

AllianzGI Equity & Convertible Income Fund  
Form N-Q  
December 23, 2013

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21989

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

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

10019  
(Zip code)

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

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

Date of fiscal year January 31, 2014  
end:

Date of reporting period: October 31, 2013

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## Item 1. Schedule of Investments

## AllianzGI Equity &amp; Convertible Income Fund Schedule of Investments

October 31, 2013 (unaudited)

| Shares   |                                   | Value*       |
|--|-----------------------------------|--------------|
| <b>COMMON STOCK 69.0%</b>                                      |                                   |              |
| <b>Aerospace &amp; Defense 3.1%</b>                            |                                   |              |
| 74,300   | L-3 Communications Holdings, Inc. | \$ 7,463,435 |
| 265,900  | Textron, Inc. (a)                 | 7,655,261    |
|  |                                   | 15,118,696   |
| <b>Auto Components 1.8%</b>                                    |                                   |              |
| 190,300  | Johnson Controls, Inc.            | 8,782,345    |
| <b>Automobiles 1.6%</b>  |                                   |              |
| 465,300  | Ford Motor Co.                    | 7,961,283    |
| <b>Beverages 4.4%</b>  |                                   |              |
| 177,500  | Coca-Cola Co.                     | 7,023,675    |
| 127,300  | Molson Coors Brewing Co., Class B | 6,874,200    |
| 93,800   | PepsiCo, Inc.                     | 7,887,642    |
|  |                                   | 21,785,517   |
| <b>Biotechnology 2.6%</b>                                      |                                   |              |
| 29,300   | Amgen, Inc.                       | 3,398,800    |
| 129,200  | Gilead Sciences, Inc. (a) (b)     | 9,171,908    |
|  |                                   | 12,570,708   |
| <b>Chemicals 1.0%</b>  |                                   |              |
| 45,000   | Monsanto Co.                      | 4,719,600    |
| <b>Communications Equipment 5.0%</b>                           |                                   |              |
| 284,200  | Cisco Systems, Inc.               | 6,394,500    |
| 155,500  | Harris Corp.                      | 9,634,780    |
| 122,500  | Qualcomm, Inc.                    | 8,510,075    |
|  |                                   | 24,539,355   |
| <b>Computers &amp; Peripherals 2.8%</b>                        |                                   |              |
| 13,400   | Apple, Inc.                       | 6,999,490    |
| 289,800  | EMC Corp.                         | 6,975,486    |
|  |                                   | 13,974,976   |
| <b>Construction &amp; Engineering 0.2%</b>                     |                                   |              |
| 13,000   | Fluor Corp. (a)                   | 964,860      |
| <b>Diversified Telecommunication Services 1.5%</b>             |                                   |              |
| 145,200  | Verizon Communications, Inc.      | 7,334,052    |
| <b>Electric Utilities 1.6%</b>                                 |                                   |              |
| 54,202   | Entergy Corp.                     | 3,507,954    |
| 85,560   | Exelon Corp.                      | 2,441,882    |
| 67,052   | PPL Corp.                         | 2,053,803    |
|  |                                   | 8,003,639    |
| <b>Electronic Equipment, Instruments &amp; Components 1.5%</b> |                                   |              |
| 92,700   | Amphenol Corp., Class A           | 7,442,883    |

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|         |  |            |
|---------|--|------------|
|         | <b>Energy Equipment &amp; Services 4.5%</b>      |            |
| 68,900  | Diamond Offshore Drilling, Inc.                  | 4,266,977  |
| 89,700  | National Oilwell Varco, Inc.                     | 7,281,846  |
| 96,700  | Schlumberger Ltd.                                | 9,062,724  |
| 99,113  | Weatherford International Ltd. (b)               | 1,629,418  |
|         |  | 22,240,965 |
|         | <b>Food &amp; Staples Retailing 0.7%</b>         |            |
| 27,500  | Costco Wholesale Corp.                           | 3,245,000  |
|         | <b>Health Care Equipment &amp; Supplies 2.1%</b> |            |
| 111,100 | Baxter International, Inc.                       | 7,318,157  |
| 8,300   | Intuitive Surgical, Inc. (b)                     | 3,083,450  |
|         |  | 10,401,607 |

