIG (b)(c)(d)	281,402
		3,774,233

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited) (continued)

Shares		Value
Commercial Banks 1.1%		
2,800	Huntington Bancshares, Inc., 8.50%, 12/31/49 (f)	$3,421,600
1,750	Wells Fargo & Co., 7.50%, 12/31/49, Ser. L (f)	2,035,250
		5,456,850
Communications Equipment 1.1%		
2,400	Lucent Technologies Capital Trust I, 7.75%, 3/15/17	2,352,600
49,990	The Goldman Sachs Group, Inc., 8.00%, 1/15/14 (QualComm) (e)	3,032,944
		5,385,544
Computer & Peripherals 0.7%		
127,440	JP Morgan Chase & Co., 7.50%, 3/24/14 (EMC Corp.) (e)	3,122,280
Diversified Financial Services 1.0%		
4,225	Bank of America Corp., 7.25%, 12/31/49, Ser. L (f)	4,743,999
Electric Utilities 0.5%		
43,000	NextEra Energy, Inc., 5.599%, 6/1/15	2,534,420
Food Products 0.9%		
38,800	Bunge Ltd., 4.875%, 12/31/49 (f)	4,132,200
Health Care Providers & Services 0.8%		
2,935	HealthSouth Corp., 6.50%, 12/31/49, Ser. A (f)	3,684,159
Household Durables 0.7%		
94,910	Wells Fargo & Co., 8.00%, 6/20/14 (Lennar Corp.) (e)	3,277,242
Insurance 1.3%		
71,840	JP Morgan Chase & Co., 7.00%, 3/10/14 (American International Group, Inc.) (e)	2,988,544
58,700	MetLife, Inc., 5.00%, 3/26/14	3,349,422
		6,337,966
Internet & Catalog Retail 0.7%		
4,150	Credit Suisse, 8.00%, 5/21/14 (Priceline.com) (e)	3,441,512
IT Services 0.6%		
41,500	Unisys Corp., 6.25%, 3/1/14	2,998,168
Machinery 0.7%		
23,400	Stanley Black & Decker, Inc., 4.75%, 11/17/15	3,165,786
Metals & Mining 0.5%		
112,160	ArcelorMittal, 6.00%, 1/15/16	2,385,150
Multi-Utilities 0.5%		
47,650	AES Trust III, 6.75%, 10/15/29	2,403,942
Oil, Gas & Consumable Fuels 0.9%		
42,900	Apache Corp., 6.00%, 8/1/13	1,960,530
20,300	ATP Oil & Gas Corp., 8.00%, 10/1/14 (c)(f)(g)(h)	7,714
27,350	Chesapeake Energy Corp., 5.00%, 12/31/49 (f)	2,411,928
		4,380,172
Real Estate Investment Trust 1.5%		
118,500	Alexandria Real Estate Equities, Inc., 7.00%, 12/31/49 (f)	3,021,916
98,900	FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A (f)	2,401,292
31,930	Health Care REIT, Inc., 6.50%, 4/20/18, Ser. I (f)	1,917,077

7,340,285

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited) (continued)

Shares		Value
Road & Rail 0.8%		
246,810	2010 Swift Mandatory Common Exchange Security Trust, 6.00%, 12/31/13 (h)	$3,716,662
Total Convertible Preferred Stock (cost-$91,250,289)		88,851,272
Principal Amount (000s)		
Convertible Bonds & Notes 11.5%		
Aerospace & Defense 0.7%		
$1,585	GenCorp, Inc., 4.063%, 12/31/39	3,123,441
Biotechnology 0.4%		
2,650	Dendreon Corp., 2.875%, 1/15/16	1,937,813
Capital Markets 1.2%		
2,400	Ares Capital Corp., 5.75%, 2/1/16	2,625,000
2,895	BGC Partners, Inc., 4.50%, 7/15/16	2,969,184
		5,594,184
Coal 0.3%		
1,525	Alpha Appalachia Holdings, Inc., 3.25%, 8/1/15	1,428,734
Construction Materials 0.7%		
2,870	Cemex S.A.B. de C.V., 4.875%, 3/15/15	3,444,000
Electrical Equipment 0.7%		
2,535	EnerSys, 3.375%, 6/1/38 (i)	3,518,910
Hotels, Restaurants & Leisure 1.0%		
2,545	MGM Resorts International, 4.25%, 4/15/15	2,972,878
1,705	Morgans Hotel Group Co., 2.375%, 10/15/14	1,681,556
		4,654,434
IT Services 0.7%		
1,500	Alliance Data Systems Corp., 1.75%, 8/1/13 (d)	3,471,562
Machinery 2.1%		
2,800	Greenbrier Cos, Inc., 3.50%, 4/1/18	2,885,750
	Meritor, Inc.,	
3,000	4.625%, 3/1/26 (i)	3,048,750
850	7.875%, 3/1/26 (g)(h)	1,081,094
2,950	Navistar International Corp., 3.00%, 10/15/14	2,977,656
		9,993,250
Marine 0.2%		
1,100	DryShips, Inc., 5.00%, 12/1/14	1,040,875
Media 0.6%		
5,200	Liberty Interactive LLC, 3.50%, 1/15/31	2,648,750
Metals & Mining 0.5%		
2,100	Steel Dynamics, Inc., 5.125%, 6/15/14	2,279,813
Oil, Gas & Consumable Fuels 0.4%		
2,765	Endeavour International Corp., 5.50%, 7/15/16	2,089,303

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited) (continued)

Principal Amount (000s)		Value
Semiconductors & Semiconductor Equipment 0.7%		
$2,800	SunPower Corp., 4.75%, 4/15/14	$3,375,750
Software 1.0%		
1,400	Nuance Communications, Inc., 2.75%, 8/15/27	1,620,500
3,000	TeleCommunication Systems, Inc., 7.75%, 6/30/18	2,955,000
		4,575,500
Thrifts & Mortgage Finance 0.3%		
1,000	MGIC Investment Corp., 9.00%, 4/1/63 (g)(h)	1,153,125
Total Convertible Bonds & Notes (cost-$51,450,379)		54,329,444
Corporate Bonds & Notes 0.1%		
Electric 0.1%		
2,000	Texas Competitive Electric Holdings Co. LLC, 15.00%, 4/1/21 (cost-$2,000,000)	510,000
Short-Term Investment 2.3%		
Time Deposit 2.3%		
10,794,840	JP Morgan Chase & Co.-London, 0.03%, 8/1/13 (cost-$10,794,840)	10,794,840
Total Investments, before call options written (cost-$541,420,211) **99.6%**		472,404,898

