

CONSUMERS ENERGY CO
 Form 424B5
 July 09, 2014
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Registration Nos. 333-195654 and 333-195654-01

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement Dated July 9, 2014

PROSPECTUS SUPPLEMENT

(To Prospectus dated July 7, 2014)

\$

Consumers 2014 Securitization Funding LLC

Issuing Entity

Senior Secured Securitization Bonds, Series 2014A

Tranche	Expected Weighted Average Life (Years)	Principal Amount Issued	Scheduled Final Payment Date	Final Maturity Date	Interest Rate	Initial Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Issuer (Before Expenses)
A-1		\$			%	%	%	\$
A-2		\$			%	%	%	\$
A-3		\$			%	%	%	\$

(1) We have agreed to pay or reimburse the underwriters for certain fees and expenses in connection with this offering. See Underwriting the Bonds and Use of Proceeds .

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The total price to the public is \$. The total amount of the underwriting discounts and commissions is \$. The total amount of proceeds to the issuing entity before deduction of expenses (estimated to be \$) is \$.

Investing in the Senior Secured Securitization Bonds, Series 2014A involves risks. Please read Risk Factors beginning on page 10 of the accompanying prospectus.

Consumers 2014 Securitization Funding LLC, or the **issuing entity**, is issuing \$ of Senior Secured Securitization Bonds, Series 2014A, referred to in this prospectus supplement as the **securitization bonds** or the **bonds**, in three tranches. Consumers Energy Company, or **Consumers Energy**, is the **depositor, seller, initial servicer** and **sponsor** with regard to the bonds. The bonds are senior secured obligations of the issuing entity supported by the securitization property, described in this prospectus supplement, which includes the right to a special, irrevocable nonbypassable charge, known as a **securitization charge**, paid by Michigan retail electric distribution customers of Consumers Energy (or any successor) based on their electricity usage as discussed in this prospectus supplement and the accompanying prospectus. Act 142 (defined in this prospectus supplement) mandates that securitization charges be adjusted at least annually, and the Michigan Public Service Commission, or the **MPSC**, further permits true-up adjustments to occur semi-annually (and in certain circumstances quarterly or more frequently) if necessary, in each case to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the securitization bonds, as described further in this prospectus supplement and the accompanying prospectus. Credit enhancement for the bonds will be provided by these true-up adjustments as well as by accounts held under the indenture described in this prospectus supplement and the accompanying prospectus.

The bonds represent obligations only of the issuing entity and do not represent obligations of Consumers Energy or any of its affiliates other than the issuing entity. The bonds are secured by the assets of the issuing entity, consisting principally of the securitization property and funds on deposit in the collection account for the bonds and related subaccounts. Please read The Bonds The Collateral and The Securitization Property and Credit Enhancement in this prospectus supplement. The bonds are not a debt or obligation of the State of Michigan and are not a charge on its full faith and credit or taxing power.

In its financing order, the MPSC affirms that it will act pursuant to its financing order to ensure that the expected securitization charges are sufficient to pay on a timely basis scheduled principal of and interest on the bonds and the ongoing other qualified costs as described below in this prospectus supplement and the accompanying prospectus. The financing order, together with the securitization charges authorized by the financing order, are irrevocable and not subject to reduction, impairment, postponement, termination or adjustment by further action of the MPSC, except by use of the true-up adjustment procedures approved in the financing order.

Additional information is contained in the accompanying prospectus. You should read this prospectus supplement and the accompanying prospectus carefully before you decide to invest in the bonds. This prospectus supplement may not be used to offer or sell the bonds unless accompanied by the prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS ARE TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The underwriters expect to deliver the bonds through the book-entry facilities of The Depository Trust Company, or **DTC**, against payment in immediately available funds on or about , 2014. Each bond will be entitled to interest on and of each year. The first scheduled payment date is , 2015. Interest will accrue from , 2014 and must be paid by the purchaser if the bonds are delivered after

that date. There currently is no secondary market for the bonds, and we cannot assure you that one will develop.