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| Shares  |  | Value*       |
|---------|--|--------------|
|         | <b>Health Care Providers &amp; Services 2.0%</b>             |              |
| 62,600  | McKesson Corp.   | \$ 9,786,884 |
|         | <b>Hotels, Restaurants &amp; Leisure 2.4%</b>                |              |
| 76,200  | McDonald's Corp.   | 7,354,824    |
| 53,600  | Starbucks Corp.  | 4,344,280    |
|         |  | 11,699,104   |
|         | <b>Household Products 1.6%</b>                               |              |
| 98,600  | Procter & Gamble Co.   | 7,961,950    |
|         | <b>Independent Power Producers &amp; Energy Traders 0.9%</b> |              |
| 153,999 | NRG Energy, Inc.   | 4,393,591    |
|         | <b>Industrial Conglomerates 1.7%</b>                         |              |
| 326,059 | General Electric Co.   | 8,523,182    |
|         | <b>Insurance 2.2%</b>  |              |
| 18,450  | American International Group, Inc.                           | 952,943      |
| 81,740  | Assured Guaranty Ltd.  | 1,675,670    |
| 100,200 | Prudential Financial, Inc.                                   | 8,155,278    |
|         |  | 10,783,891   |
|         | <b>Internet &amp; Catalog Retail 0.8%</b>                    |              |
| 10,800  | Amazon.com, Inc. (b)   | 3,931,524    |
|         | <b>Internet Software &amp; Services 1.9%</b>                 |              |
| 9,200   | Google, Inc., Class A (b)                                    | 9,481,336    |
|         | <b>IT Services 2.2%</b>                                      |              |
| 37,200  | International Business Machines Corp.                        | 6,666,612    |
| 20,200  | Visa, Inc., Class A  | 3,972,734    |
|         |  | 10,639,346   |
|         | <b>Machinery 4.1%</b>  |              |
| 151,500 | AGCO Corp.   | 8,844,570    |
| 80,300  | Deere & Co.  | 6,571,752    |
| 81,300  | Joy Global, Inc.   | 4,613,775    |
|         |  | 20,030,097   |
|         | <b>Media 0.4%</b>  |              |
| 36,200  | Comcast Corp., Class A                                       | 1,722,396    |
|         | <b>Metals &amp; Mining 1.0%</b>                              |              |
| 132,400 | Freeport-McMoRan Copper & Gold, Inc.                         | 4,867,024    |
|         | <b>Multiline Retail 1.5%</b>                                 |              |
| 115,500 | Target Corp.   | 7,483,245    |
|         | <b>Oil, Gas &amp; Consumable Fuels 3.0%</b>                  |              |
| 24,429  | Apache Corp.   | 2,169,295    |
| 77,900  | Occidental Petroleum Corp.                                   | 7,484,632    |
| 110,100 | Peabody Energy Corp.   | 2,144,748    |
| 70,500  | Valero Energy Corp.  | 2,902,485    |
|         |  | 14,701,160   |
|         | <b>Pharmaceuticals 1.6%</b>                                  |              |
| 132,900 | Bristol-Myers Squibb Co.                                     | 6,979,908    |
| 23,345  | Teva Pharmaceutical Industries Ltd., ADR                     | 865,866      |
|         |  | 7,845,774    |
|         | <b>Semiconductors &amp; Semiconductor Equipment 3.1%</b>     |              |
| 270,000 | Intel Corp.  | 6,596,100    |
| 205,200 | Texas Instruments, Inc.                                      | 8,634,816    |

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|         |                      |            |
|---------|----------------------|------------|
|         |                      | 15,230,916 |
|         | <b>Software 3.2%</b> |            |
| 234,500 | Microsoft Corp.      | 8,289,575  |
| 227,900 | Oracle Corp.         | 7,634,650  |
|         |                      | 15,924,225 |