Contracts		
Call Options Written (b) (0.1)%		
75	Amazon.com, Inc., (ASE), strike price $310, expires 8/17/13	(19,912)
55	Amgen, Inc., (ASE), strike price $115, expires 8/17/13	(1,348)
465	Amphenol Corp., (ASE), strike price $90, expires 8/17/13	(3,488)
555	Baxter International, Inc., (PHL), strike price $75, expires 8/17/13	(16,373)
110	Comcast Corp., (ASE) strike price $46, expires 8/17/13	(3,575)
90	Fluor Corp., (ASE), strike price $65, expires 8/17/13	(8,325)
40	Ford Motor Co., (ASE), strike price $18, expires 8/17/13	(180)
705	Gilead Sciences, Inc., (ASE), strike price $65, expires 8/17/13	(19,740)
65	Google, Inc., (ASE), strike price $970, expires 8/17/13	(1,462)
330	Home Depot, Inc., (ASE), strike price $82.50, expires 8/17/13	(4,950)
400	Mckesson Corp., (ASE), strike price $125, expires 8/17/13	(34,000)
	PepsiCo, Inc., (ASE),	

560	strike price $90, expires 8/17/13	(1,400)

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited) (continued)

Contracts		Value
590	Procter & Gamble Co., (ASE), strike price $85, expires 8/17/13	$(8,850)
700	Prudential Financial, Inc., (ASE), strike price $82.50, expires 8/17/13	(33,600)
60	Starbucks Corp., (ASE), strike price $77.50, expires 8/17/13	(240)
1,290	Texas Instruments, Inc., (ASE), strike price $39, expires 8/17/13	(100,620)
120	Visa, Inc., (ASE), strike price $200, expires 8/17/13	(3,360)
Total Call Options Written (premiums received-$409,590)		(261,423)
Total Investments, net of call options written		
(cost-$541,010,621) **99.5%**		472,143,475
Other assets less other liabilities 0.5%		2,378,288
Net Assets 100.0%		**$474,521,763**

Notes to Schedule of Investments:

(a) All or partial amount segregated for the benefit of the counterparty as collateral for call options written.
(b) Non-income producing.
(c) In default.
(d) Fair-Valued Securities with an aggregate value of $3,752,964, representing 0.8% of net assets. See Note 1(a) and Note 1(b) in the Notes to Financial Statements.
(e) 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.
(f) Perpetual maturity. Maturity date shown is the next call date.
(g) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of $2,241,933, representing 0.5% of net assets.
(h) 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.
(i) Step Bond Coupon is a fixed rate for an initial period then resets at a specific date and rate.
(j) Transactions in call options written for the six months ended July 31, 2013:

	Contracts	Premiums
Options outstanding, January 31, 2013	5,740	$306,244
Options written	46,010	2,929,140
Options terminated in closing purchase transactions	(21,495)	(1,321,651)
Options expired	(24,045)	(1,504,143)
Options outstanding, July 31, 2013	6,210	$409,590

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited) (continued)

(k) Fair Value Measurement 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 7/31/13
Investments in Securities Assets				
Common Stock	$317,919,342			$317,919,342
Convertible Preferred Stock:				
Airlines		$3,844,453		3,844,453
Biotechnology		3,077,589		3,077,589
Capital Markets		3,492,831	$281,402	3,774,233
Commercial Banks	5,456,850	3,277,242		8,734,092
Communications Equipment	2,352,600	3,032,944		5,385,544
Health Care Providers & Services		3,684,159		3,684,159
Metals & Mining		2,385,150		2,385,150
Oil, Gas & Consumable Fuels	1,960,530	2,419,642		4,380,172
Road & Rail		3,716,662		3,716,662
All Other	49,869,218			49,869,218
Convertible Bonds & Notes:				
IT Services			3,471,562	3,471,562
All Other		50,857,882		50,857,882
Corporate Bonds & Notes		510,000		510,000
Short-Term Investments		10,794,840		10,794,840
Total Investments in Securities Assets	377,558,540	91,093,394	3,752,964	472,404,898
Investments in Securities Liabilities				
Call Options Written, at value:				
Market price	(261,423)			(261,423)
Total Investments	$377,297,117	$91,093,394	$3,752,964	$472,143,475

At July 31, 2013, the Fund had no transfers between Levels 1 and 2.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the six months ended July 31, 2013, was as follows:

Beginning Balance	Purchases	Sales	Accrued Discounts	Net Realized	Net Change	Transfers into	Transfers out of	Ending Balance

	1/31/13		(Premiums)	Gain (Loss)	in Unrealized Appreciation/ (Depreciation)	Level 3*	Level 3	7/31/13
Investments in Securities Assets								
Convertible Preferred Stock:								
Capital Markets	$1,895,942	$(1,610,522)			$(4,018)			$281,402
Convertible Bonds & Notes:								
IT Services						$3,471,562		3,471,562
Total	$1,895,942	$(1,610,522)			$(4,018)	$3,471,562		$3,752,964

* Transferred out of Level 2 into Level 3 because price was not available and the security was fair-valued.

Schedule of Investments

AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited) (continued)

The net change in unrealized appreciation/depreciation of Level 3 investments, which the Fund held at July 31, 2013, was $(4,018). Net change in unrealized appreciation/depreciation is reflected on the Statement of Operations.

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized as Level 3 at July 31, 2013:

	Ending Balance at 7/31/13	Valuaton Technique Used	Unobservable Inputs	Input Values
Investments in Securities Assets				
Convertible Preferred Stock:				
Capital Markets	$281,402	Analytical model	Discount factor	62.22%
Convertible Bonds & Notes:				
IT Services	$3,471,562	Last mean price	Trading volume	$231.4375

(l) The following is a summary of the fair valuation of the Fund s derivative instruments categorized by risk exposure:

The effect of derivatives on the Fund s Statement of Assets and Liabilities at July 31, 2013:

Location	
Liability derivatives:	
Call options written, at value, Market Price	$(261,423)

The effect of derivatives on the Fund s Statement of Operations for the six months ended July 31, 2013:

Location	
Net realized gain (loss) on:	
Call options written, Market Price	$(1,113,359)
Net change in unrealized appreciation/depreciation of:	
Call options written, Market Price	$158,446

The average volume (measured at each fiscal quarter end) of derivative activity during the six months ended July 31, 2013 was 7,508 call options written contracts.