Citigroup

Goldman, Sachs & Co.

PNC Capital Markets LLC

The date of this prospectus supplement is _____, 2014.

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Until 90 days after the date of this prospectus supplement, all dealers that effect transactions in these securities, whether or not participating in the offering described in this prospectus supplement, may be required to deliver a prospectus supplement and prospectus. This is in addition to the dealers' obligation to deliver a prospectus supplement and prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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READING THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This prospectus supplement and the accompanying prospectus provide information about us, the bonds and Consumers Energy Company, or **Consumers Energy**, the depositor, seller, initial servicer and sponsor of the bonds. This prospectus supplement and the accompanying prospectus describe the terms of the bonds offered hereby.

References in this prospectus supplement and the accompanying prospectus to the term **we, us** or the **issuing entity** mean Consumers 2014 Securitization Funding LLC, the entity that will issue the bonds. References to the **securitization bonds** or the **bonds**, unless the context otherwise requires, mean the securitization bonds offered pursuant to this prospectus supplement. References to **Consumers Energy**, the **depositor**, the **seller**, the **initial servicer** or the **sponsor** mean Consumers Energy Company. References to the **bondholders** or the **holders** refer to the registered holders of the securitization bonds. References to the **servicer** refer to Consumers Energy, initially acting in that capacity, and any successor servicer, under the **servicing agreement** referred to in this prospectus supplement. References to **Act 142** refer to the laws of the State of Michigan adopted in June 2000 enacted as 2000 PA 142, as amended, which authorizes the MPSC to approve the recovery of **qualified costs** by certain electric utilities through the issuance of securitization bonds. Unless the context otherwise requires, the term **customer** means a Michigan retail electric distribution customer of an electric utility such as Consumers Energy, and **covered electric customer** means all existing and future retail electric distribution customers of Consumers Energy or its successors, except for (i) customers taking retail open access, or **ROA**, service from Consumers Energy as of December 6, 2013 to the extent that those ROA customers remain, without transition to bundled service, on Consumers Energy's retail choice program, or **current choice customers**, (ii) customers to the extent they obtain or use **self-service power** (as defined under Glossary of Defined Terms in the accompanying prospectus) or (iii) customers to the extent engaged in **affiliate wheeling** (as defined under Glossary of Defined Terms in the accompanying prospectus). References to the **MPSC** refer to the Michigan Public Service Commission. You can find a glossary of some of the other defined terms we use in this prospectus supplement and the accompanying prospectus beginning on page 95 of the accompanying prospectus.

We have included cross-references to sections in this prospectus supplement and the accompanying prospectus where you can find further related discussions.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus and in any other written communication from us or the underwriters specifying the terms of this offering. Neither we nor any underwriter, any agent, any dealer, any salesperson, the MPSC or Consumers Energy has authorized anyone else to provide you with any different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not offering to sell the bonds in any jurisdiction where the offer or sale is not permitted. The information in this prospectus supplement is current only as of the date of this prospectus supplement.

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SUMMARY OF TERMS

The following section is only a summary of selected information and does not provide you with all the information you will need to make your investment decision. There is more detailed information in this prospectus supplement and in the accompanying prospectus. To understand all of the terms of the offering of the bonds, carefully read this entire document and the accompanying prospectus.

Securities offered: \$ of Senior Secured Securitization Bonds, Series 2014A, scheduled to pay principal semi-annually and sequentially in accordance with the expected sinking fund schedule. Only the bonds are being offered through this prospectus supplement.

Issuing entity and capital structure: Consumers 2014 Securitization Funding LLC is a special purpose Delaware limited liability company. Consumers Energy Company is our sole member and owns all of our equity interests. We have no commercial operations. We were formed solely to purchase and own **securitization property** (as defined under Glossary of Defined Terms in the accompanying prospectus), to issue the bonds and to perform activities incidental thereto. Please read Consumers 2014 Securitization Funding LLC, the Issuing Entity in the accompanying prospectus.