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| Shares  |   | Value*       |
|---------|---|--------------|
|         | <b>Specialty Retail 1.0%</b>  |              |
| 65,900  | Home Depot, Inc.  | \$ 5,132,951 |
|         | Total Common Stock (cost-\$389,440,446)                                       | 339,224,082  |
|         | <b>CONVERTIBLE PREFERRED STOCK 20.1%</b>                                      |              |
|         | <b>Aerospace &amp; Defense 0.6%</b>   |              |
| 49,750  | United Technologies Corp., 7.50%, 8/1/15                                      | 3,148,180    |
|         | <b>Airlines 0.8%</b>  |              |
| 82,015  | Continental Airlines Finance Trust II, 6.00%, 11/15/30                        | 3,741,934    |
|         | <b>Auto Components 0.7%</b>   |              |
| 59,600  | Goodyear Tire & Rubber Co., 5.875%, 4/1/14                                    | 3,572,424    |
|         | <b>Automobiles 0.7%</b>   |              |
| 63,000  | General Motors Co., 4.75%, 12/1/13, Ser. B                                    | 3,233,160    |
|         | <b>Biotechnology 0.7%</b>   |              |
| 52,925  | Credit Suisse, 8.00%, 5/9/14 (Gilead Sciences, Inc.) (c)                      | 3,358,620    |
|         | <b>Capital Markets 0.7%</b>   |              |
| 54,100  | AMG Capital Trust I, 5.10%, 4/15/36   | 3,601,032    |
| 33,400  | Escrow Lehman Brothers Holdings, Inc., 28.00%, 3/6/09, Ser. RIG (b) (d) (e)   | 101,449      |
|         |   | 3,702,481    |
|         | <b>Commercial Banks 1.1%</b>  |              |
| 2,800   | Huntington Bancshares, Inc., 8.50%, 12/31/49 (f)                              | 3,581,200    |
| 1,750   | Wells Fargo & Co., 7.50%, 12/31/49, Ser. L (f)                                | 1,993,250    |
|         |   | 5,574,450    |
|         | <b>Communications Equipment 1.3%</b>  |              |
| 3,175   | Lucent Technologies Capital Trust I, 7.75%, 3/15/17                           | 3,207,544    |
| 49,990  | The Goldman Sachs Group, Inc., 8.00%, 1/15/14 (QualComm) (c)                  | 3,139,972    |
|         |   | 6,347,516    |
|         | <b>Computers &amp; Peripherals 0.6%</b>                                       |              |
| 127,440 | JP Morgan Chase & Co., 7.50%, 3/24/14 (EMC Corp.) (c)                         | 2,894,162    |
|         | <b>Diversified Financial Services 0.9%</b>                                    |              |
| 4,225   | Bank of America Corp., 7.25%, 12/31/49, Ser. L (f)                            | 4,552,437    |
|         | <b>Electric Utilities 0.5%</b>  |              |
| 43,000  | NextEra Energy, Inc., 5.599%, 6/1/15  | 2,483,680    |
|         | <b>Energy Equipment &amp; Services 1.0%</b>                                   |              |
| 98,465  | Wells Fargo & Co., 8.00%, 8/6/14 (Halliburton) (c)                            | 4,880,910    |
|         | <b>Food Products 0.9%</b>   |              |
| 38,800  | Bunge Ltd., 4.875%, 12/31/49 (f)  | 4,264,120    |
|         | <b>Health Care Providers &amp; Services 0.8%</b>                              |              |
| 2,935   | HealthSouth Corp., 6.50%, 12/31/49, Ser. A (f)                                | 3,854,756    |
|         | <b>Household Durables 0.7%</b>  |              |
| 94,910  | Wells Fargo & Co., 8.00%, 6/20/14 (Lennar Corp.) (c)                          | 3,263,006    |
|         | <b>Insurance 1.0%</b>   |              |
| 71,840  | JPMorgan Chase & Co., 7.00%, 3/10/14 (American International Group, Inc.) (c) | 3,212,685    |
| 58,700  | MetLife, Inc., 5.00%, 3/26/14   | 1,686,451    |

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|        |   |           |
|--------|---|-----------|
|        |   | 4,899,136 |
|        | <b>Internet &amp; Catalog Retail 0.8%</b>         |           |
| 4,150  | Credit Suisse, 8.00%, 5/21/14 (Priceline.com) (c) | 3,861,907 |
|        | <b>IT Services 0.6%</b>                           |           |
| 41,500 | Unisys Corp., 6.25%, 3/1/14                       | 2,997,130 |