Financial and Derivatives Liabilities and Collateral Pledged as of July 31, 2013:

		Gross Amounts Not Offset in the Statement of Assets and Liabilities		
Counterparty	Gross Liability Derivatives Presented in Statement of Assets and Liabilities	Financial Instrument	Collateral Pledged	Net Amount (net less than 0)
Deutsche Bank Securities Inc.	$56,207		$(56,207)	
Goldman Sachs & Co.	34,000		(34,000)	
JP Morgan	132,673		(132,673)	
Merrill Lynch, Pierce, Fenner	19,740		(19,740)	
Morgan Stanley & Co.	18,803		(18,803)	
	$261,423		$(261,423)	

Glossary:

ADR	-	American Depositary Receipt
ASE	-	American Stock Exchange
PHL	-	Philidelphia Stock Exchange
REIT	-	Real Estate Investment Trust

Statements of Assets and Liabilities

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

	Dividend, Interest & Premium Strategy	Equity & Convertible Income
Assets:		
Investments, at value (cost-$1,753,108,689 and $541,420,211, respectively)	$1,730,521,585	$472,404,898
Receivable for investments sold	28,227,633	1,642,035
Dividends and interest receivable	4,711,872	1,195,328
Prepaid expenses	39,152	14,467
Total Assets	1,763,500,242	475,256,728
Liabilities:		
Call options written, at value (premiums received-$14,624,630 and $409,590, respectively)	25,667,823	261,423
Payable for investments purchased	7,799,061	
Investment management fees payable	1,296,492	398,360
Accrued expenses	425,656	75,182
Total Liabilities	35,189,032	734,965
Net Assets	$1,728,311,210	$474,521,763
Composition of Net Assets:		
Common Stock:		
Par value ($0.00001 per share applicable to 94,524,325 and 22,304,189 shares issued and outstanding, respectively)	$945	$223
Paid-in-capital in excess of par	2,006,583,618	517,419,139
Undistributed (dividends in excess of) net investment income	(62,453,110)	3,054,635
Accumulated net realized gain (loss)	(182,189,946)	22,914,912
Net unrealized depreciation	(33,630,297)	(68,867,146)
Net Assets	$1,728,311,210	$474,521,763
Net Asset Value Per Share	$18.28	$21.28

Statements of Operations

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

Six Months ended July 31, 2013 (unaudited)

	Dividend, Interest & Premium Strategy	Equity & Convertible Income
Dividends (net of foreign withholding taxes of $435,436 and $0, respectively)	$29,446,107	$5,880,469
Interest	4,721,863	2,698,877
Total Investment Income	34,167,970	8,579,346
Expenses:		
Investment management	7,558,263	2,283,046
Custodian and accounting agent	178,285	53,576
Shareholder communications	108,600	36,696
Trustees	63,350	17,195
Audit and tax services	42,897	36,019
New York Stock Exchange listing	35,569	6,736
Legal	22,263	10,498
Insurance	16,671	5,830
Transfer agent	12,398	15,385
Miscellaneous	16,639	1,809
Total expenses	8,054,935	2,466,790
Net Investment Income	26,113,035	6,112,556
Realized and Change in Unrealized Gain (Loss):		
Net realized gain (loss) on:		
Investments	50,299,081	21,136,074
Call options written	(54,056,537)	(1,113,359)
Net change in unrealized appreciation/depreciation of:		
Investments	87,893,550	12,334,806
Call options written	10,475,408	158,446
Net Realized and Change in Unrealized gain	94,611,502	32,515,967
Net Increase in Net Assets Resulting from Investment Operations	$120,724,537	$38,628,523

Statements of Changes in Net Assets

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

Dividend, Interest & Premium Strategy:

	Six Months ended July 31, 2013 (unaudited)	Year ended January 31, 2013
Investment Operations:		
Net investment income	$26,113,035	$49,689,000
Net realized gain (loss)	(3,757,456)	11,770,870
Net change in unrealized appreciation/depreciation	98,368,958	94,572,054
Net increase in net assets resulting from investment operations	120,724,537	156,031,924
Dividends and Distributions to Shareholders from:		
Net investment income	(85,071,893)	(62,994,233)
Return of capital		(107,149,551)
Total dividends and distributions to shareholders	(85,071,893)	(170,143,784)
Total increase (decrease) in net assets	35,652,644	(14,111,860)
Net Assets:		
Beginning of period	1,692,658,566	1,706,770,426
End of period (including dividends in excess of net investment income of $(62,453,110), and $(3,494,252), respectively)	$1,728,311,210	$1,692,658,566

Equity & Convertible Income:

	Six Months ended July 31, 2013 (unaudited)	Year ended January 31, 2013
Investment Operations:		
Net investment income	$6,112,556	$8,809,673
Net realized gain	20,022,715	14,894,241
Net change in unrealized appreciation/depreciation	12,493,252	19,565,500
Net increase in net assets resulting from investment operations	38,628,523	43,269,414
Dividends and Distributions to Shareholders from:		
Net investment income	(6,245,173)	(6,245,173)
Net realized gains	(6,245,173)	(18,735,519)
Total dividends and distributions to shareholders	(12,490,346)	(24,980,692)
Total increase in net assets	26,138,177	18,288,722
Net Assets:		
Beginning of period	448,383,586	430,094,864
End of period (including undistributed net investment income of $3,054,635, and $3,187,252, respectively)	$474,521,763	$448,383,586

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

1. Organization and Significant Accounting Policies

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund and AllianzGI Equity & Convertible Income Fund each a Fund and (collectively referred to as the Funds) were organized as Massachusetts business trusts on August 20, 2003 and December 12, 2006, respectively. Prior to commencing operations on February 28, 2005 and February 27, 2007, respectively, the Funds had no operations other than matters relating to their organization and registration as diversified, closed-end management investment companies registered under the Investment Company Act of 1940 and the rules and regulations thereunder, as amended. Allianz Global Investors Fund Management LLC (the Investment Manager) serves as the Funds investment manager and is an indirect wholly-owned subsidiary of Allianz Asset Management of America L.P., (AAM). AAM is an indirect, wholly-owned subsidiary of Allianz SE, a publicly traded European insurance and financial services company. Each Fund has authorized an unlimited amount of common shares with $0.00001 par value.