In addition to the securitization property, we will be capitalized with an upfront cash deposit equity contribution from Consumers Energy equal to 0.5% of the bonds' initial principal amount issued held in the **capital subaccount** (as defined under Glossary of Defined Terms in the accompanying prospectus) and will have an **excess funds subaccount** (as defined under Glossary of Defined Terms in the accompanying prospectus) to retain any amounts collected and remaining on a **payment date** (as defined under Glossary of Defined Terms in the accompanying prospectus) after all payments on the bonds and all **ongoing other qualified costs** (as defined under Glossary of Defined Terms in the accompanying prospectus) have been made.

Purpose of transaction: This issuance of the bonds will enable Consumers Energy to recover certain qualified costs in the State of Michigan. Please read Act 142 in the accompanying prospectus.

Our address: One Energy Plaza
Jackson, Michigan 49201

Our telephone number: (517) 788-1030

Our managers: The following is a list of our managers as of the date of issuance of the bonds:

Name	Age	Background
Melissa M. Gleespen	46	Vice President, Secretary and manager of the issuing entity. Vice President and Corporate Secretary for CMS Energy Corporation, or CMS Energy , and Consumers Energy since October 2013. Joined CMS Energy and Consumers Energy in April 2013 as Supervisory Assistant General Counsel. Law Director and Assistant Corporate Secretary for Owens Corning from June 2012 through April 2013. Senior Securities Counsel and Assistant Corporate Secretary for Owens Corning from March 2009 through

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Catherine M. Reynolds	57	Senior Vice President, General Counsel and manager of the issuing entity. Senior Vice President and General Counsel of CMS Energy and Consumers Energy since 2013. Vice President, Deputy General Counsel and Corporate Secretary of CMS Energy and Consumers Energy from 2012-2013. Vice President and Corporate Secretary of CMS Energy and Consumers Energy from 2006-2012.
Thomas J. Webb	61	Executive Vice President and manager of the issuing entity. Executive Vice President and Chief Financial Officer of CMS Energy and Consumers Energy since 2002.
Orlando C. Figueroa	54	Manager of the issuing entity. Managing Director of Lord Securities Corporation since 2005.
Dewen Tarn	34	Manager of the issuing entity. Senior Vice President of Lord Securities Corporation since July 2012. Associate at Seward & Kissel LLP from April 2007 through June 2012.

Credit ratings:

We expect the bonds will receive credit ratings from two nationally recognized statistical rating organizations. Please read [Ratings for the Securitization Bonds](#) in the accompanying prospectus.

The depositor, seller, sponsor and initial servicer of the securitization property:

Consumers Energy, a wholly-owned subsidiary of CMS Energy, is an electric and gas utility company serving Michigan's lower peninsula. Consumers Energy owns and operates electric distribution and generation facilities and gas transmission, storage and distribution facilities. Consumers Energy serves individuals and businesses operating in the alternative energy, automotive, chemical, metal and food products industries, as well as a diversified group of other industries. Consumers Energy provides electricity and/or natural gas to approximately 6.5 million of Michigan's 10 million residents. Consumers Energy's rates and certain other aspects of its business are subject to the jurisdiction of the MPSC and the Federal Energy Regulatory Commission. The bonds do not constitute a debt, liability or other legal obligation of Consumers Energy or CMS Energy. Consumers Energy, acting as the initial servicer, and any successor or assignee servicer, will service the securitization property securing the bonds under a servicing agreement with us. Please read [The Depositor, Seller, Initial Servicer and Sponsor](#) and [The Servicing Agreement](#) in the accompanying prospectus.