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| Shares   |  | Value*       |
|----------|--|--------------|
|          | <b>Machinery 0.6%</b>  |              |
| 23,400   | Stanley Black & Decker, Inc., 4.75%, 11/17/15                            | \$ 2,988,180 |
|          | <b>Metals &amp; Mining 1.5%</b>  |              |
| 157,160  | ArcelorMittal, 6.00%, 1/15/16  | 3,806,227    |
| 149,400  | Cliffs Natural Resources, Inc., 7.00%, 2/1/16                            | 3,392,874    |
|          |  | 7,199,101    |
|          | <b>Multi-Utilities 0.5%</b>  |              |
| 47,650   | AES Trust III, 6.75%, 10/15/29   | 2,399,654    |
|          | <b>Oil, Gas &amp; Consumable Fuels 0.8%</b>                              |              |
| 20,300   | ATP Oil & Gas Corp., 8.00%, 12/31/49 (f) (g) (h)                         | 1,218        |
| 27,350   | Chesapeake Energy Corp., 5.00%, 12/31/49 (f)                             | 2,676,881    |
| 12,975   | SandRidge Energy, Inc., 7.00%, 12/31/49 (f)                              | 1,325,072    |
|          |  | 4,003,171    |
|          | <b>Real Estate Investment Trust 1.5%</b>                                 |              |
| 118,500  | Alexandria Real Estate Equities, Inc., 7.00%, 12/31/49 (f)               | 3,021,750    |
| 98,900   | FelCor Lodging Trust, Inc., 1.95%, 12/31/49, Ser. A (f)                  | 2,296,458    |
| 31,930   | Health Care REIT, Inc., 6.50%, 12/31/49, Ser. I (f)                      | 1,882,593    |
|          |  | 7,200,801    |
|          | <b>Road &amp; Rail 0.9%</b>  |              |
| 246,810  | 2010 Swift Mandatory Common Exchange Security Trust, 6.00%, 12/31/13 (h) | 4,422,539    |
|          | Total Convertible Preferred Stock (cost-\$97,914,426)                    | 98,843,455   |
|          | <b>Principal Amount (000s)</b>   |              |
|          | <b>CONVERTIBLE BONDS &amp; NOTES 9.1%</b>                                |              |
|          | <b>Capital Markets 1.1%</b>  |              |
| \$ 2,400 | Ares Capital Corp., 5.75%, 2/1/16  | 2,590,500    |
| 2,895    | BGC Partners, Inc., 4.50%, 7/15/16                                       | 2,990,897    |
|          |  | 5,581,397    |
|          | <b>Coal 0.3%</b>   |              |
| 1,525    | Alpha Appalachia Holdings, Inc., 3.25%, 8/1/15                           | 1,456,375    |
|          | <b>Construction Materials 0.7%</b>                                       |              |
| 2,870    | Cemex S.A.B. de C.V., 4.875%, 3/15/15                                    | 3,329,200    |
|          | <b>Electrical Equipment 0.9%</b>   |              |
| 2,535    | EnerSys, 3.375%, 6/1/38 (i)  | 4,288,916    |
|          | <b>Hotels, Restaurants &amp; Leisure 1.0%</b>                            |              |
| 2,545    | MGM Resorts International, 4.25%, 4/15/15                                | 3,123,988    |
| 1,705    | Morgans Hotel Group Co., 2.375%, 10/15/14                                | 1,638,931    |
|          |  | 4,762,919    |
|          | <b>Machinery 2.1%</b>  |              |
| 2,800    | Greenbrier Cos, Inc., 3.50%, 4/1/18                                      | 3,060,750    |
| 3,000    | Meritor, Inc., 4.625%, 3/1/26 (i)  | 3,052,500    |
| 850      | 7.875%, 3/1/26 (g) (h)   | 1,031,688    |
| 2,950    | Navistar International Corp., 3.00%, 10/15/14                            | 3,044,031    |
|          |  | 10,188,969   |
|          | <b>Marine 0.2%</b>   |              |
| 1,100    | DryShips, Inc., 5.00%, 12/1/14   | 1,050,500    |
|          | <b>Media 0.5%</b>  |              |
| 5,200    | Liberty Interactive LLC, 3.50%, 1/15/31                                  | 2,730,000    |