Dividend, Interest & Premium Strategy s primary investment objective is to seek current income and gains, with a secondary objective of long-term capital appreciation. Under normal market conditions the Fund pursues its investment objectives by investing in a diversified portfolio of dividend-paying common stocks and income-producing convertible securities. The Fund will also employ a strategy of writing (selling) call options on equity indexes in an attempt to generate gains from option premiums.

Equity & Convertible Income s investment objective is to seek total return comprised of capital appreciation, current income and gains. Under normal market conditions the Fund pursues its objective by investing in a diversified portfolio of equity securities and income-producing convertible securities. The Fund will also employ a strategy of writing (selling) call options on the equity securities held by the Fund.

There can be no assurance that the Funds will meet their stated objectives.

The preparation of the Funds financial statements in accordance with accounting principles generally accepted in the United States of America requires the Funds management to make estimates and assumptions that affect the reported amounts and disclosures in each Fund s financial statements. Actual results could differ from those estimates.

In the normal course of business, the Funds enter into contracts that contain a variety of representations that provide general indemnifications. The Funds maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred.

In June 2013, the Financial Accounting Standards Board issued guidance that creates a two tiered approach to assess whether an entity is an investment company. The guidance will also require an investment company to measure noncontrolling ownership interests in other investment companies at fair value and will require additional disclosures relating to investment company status, any changes

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

1. Organization and Significant Accounting Policies (continued)

thereto and information about financial support provided or contractually required to be provided to any of the investment company s investees. The guidance is effective for financial statements with fiscal years beginning on or after December 15, 2013 and the Funds interim periods within those fiscal years. The Funds management is evaluating the impact of this guidance on the Funds financial statement disclosures.

The following is a summary of significant accounting policies consistently followed by the Funds:

(a) Valuation of Investments

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

The Board of Trustees (the Board) has adopted procedures for valuing portfolio securities and other financial derivative instruments in circumstances where market quotes are not readily available, and has delegated the responsibility for applying the valuation methods to the Investment Manager, NFJ Investment Group LLC (NFJ) and Allianz Global Investors U.S. LLC (Allianz Global Investors) (collectively, the Sub-Advisers), affiliates of the Investment Manager. The Funds Valuation Committee was established by the Board to oversee the implementation of the Funds valuation methods and to make fair value determinations on behalf of the Board, as instructed. The Sub-Advisers monitor the continued appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Advisers determine that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

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

Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less,

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

1. Organization and Significant Accounting Policies (continued)

or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days.

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

(b) 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:

n Level 1 quoted prices in active markets for identical investments that the Funds have the ability to access

n 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

n Level 3 valuations based on significant unobservable inputs (including the Sub-Advisers or Valuation Committee s own assumptions and securities whose price was determined by using a single broker s quote)

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 Funds generally use to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles (GAAP).

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

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

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

1. Organization and Significant Accounting Policies (continued)

are observable, the values of convertible bonds & notes are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

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

Option Contracts Option contracts traded over the counter (OTC) 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 option contracts are categorized as Level 2. To the extent that these inputs are unobservable the values are categorized as Level 3.

The valuation techniques used by the Funds to measure fair value during the six months ended July 31, 2013 were intended to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Funds policy is to recognize transfers between levels at the end of the reporting period. An investment asset s or liability s levels 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 and 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.

(c) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on an identified cost basis. Interest income adjusted for the accretion of discount and amortization of premium is recorded on an accrual basis.

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

1. Organization and Significant Accounting Policies (continued)

Discounts or premiums on debt securities purchased are accreted or amortized, respectively, to interest income. Conversion premium is not amortized. Dividend income is recorded on the ex-dividend date. Payments received from certain investments may be comprised of dividends, realized gains and return of capital. These payments may initially be recorded as dividend income and may subsequently be reclassified as realized gains and/or return of capital upon receipt of information from the issuer. Payments received on synthetic convertible securities are generally included in dividends.

(d) Federal Income Taxes

The Funds intend to distribute all of their taxable income and to comply with the other requirements of Subchapter M of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required.

Accounting for uncertainty in income taxes establishes for all entities, including pass-through entities such as the Funds, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. Funds management has determined that its evaluation or the position taken in the tax returns has resulted in no material impact to the Funds financial statements at July 31, 2013. The federal income tax returns for the prior three years remain subject to examination by the Internal Revenue Service.

(e) Dividends and Distributions

The Funds declare quarterly dividends and distributions from net investment income and gains from option premiums and the sale of portfolio securities. The Funds record dividends and distributions on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains is determined in accordance with federal income tax regulations, which may differ from GAAP. These book-tax differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal income tax treatment. Temporary differences do not require reclassification. To the extent dividends and/or distributions exceed current and accumulated earnings and profits for federal income tax purposes, they are reported as dividends and/or distributions to shareholders from return of capital. At July 31, 2013, it is anticipated that Dividend, Interest & Premium Strategy will have a return of capital at fiscal year-end.

(f) Convertible Securities

It is the Funds policy to invest a portion of their assets in convertible securities. Although convertible securities do derive part of their value from the securities into which they are convertible, they are not considered derivative financial instruments. However, certain of the Funds investments in convertible securities include features which render them more sensitive to price changes in their underlying securities. The value of structured/synthetic convertible securities can be affected by interest rate changes and credit risks of the issuer. Such securities may be structured in

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

1. Organization and Significant Accounting Policies (continued)

ways that limit their potential for capital appreciation and the entire value of the security may be at risk of loss depending on the performance of the underlying equity security. Consequently, the Funds are exposed to greater downside risk than traditional convertible securities, but still less than that of the underlying stock.

2. Principal Risks

In the normal course of business, the Funds trade financial instruments and enter into financial transactions where risk of potential loss exists due to, among other things, changes in the market (market risk) or failure of the other party to a transaction to perform (counterparty risk). The Funds are also exposed to other risks such as, but not limited to, interest rate, credit and leverage risks.

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the values of certain fixed income securities held by the Funds are likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate.

Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is used primarily as a measure of the sensitivity of a fixed income security s market price to interest rate (*i.e.* yield) movements.

The Funds are exposed to credit risk, which is the risk of losing money if the issuer or guarantor of a fixed income security is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

The market values of securities may decline due to general market conditions (market risk) which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities and equity-related investments generally have greater market price volatility than fixed income securities.