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|                                 |                                       |           |
|---------------------------------|---------------------------------------|-----------|
| <b>Metals &amp; Mining 0.5%</b> |                                       |           |
| 2,100                           | Steel Dynamics, Inc., 5.125%, 6/15/14 | 2,376,937 |

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| Principal Amount<br>(000s) |  | Value*                |
|----------------------------|--|-----------------------|
|                            | <b>Oil, Gas &amp; Consumable Fuels 0.5%</b>  |                       |
| \$ 2,765                   | Endeavour International Corp., 5.50%, 7/15/16  | \$ 2,355,434          |
|                            | <b>Semiconductors &amp; Semiconductor Equipment 0.7%</b>                                       |                       |
| 2,800                      | SunPower Corp., 4.75%, 4/15/14   | 3,368,750             |
|                            | <b>Software 0.6%</b>   |                       |
| 3,000                      | TeleCommunication Systems, Inc., 7.75%, 6/30/18  | 2,910,000             |
|                            | Total Convertible Bonds & Notes (cost-\$41,245,533)  | 44,399,397            |
|                            | <b>SHORT-TERM INVESTMENT 0.7%</b>  |                       |
|                            | <b>Time Deposit 0.7%</b>   |                       |
| 3,456                      | Citibank-London, 0.03%, 11/1/13 (cost-\$3,455,905)   | 3,455,905             |
|                            | <b>Total Investments, before call options written</b><br>(cost-\$532,056,310) (j) <b>98.9%</b> | <b>485,922,839</b>    |
|                            | <b>Contracts</b>   |                       |
|                            | <b>CALL OPTIONS WRITTEN (b) 0.0%</b>   |                       |
| 65                         | Fluor Corp., (ASE),<br>strike price \$80, expires 11/16/13                                     | (2,112)               |
| 645                        | Gilead Sciences, Inc., (ASE),<br>strike price \$72.5, expires 11/16/13                         | (51,278)              |
|                            | Total Call Options Written (premiums received-\$50,305)  | (53,390)              |
|                            | <b>Total Investments, net of call options written</b><br>(cost-\$532,006,005) <b>98.9%</b>     | 485,869,449           |
|                            | Other assets less other liabilities 1.1%   | 5,593,400             |
|                            | <b>Net Assets 100.0%</b>   | <b>\$ 491,462,849</b> |

**Notes to Schedule of Investments:**

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

The Board of Trustees (the Board) has adopted procedures for valuing portfolio securities and other financial 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, Allianz Global Investors Fund Management LLC (AGIFM) and Allianz Global Investors U.S. LLC (AGI U.S.) (the Sub-Adviser), an affiliate of the Investment Manager. The Fund's Valuation Committee was established by the Board to oversee the implementation of the Fund's valuation methods and to make fair value determinations on behalf of the Board, as instructed. The Sub-Adviser monitors the continued appropriateness of methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Sub-Adviser determines that a valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee will be convened to consider the matter and take any appropriate action in accordance with procedures set forth by the Board. The Board shall review the appropriateness of the valuation methods and these methods may be amended or supplemented from time to time by the Valuation Committee.

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

Short-term securities maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, 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 Fund to value investments may differ from the value that would be realized if the investments were sold, and these differences could be material. The Fund's net asset value (NAV) is normally determined as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open for business.

- (a) All or partial amount segregated for the benefit of the counterparty as collateral for call options written.
- (b) Non-income producing.
- (c) Securities exchangeable or convertible into securities of an entity different than the issuer or structured by the issuer to provide exposure to securities of an entity different than the issuer (synthetic convertible securities). Such entity is identified in the parenthetical.
- (d) In default.
- (e) Fair-Valued Security with an aggregate value of \$101,449 representing less than 0.05% of net assets.
- (f) Perpetual maturity. Maturity date shown is the next call date.

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(g) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$1,032,906, representing 0.2% 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) At October 31, 2013, the cost basis of portfolio securities (before call options written) for federal income tax purposes was \$532,175,873. Gross unrealized appreciation was \$20,452,974, gross unrealized depreciation was \$66,706,008 and net unrealized depreciation was \$46,253,034. The difference between book and tax cost basis was attributable to wash sale loss deferrals.