The Funds are exposed to counterparty risk, or the risk that an institution or other entity with which the Funds have unsettled or open transactions will default. The potential loss to the Funds could exceed the value of the financial assets recorded in the Funds financial statements. Financial assets, which potentially expose the Funds to counterparty risk, consist principally of cash due from counterparties and investments. The Sub-Advisers seek to minimize the Fund s counterparty risk by performing reviews of each counterparty and by minimizing concentration of counterparty risk by undertaking transactions with multiple customers and counterparties on recognized and reputable exchanges. Delivery of securities sold is only made once the Funds have

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

2. Principal Risks *(continued)*

received payment. Payment is made on a purchase once the securities have been delivered by the counterparty. The trade will fail if either party fails to meet its obligation.

The Funds are exposed to risks associated with leverage. Leverage may cause the value of the Funds shares to be more volatile than if the Funds did not use leverage. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the Funds portfolio securities. The Funds may engage in transactions or purchase instruments that give rise to forms of leverage. In addition, to the extent the Funds employ leverage, dividend and interest costs may not be recovered by any appreciation of the securities purchased with the leverage proceeds and could exceed the Funds investment returns, resulting in greater losses.

Equity & Convertible Income holds a convertible security with a Lehman Brothers entity as counterparty at the time the relevant Lehman Brothers entity filed for protection or convertible security was placed in administration. This security is valued using a discounted amount on a previous sale price.

3. Financial Derivative Instruments

Disclosure about derivatives and hedging activities requires qualitative disclosure regarding objectives and strategies for using derivatives, quantitative disclosure about fair value amounts of gains and losses on derivatives, and disclosure about credit-risk related contingent features in derivative agreements. The disclosure requirements distinguish between derivatives which are accounted for as hedges , and those that do not qualify for such accounting. Although the Funds at times use derivatives for hedging purposes, the Funds reflect derivatives at fair value and recognize changes in fair value through the Funds Statements of Operations, and such derivatives do not qualify for hedge accounting treatment.

Option Transactions

The Funds write (sell) call options on securities and indices to earn premiums, for hedging purposes, risk management purposes or otherwise as part of their investment strategies. When an option is written, the premium received is recorded as an asset with an equal liability that is subsequently marked to market to reflect the market value of the option written. These liabilities are reflected as options written in the Funds Statements of Assets and Liabilities.

Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transactions as a realized loss.

If a call option written is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. In writing an option, the Funds bear the market risk of an unfavorable change in the price of the security underlying the written option. Exercise of a written option could result in the Funds purchasing a security at a price different from its current market value.

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

4. Investment Manager/Sub-Advisers

Each Fund has an Investment Management Agreement (each an Agreement) with the Investment Manager. Subject to the supervision of the Funds Board, the Investment Manager is responsible for managing, either directly or through others selected by it, the Funds investment activities, business affairs and administrative matters. Pursuant to its Agreement, Dividend, Interest & Premium Strategy pays the Investment Manager an annual fee, payable monthly, at an annual rate of 0.90% of its average daily total managed assets. Pursuant to its Agreement, Equity & Convertible Income pays the Investment Manager an annual fee, payable monthly, at the annual rate of 1.00% of its average daily total managed assets. Total managed assets refer to the total assets of each Fund (including forms of leverage that may be outstanding) minus accrued liabilities (other than liabilities representing leverage).

The Investment Manager has retained the Sub-Advisers to manage Dividend, Interest & Premium Strategy. NFJ manages the equity component and Allianz Global Investors manages the convertible and index option strategy components of the Fund. Allianz Global Investors serves as the sole sub-adviser to Equity & Convertible Income. Pursuant to Sub-Advisory Agreements, the Investment Manager and not the Funds, pays a portion of the fees it receives as Investment Manager to the Sub-Advisers in return for their services.

Effective July 1, 2013, the Adviser entered into an Amended and Restated Portfolio Management Agreement with the Sub-Adviser with respect to the Fund (the Amended Agreement). The Amended Agreement reflects the recent changes in the names of the Fund and the Sub-Adviser, which are discussed above. The Amended Agreement is otherwise substantially identical to the previous Portfolio Management Agreement.

5. Investments in Securities

For the six months ended July 31, 2013, purchases and sales of investments, other than short-term securities were:

	Dividend, Interest & Premium Strategy	Equity & Convertible Income
Purchases	$547,401,128	$406,047,666
Sales	699,345,144	421,619,921

6. Income Tax Information

Under the Regulated Investment Company Modernization Act of 2010, the Funds will be permitted to carryforward capital losses incurred in taxable years beginning after December 22, 2010, for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital

Notes to Financial Statements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/
AllianzGI Equity & Convertible Income Fund

July 31, 2013 (unaudited)

6. Income Tax Information *(continued)*

losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term capital losses.

At July 31, 2013, the aggregate cost basis and the net unrealized appreciation/depreciation of investments (before call options written) for federal income tax purposes were as follows:

	Federal Tax Cost Basis (1)	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized Depreciation
Dividend, Interest & Premium Strategy	$1,752,014,454	$185,376,251	$(206,869,120)	$(21,492,869)
Equity & Convertible Income	541,420,197	12,182,975	(81,198,274)	(69,015,249)

(1) Differences, if any, between book and tax cost basis are primarily attributable to wash sale loss deferrals.

7. Subsequent Events

In preparing these financial statements, the Funds management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

On September 6, 2013 quarterly dividends were declared to shareholders, payable September 26, 2013 to shareholders of record on September 16, 2013:

Dividend, Interest & Premium Strategy	$0.45 per share
Equity & Convertible Income	$0.28 per share

On September 24, 2013, the Boards of Trustees of Equity & Convertible Income and AllianzGI Global Equity & Convertible Income Fund (Global Equity & Convertible Income) approved the reorganization of Global Equity & Convertible Income into Equity & Convertible Income, pursuant to which Equity & Convertible Income would continue as the surviving fund (the Reorganization). It is currently expected that the Reorganization will be completed in the first quarter of 2014, subject to the required approval of shareholders of both Funds and satisfaction of applicable regulatory requirements and other customary closing conditions. A Registration Statement, which will include a Joint Proxy/Statement Prospectus relating to the Reorganization, will be filed with the SEC and, upon its effectiveness, distributed to shareholders of Equity & Convertible Income and Global Equity & Convertible Income.

There were no other subsequent events identified that require recognition or disclosure.

Financial Highlights

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund

For a share outstanding throughout each period:

	Six Months ended July 31, 2013 (unaudited)	Year ended January 31, 2013	2012	2011	2010	2009
Net asset value, beginning of period	$17.91	$18.06	$19.12	$17.30	$14.12	$23.84
Investment Operations:						
Net investment income	0.28	0.53	0.52	0.64	0.61	0.89
Net realized and change in unrealized gain (loss) on investments and call options written	0.99	1.12	0.22	2.08	3.17	(8.63)
Total from investment operations	1.27	1.65	0.74	2.72	3.78	(7.74)
Dividends and Distributions to Shareholders from:						
Net investment income	(0.90)	(0.67)	(0.56)	(0.90)	(0.60)	(0.87)
Net realized gains			(0.85)			(1.11)
Return of capital		(1.13)	(0.39)			
Total dividends and distributions to shareholders	(0.90)	(1.80)	(1.80)	(0.90)	(0.60)	(1.98)
Capital Share Transactions:						
Net asset value, end of period	$18.28	$17.91	$18.06	$19.12	$17.30	$14.12
Market price, end of period	$17.44	$16.65	$17.30	$17.60	$14.50	$12.97
Total Investment Return (1)	10.40%	6.83%	9.07%	28.20%	17.31%	(37.93)%
Ratios/Supplemental Data:						
Net assets, end of period (000 s)	$1,728,311	$1,692,659	$1,706,770	$1,807,672	$1,635,728	$1,334,735
Ratio of expenses to average net assets	0.96%(2)	0.97%	0.97%	0.97%	0.98%	0.97%
Ratio of net investment income to average net assets	3.11%(2)	2.97%	2.83%	3.54%	3.95%	4.40%
Portfolio turnover rate	34%	46%	50%	65%	57%	48%

(1) Total investment return is calculated assuming a purchase of a share of common stock at the market price on the first day and a sale of a share of common stock at the market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Fund s dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges in connection with the purchase or sale of Fund shares. Total investment return for less than one year is not annualized.

(2) Annualized.

Financial Highlights

AllianzGI Equity & Convertible Income Fund

For a share outstanding throughout each period:

	Six Months ended July 31, 2013 (unaudited)	Year ended January 31, 2013	2012	2011	2010	2009
Net asset value, beginning of period	$20.10	$19.28	$20.28	$17.58	$13.41	$23.44
Investment Operations:						
Net investment income	0.27	0.39	0.36	0.40	0.40	0.67
Net realized and change in unrealized gain (loss) on investments and call options written	1.47	1.55	(0.24)	3.42	4.89	(8.39)
Total from investment operations	1.74	1.94	0.12	3.82	5.29	(7.72)
Dividends and Distributions to Shareholders from:						
Net investment income	(0.28)	(0.28)	(0.46)	(0.41)	(0.99)	(0.65)
Net realized gains	(0.28)	(0.84)	(0.66)	(0.71)		(1.66)
Return of capital					(0.13)	
Total dividends and distributions to shareholders	(0.56)	(1.12)	(1.12)	(1.12)	(1.12)	(2.31)
Net asset value, end of period	$21.28	$20.10	$19.28	$20.28	$17.58	$13.41
Market price, end of period	$18.82	$17.91	$17.22	$19.30	$15.83	$13.10
Total Investment Return (1)	8.34%	10.92%	(4.85)%	30.16%	30.75%	(31.75)%
Ratios/Supplemental Data:						
Net assets, end of period (000 s)	$474,522	$448,384	$430,095	$452,406	$392,092	$299,126
Ratio of expenses to average net assets	1.08%(2)	1.09%	1.08%	1.10%	1.10%	1.07%
Ratio of net investment income to average net assets	2.68%(2)	2.06%	1.87%	2.16%	2.54%	3.42%
Portfolio turnover rate	91%	122%	118%	168%	94%	86%

(1) Total investment return is calculated assuming a purchase of a share of common stock at the market price on the first day and a sale of a share of common stock at the market price on the last day of each period reported. Dividends and distributions, if any are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund s dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges in connection with the purchase or sale of Fund shares. Total investment return for a period less than one year is not annualized.

(2) Annualized.

Annual Shareholder Meeting Results/Proxy Voting Policies & Procedures

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/AllianzGI Equity &
Convertible Income Fund (unaudited)

Annual Shareholder Meeting Results:

The Funds held their annual meeting of shareholders on July 17, 2013. Shareholders voted as indicated below:

Dividend, Interest & Premium Strategy

	Affirmative	Withheld Authority
Re-election of Deborah A. DeCotis Class II to serve until the Annual Meeting for the 2016-2017 fiscal year	82,096,009	2,245,050
Re-election of Bradford K. Gallagher Class II to serve until the Annual Meeting for the 2016-2017 fiscal year	82,197,690	2,143,369
Re-election of James A. Jacobson Class II to serve until the Annual Meeting for the 2016-2017 fiscal year	82,212,171	2,128,888

The other members of the Board of Trustees at the time of this meeting, namely, Hans W. Kertess, John C. Maney , William B. Ogden, IV and Alan Rappaport continue to serve as Trustees.

Equity & Convertible Income:

	Affirmative	Withheld Authority
Re-election of Deborah A. DeCotis Class III to serve until the Annual Meeting for the 2016-2017 fiscal year	19,213,312	955,177
Re-election of Bradford K. Gallagher Class III to serve until the Annual Meeting for the 2016-2017 fiscal year	19,212,639	955,850

The other members of the Board of Trustees at the time of the meeting, namely, James A. Jacobson, Hans W. Kertess, John C. Maney , William B. Ogden, IV, and Alan Rappaport continue to serve as Trustees.

Interested Trustee

Proxy Voting Policies & Procedures:

A description of the polices and procedures that the Funds have adopted to determine how to vote proxies relating to portfolio securities and information about how the Funds voted proxies relating to portfolio securities held during the most recent twelve month period ended June 30 is available (i) without charge, upon request, by calling the Funds shareholder servicing agent at (800) 254-5197; (ii) on the Funds website at us.allianzgi.com/closedendfunds; and (iii) on the Securities and Exchange Commission s website at www.sec.gov.