### Other Investments:

Transactions in call options written for the nine months ended October 31, 2013:

|   | Contracts | Premiums    |
|---|-----------|-------------|
| Options outstanding, January 31, 2013               | 5,740     | \$ 306,244  |
| Options written                                     | 50,660    | 3,191,144   |
| Options terminated in closing purchase transactions | (24,555)  | (1,478,231) |
| Options expired                                     | (31,135)  | (1,968,852) |
| Options outstanding, October 31, 2013               | 710       | \$ 50,305   |

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## Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (*i.e.* the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

- Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access
- Level 2 valuations based on other significant observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates or other market corroborated inputs
- Level 3 valuations based on significant unobservable inputs (including the Sub-Adviser's or Valuation Committee's own assumptions and securities whose price was determined by using a single broker's quote)

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

The Fund's policy is to recognize transfers between levels at the end of the reporting period. An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in aggregate, that is significant to 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.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

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

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

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A summary of the inputs used at October 31, 2013 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments for more detailed information on Investments in Securities):

|   | Level 1 -<br>Quoted Prices | Level 2 -<br>Other Significant<br>Observable<br>Inputs | Level 3 -<br>Significant<br>Unobservable<br>Inputs | Value at<br>10/31/2013 |
|---|----------------------------|--|--|------------------------|
| <b>Investments in Securities - Assets</b>       |                            |  |  |                        |
| Common Stock                                    | \$ 339,224,082             |  |  | \$ 339,224,082         |
| Convertible Preferred Stock:                    |                            |  |  |                        |
| Airlines  |                            | \$ 3,741,934   |  | 3,741,934              |
| Biotechnology                                   |                            |  | \$ 3,358,620                                       | 3,358,620              |
| Capital Markets                                 |                            | 3,601,032  | 101,449  | 3,702,481              |
| Communications Equipment                        | 3,207,544                  |  | 3,139,972  | 6,347,516              |
| Computers & Peripherals                         |                            |  | 2,894,162  | 2,894,162              |
| Energy Equipment & Services                     |                            |  | 4,880,910  | 4,880,910              |
| Health Care Providers & Services                |                            | 3,854,756  |  | 3,854,756              |
| Household Durables                              |                            |  | 3,263,006  | 3,263,006              |
| Insurance                                       | 1,686,451                  |  | 3,212,685  | 4,899,136              |
| Internet & Catalog Retail                       |                            |  | 3,861,907  | 3,861,907              |
| Metals & Mining                                 | 3,392,874                  | 3,806,227  |  | 7,199,101              |
| Oil, Gas & Consumable Fuels                     | 1,325,072                  | 2,678,099  |  | 4,003,171              |
| Road & Rail                                     |                            | 4,422,539  |  | 4,422,539              |
| All Other                                       | 42,414,216                 |  |  | 42,414,216             |
| Convertible Bonds & Notes                       |                            | 44,399,397   |  | 44,399,397             |
| Short-Term Investment                           |                            | 3,455,905  |  | 3,455,905              |
| <b>Total Investments in Securities - Assets</b> | <b>391,250,239</b>         | <b>69,959,889</b>                                      | <b>24,712,711</b>                                  | <b>485,922,839</b>     |
| <b>Investments in Securities - Liabilities</b>  |                            |  |  |                        |
| Call Options Written, at value:                 |                            |  |  |                        |
| Market price                                    | (53,390)                   |  |  | (53,390)               |
| <b>Total Investments</b>                        | <b>\$ 391,196,849</b>      | <b>\$ 69,959,889</b>                                   | <b>\$ 24,712,711</b>                               | <b>\$ 485,869,449</b>  |

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

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

|   | Beginning<br>Balance<br>1/31/13 | Purchases     | Sales          | Accrued<br>Discounts<br>(Premiums) | Net<br>Realized<br>Gain<br>(Loss) | Net<br>Change in<br>Unrealized<br>Appreciation/<br>Depreciation | Transfers<br>into<br>Level 3 | Transfers<br>out of<br>Level 3 | Ending<br>Balance<br>10/31/13 |
|---|---------------------------------|---------------|----------------|------------------------------------|-----------------------------------|---|------------------------------|--------------------------------|-------------------------------|
| <b>Investments in Securities - Assets</b> |                                 |               |                |                                    |                                   |   |                              |                                |                               |
| Convertible Preferred                     |                                 |               |                |                                    |                                   |   |                              |                                |                               |
| Stock:                                    |                                 |               |                |                                    |                                   |   |                              |                                |                               |
| Biotechnology                             | \$                              | \$ 2,930,087  | \$             | \$                                 | \$                                | 428,534   |                              |                                | \$ 3,358,620                  |
| Capital Markets                           | 1,895,942                       |               | (1,610,522)    |                                    |                                   | (183,971)   |                              |                                | 101,449                       |
| Communications                            |                                 |               |                |                                    |                                   |   |                              |                                |                               |
| Equipment                                 |                                 | 3,083,583     |                |                                    |                                   | 56,389  |                              |                                | 3,139,972                     |
| Computers & Peripherals                   |                                 |               |                |                                    |                                   |   |                              |                                |                               |
|   |                                 | 3,051,258     |                |                                    |                                   | (157,095)   |                              |                                | 2,894,162                     |
| Energy Equipment & Services               |                                 |               |                |                                    |                                   |   |                              |                                |                               |
|   |                                 | 4,601,525     |                |                                    |                                   | 279,384   |                              |                                | 4,880,910                     |
| Household Durables                        |                                 |               |                |                                    |                                   |   |                              |                                |                               |
|   |                                 | 3,512,315     |                |                                    |                                   | (249,310)   |                              |                                | 3,263,006                     |
| Insurance                                 |                                 |               |                |                                    |                                   |   |                              |                                |                               |
|   |                                 | 2,796,212     |                |                                    |                                   | 416,473   |                              |                                | 3,212,685                     |
| Internet & Catalog                        |                                 |               |                |                                    |                                   |   |                              |                                |                               |
| Retail                                    |                                 | 3,330,375     |                |                                    |                                   | 531,532   |                              |                                | 3,861,907                     |
| <b>Total Investments</b>                  | \$ 1,895,942                    | \$ 23,305,355 | \$ (1,610,522) | \$                                 | \$                                | 1,121,936   | \$                           | \$                             | \$ 24,712,711                 |

The net change in unrealized appreciation/depreciation of Level 3 investments which, the Fund held at October 31, 2013, was \$970,069.

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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 October 31, 2013:

|   | Ending Balance<br>at 10/31/13 | Valuaton<br>Technique Used | Unobservable<br>Inputs | Input Values |
|---|-------------------------------|----------------------------|------------------------|--------------|
| <b>Investments in Securities - Assets</b> |                               |                            |                        |              |
| Convertible Preferred Stock:              |                               |                            |                        |              |
| Biotechnology                             | \$ 3,358,620                  | Third-Party Pricing Vendor | Single Broker Quote    | \$ 63.46     |
| Capital Markets                           | 101,449                       | Analytical model           | Discount factor        | 86.38%       |
| Communications Equipment                  | 3,139,972                     | Third-Party Pricing Vendor | Single Broker Quote    | \$ 62.81     |
| Computers & Peripherals                   | 2,894,162                     | Third-Party Pricing Vendor | Single Broker Quote    | \$ 22.71     |
| Energy Equipment & Services               | 4,880,910                     | Third-Party Pricing Vendor | Single Broker Quote    | \$ 49.57     |
| Household Durables                        | 3,263,006                     | Third-Party Pricing Vendor | Single Broker Quote    | \$ 34.38     |
| Insurance                                 | 3,212,685                     | Third-Party Pricing Vendor | Single Broker Quote    | \$ 44.72     |
| Internet & Catalog Retail                 | 3,861,907                     | Third-Party Pricing Vendor | Single Broker Quote    | \$ 930.58    |

### Glossary:

ADR American Depositary Receipt

ASE American Stock Exchange

REIT Real Estate Investment Trust



**Item 2. Controls and Procedures**

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

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

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**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: December 23, 2013

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

Date: December 23, 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 & Chief Executive Officer

Date: December 23, 2013

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

Date: December 23, 2013

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