Matters Relating to the Trustees Consideration of the Investment Management & Portfolio Management Agreements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/AllianzGI Equity &
Convertible Income Fund (unaudited)

The Investment Company Act of 1940, as amended, requires that both the full Board of Trustees (the Trustees) and a majority of the non-interested Trustees (the Independent Trustees), voting separately, approve each Fund s Management Agreement with the Investment Manager (the Advisory Agreements) and Portfolio Management Agreements between the Investment Manager and the applicable Sub-Advisers (the Sub-Advisory Agreements , and together with the Advisory Agreements, the Agreements). The Trustees met telephonically on June 10, 2013 and in person on June 25, 2013 (the contract review meetings) for the specific purpose of considering whether to approve the continuation of the Advisory Agreements and the Sub-Advisory Agreements. The Independent Trustees were assisted in their evaluation of the Agreements by independent legal counsel, from whom they received separate legal advice and with whom they met separately from Fund management during the contract review meeting.

In connection with their deliberations regarding the continuation of the Agreements, the Trustees, including the Independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. As described below, the Trustees considered the nature, quality, and extent of the various investment management, administrative and other services performed by the Investment Manager or the Sub-Advisers under the applicable Agreement.

In connection with their contract review meetings, the Trustees received and relied upon materials provided by the Investment Manager which included, among other items: (i) information provided by Lipper Inc. (Lipper), an independent third party, on the total return investment performance (based on net assets) of the Funds for various time periods, the investment performance of a group of funds with investment classifications/objectives comparable to those of the Funds identified by Lipper (the Lipper performance universe) and with respect to NFJ only, the performance of an applicable benchmark index, (ii) information provided by Lipper on the Funds management fees and other expenses and the management fees and other expenses of comparable funds identified by Lipper, (iii) information regarding the investment performance and management fees for other funds and accounts managed by the Investment Manager and/or the Sub Advisers with strategies that have similarities (but are not substantially similar) to those of the Funds, (iv) the estimated profitability to the Investment Manager from its relationship with the Fund for the one year period ended December 31, 2012, (v) descriptions of various functions performed by the Investment Manager and the Sub-Advisers for the Funds, such as portfolio management, compliance monitoring and portfolio trading practices, and (vi) information regarding the overall organization of the Investment Manager and the Sub-Advisers, including information regarding senior management, portfolio managers and other personnel providing investment management, administrative and other services to the Funds.

Matters Relating to the Trustees Consideration of the Investment Management & Portfolio Management Agreements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/AllianzGI Equity & Convertible Income Fund (unaudited) (continued)

The Trustees conclusions as to the continuation of the Agreements were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, attributing different weights to various factors. The Trustees recognized that the fee arrangements for the Funds are in many cases the result of review and discussion in prior years between the Independent Trustees and the Investment Manager, that certain aspects of such arrangements may receive greater scrutiny in some years than in others, and that the Trustees conclusions may be based, in part, on their consideration of these same arrangements during the course of the year and in prior years.

Fund-specific performance results for the Funds reviewed by the Trustees are discussed below. The comparative performance information was prepared and provided by Lipper and was not independently verified by the Trustees. The Trustees reviewed, among other information, comparative information showing performance of each Fund against its respective Lipper performance universe for the one-year, three-year and five-year periods ended March 31, 2013.

In addition, it was noted that the Trustees considered matters bearing on the Funds and their advisory arrangements at their meetings throughout the year, including a review of performance data at each regular meeting.

As part of their review, the Trustees examined the Investment Manager s and the Sub-Advisers abilities to provide high quality investment management and other services to the Funds. Among other information, the Trustees considered the investment philosophy and research and decision-making processes of the Sub-Advisers; the experience of key advisory personnel of the Sub-Advisers responsible for portfolio management of the Funds; the ability of the Investment Manager and the Sub-Advisers to attract and retain capable personnel; and the capability of the senior management and staff of the Investment Manager and the Sub-Advisers. In addition, the Trustees reviewed the quality of the Investment Manager s and the Sub-Advisers services with respect to regulatory compliance and compliance with the investment policies of the Funds; the nature and quality of certain administrative services the Investment Manager is responsible for providing to the Funds; and conditions that might affect the Investment Manager s or the Sub-Advisers ability to provide high quality services to the Funds in the future under the Agreements, including each organization s respective financial condition and operational stability. Based on the foregoing, the Trustees concluded that the Sub-Advisers investment process, research capabilities and philosophy were well suited to each of the Funds given their respective investment objective and policies, and that the Investment Manager and the Sub-Advisers would be able to continue to meet any reasonably foreseeable obligations under the Agreements.

Matters Relating to the Trustees Consideration of the Investment Management & Portfolio Management Agreements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/AllianzGI Equity &
Convertible Income Fund (unaudited) (continued)

In assessing the reasonableness of each Fund s fees under the Agreements, the Trustees considered, among other information, each Fund s management fee and its total expense ratio as a percentage of average net assets attributable to common shares and the management fee and total expense ratios of peer expense groups of funds based on information provided by Lipper. The Fund-specific fee and expense results discussed below were prepared and provided by Lipper and were not independently verified by the Trustees.

The Trustees specifically took note of how each Fund compared to its Lipper peers as to performance and management fee and total net expenses. The Trustees noted that while the Funds are not charged a separate administration fee (recognizing that their management fee includes a component for administrative services), it was not clear in all cases whether the peer funds in the Lipper categories were separately charged such a fee by their investment managers, so that the total expense ratio (rather than any individual expense component) represented the most relevant comparison. It was noted that the total expense ratio comparisons reflect the effect of expense waivers/reimbursements (although none exist for the Funds).

Dividend, Interest & Premium Strategy

The Trustees noted that the expense group for the Fund provided by Lipper consisted of a total of seven closed-end funds, including the Fund. The Trustees noted that only non-leveraged closed-end funds were considered for inclusion in the group. The Trustees also noted that average net assets of the common shares of the seven funds in the expense group ranged from $253.9 million to $1.67 billion, and that no other fund is larger in asset size than the Fund. The Trustees also noted that the Fund was ranked second out of seven funds in the expense group for total expense ratio based on common share assets and third out of seven funds in the expense group for actual management fees based on common share assets (with funds ranked first having the lowest fees/expenses and ranked seventh having the highest fees/expenses in the expense group).

With respect to Fund total return performance relative to its Lipper performance universe (based on net asset value), the Trustees noted that the Fund had third quintile performance for the one-year and three-year periods and fourth quintile performance for the five-year period ended March 31, 2013.

Equity & Convertible Income

The Trustees noted that the expense group for the Fund provided by Lipper consisted of a total of eight closed-end funds, including the Fund. The Trustees noted that only non-leveraged closed-end funds were considered for inclusion in the group. The Trustees also noted that average net assets of the common shares of the eight funds in the expense group ranged from $229.4 million to $624.3 million, and that three of the funds were larger in asset size than the Fund. The Trustees also noted that the Fund was ranked fourth out of eight funds in the expense group both for total expense ratio based on common share assets and for actual management fees based on common share assets (with funds ranked first having the lowest fees/expenses and ranked

Matters Relating to the Trustees Consideration of the Investment Management & Portfolio Management Agreements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/AllianzGI Equity &
Convertible Income Fund (unaudited) (continued)

eighth having the highest fees/expenses in the expense group).

With respect to Fund total return performance relative to its Lipper performance universe (based on net asset value), the Trustees noted that the Fund had fourth quintile performance for the one-year period, and second quintile performance for the three-year and five-year periods ended March 31, 2013.

In addition to their review of Fund performance based on net asset value, the Trustees also considered the market value performance of each Fund s common shares and related share price premium and/or discount information based on the materials provided by Lipper and management.

The Trustees were advised that the Investment Manager and the Sub-Advisers do not manage any funds or accounts, including institutional or separate accounts, with investment strategies and return profiles similar to those of the Funds. However, the Trustees considered the management fees charged by the Investment Manager and/or Sub-Advisers to other funds and accounts with strategies that have similarities (but are not substantially similar) to those of the Funds, including open-end funds and, in some cases, separate accounts advised by the Investment Manager and/or Sub-Advisers. The Trustees noted that the management fees paid by the Funds are generally higher than the fees paid by such separate account clients. However, the Trustees were advised by the Sub-Advisers that they generally provide broader and more extensive services to the Funds in comparison to separate accounts, and incur additional expenses in connection with the more extensive regulatory regime to which the Funds are subject in comparison to separate accounts generally. The Trustees noted that the management fees paid by the Funds are generally higher than the fees paid by the open-end funds offered for comparison but were advised by the Sub-Advisers that there are additional portfolio management challenges in managing the Funds, such as attempting to meet a regular dividend.

Based on a profitability analysis provided by the Investment Manager, the Trustees also considered the estimated profitability to the Investment Manager its relationship with each Fund and determined that such profitability did not appear to be excessive.

The Trustees also took into account that, as closed-end investment companies, the Funds do not currently intend to raise additional assets, so the assets of the Funds will grow (if at all) only through the investment performance of each Fund. Therefore, the Trustees did not consider potential economies of scale as a principal factor in assessing the fee rates payable under the Agreements.

Additionally, the Trustees considered so-called fall-out benefits to the Investment Manager and the Sub-Advisers, such as reputational value derived from serving as Investment Manager and Sub-Advisers to the Funds.

After reviewing these and other factors described herein, the Trustees concluded with respect to each Fund, within the context of their overall conclusions regarding the Agreements and based on the information provided and related representations made by management, that they were satisfied with the

Matters Relating to the Trustees Consideration of the Investment Management & Portfolio Management Agreements

AllianzGI NFJ Dividend, Interest & Premium Strategy Fund/AllianzGI Equity &
Convertible Income Fund (unaudited) (continued)

Investment Manager s and the Sub-Adviser s responses and efforts relating to the investment performance of the Funds. The Trustees also concluded that the fees payable under each Agreement represent reasonable compensation in light of the nature, extent and quality of services provided by the Investment Manager or Sub-Adviser, as the case may be. Based on their evaluation of factors that they deemed to be material, including those factors described above, the Trustees, including the Independent Trustees, unanimously concluded that the continuation of the Agreements with respect to each Fund was in the interests of the Fund and its shareholders, and should be approved.

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Trustees
Hans W. Kertess
Chairman of the Board
Deborah A. DeCotis
Bradford K. Gallagher
James A. Jacobson
John C. Maney
William B. Ogden, IV
Alan Rappaport

Fund Officers
Brian S. Shlissel
President & Chief Executive Officer
Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer
Thomas J. Fuccillo
Vice President, Secretary & Chief Legal Officer
Scott Whisten
Assistant Treasurer
Richard J. Cochran
Assistant Treasurer
Orhan Dzemaili
Assistant Treasurer
Thomas L. Harter
Chief Compliance Officer
Lagan Srivastava
Assistant Secretary

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Sub-Advisors
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Allianz Global Investors U.S. LLC
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40 Water Street
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Transfer Agent, Dividend Paying Agent and Registrar
American Stock Transfer & Trust Company, LLC
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Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP
300 Madison Avenue
New York, NY 10017

Legal Counsel
Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, MA 02199

This report, including the financial information herein, is transmitted to the shareholders of AllianzGI NFJ Dividend, Interest & Premium Strategy Fund and AllianzGI Equity & Convertible Income Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Funds or any securities mentioned in this report.

The financial information included herein is taken from the records of the Funds without examination by an independent registered public accounting firm, who did not express an opinion herein.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Funds may purchase shares of its stock in the open market.

The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of their fiscal year on Form N-Q. Each Fund s Form N-Q is available on the SEC s website at www.sec.gov and may be reviewed and copied at the SEC s Public Reference Room in Washington D.C. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information on Form N-Q is also available on the Funds website at us.allianzgi.com/closedendfunds.

Information on the Funds is available at us.allianzgi.com/closedendfunds or by calling the Funds shareholder servicing agent at (800) 254-5197.

us.allianzgi.com

Receive this report electronically and eliminate paper mailings.

To enroll, go to us.allianzgi.com/edelivery.

AGI-2013-08-07-7533

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ITEM 2. CODE OF ETHICS

Not required in this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not required in this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not required in this filing

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANT

Not required in this filing

ITEM 6. SCHEDULE OF INVESTMENTS

(a) The registrant s Schedule of Investments is included as part of the report to shareholders filed under Item 1 of this form.

(b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not required in this filing

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED COMPANIES

None

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund s Board of Trustees since the Fund last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES

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

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

ITEM 12. EXHIBITS

(a) (1) Not required in this filing.

(a) (2) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

(a) (3) Not applicable

(b) Exhibit 99.906 Cert.   Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Signatures

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

(Registrant) AllianzGI Equity & Convertible Income Fund

By /s/ Brian S. Shlissel
Brian S. Shlissel, President & Chief Executive Officer

Date: October 1, 2013

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

Date: October 1, 2013

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/ Brian S. Shlissel
Brian S. Shlissel, President and Chief Executive Officer

Date: October 1, 2013

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

Date: October 1, 2013