Consumers Energy's address:

One Energy Plaza
Jackson, Michigan 49201

Consumers Energy's telephone number:

(517) 788-0550

Use of proceeds:

We will use the net proceeds from the sale of the bonds to pay our costs of issuance of the bonds and for our other initial costs of the transaction, or to reimburse Consumers Energy for expenses of authorization, issuance and sale of the bonds, and the balance will be used by us to purchase the securitization property from Consumers Energy. Consumers Energy will use the proceeds from the sale of the securitization property to retire a portion of its existing debt and/or equity. Please read [Use of Proceeds](#) in this

prospectus supplement and in the accompanying prospectus.

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Bond structure:	Sinking fund bond: tranche A-1, expected weighted average life years, tranche A-2, expected weighted average life years, and tranche A-3, expected weighted average life years. The bonds are scheduled to pay principal semi-annually and sequentially. Please read Expected Amortization Schedule in this prospectus supplement.
Trustee:	The Bank of New York Mellon, a New York banking corporation. Please read The Trustee in the accompanying prospectus for a description of the duties and responsibilities of the trustee under the indenture (each as defined under Glossary of Defined Terms in the accompanying prospectus).
Average life profile:	Prepayment is not permitted. Extension risk is possible but is expected to be statistically remote. Please read Expected Amortization Schedule Weighted Average Life Sensitivity in this prospectus supplement and Weighted Average Life and Yield Considerations for the Securitization Bonds in the accompanying prospectus.
No optional redemption:	No optional redemption. Non-callable for the life of the bonds.
Minimum denomination:	\$100,000, or integral multiples of \$1,000 in excess thereof, except that one bond of each tranche may be of a smaller denomination.
Credit/security:	<p>The bonds will be secured primarily by the securitization property, which includes our irrevocable right to impose, collect and receive a nonbypassable (as defined under Glossary of Defined Terms in the accompanying prospectus) consumption-based securitization charge from covered electric customers (approximately 1.8 million covered electric customers as of December 31, 2013). Securitization charges are set and periodically adjusted to collect amounts sufficient to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the securitization bonds. Please read Credit Enhancement True-Up Mechanism for Payment of Scheduled Principal and Interest in this prospectus supplement, as well as the chart entitled Parties to Transaction and Responsibilities in the section captioned Prospectus Summary , and Act 142 and Description of the Securitization Property Creation of Securitization Property , in the accompanying prospectus.</p> <p>Neither the securitization property nor the other collateral securing the bonds is or will be a static pool of assets. The securitization property consists of all of Consumers Energy's rights and interests established pursuant to the financing order issued by the MPSC, referred to in this prospectus supplement as the financing order, transferred to us in connection with the issuance of the bonds, including the irrevocable right to impose, collect and receive nonbypassable securitization charges and the right to implement the true-up mechanism (as defined under Glossary of Defined Terms in the accompanying prospectus) discussed below. Upon the sale of the securitization property to us and the pledge to the trustee under the indenture, the securitization property will constitute a present property right created by Act 142 and the financing order and is protected by the state pledge in Act 142 described below.</p>

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The bonds are secured only by our assets, including the securitization property and also the funds on deposit in the **collection account** (as defined under **Glossary of Defined Terms** in the accompanying prospectus) for the bonds and related subaccounts. The subaccounts consist of a **general subaccount** (as defined under **Glossary of Defined Terms** in the accompanying prospectus), into which the servicer will deposit all securitization charge collections, a capital subaccount, which will be funded at closing in the amount of 0.5% of the initial aggregate principal amount of the bonds, and an excess funds subaccount, into which we will transfer any amounts collected and remaining on a payment date after all payments to bondholders and other parties (including Consumers Energy) have been made and any amounts drawn from the capital subaccount are replenished through the true-up mechanism. Amounts on deposit in each of these subaccounts will be available to make payments on the bonds on each payment date. For a description of the securitization property, please read **The Bonds** **The Securitization Property** in this prospectus supplement.

State pledge:

The State of Michigan has pledged in Act 142, for the benefit and protection of the holders of securitization bonds, including trustees, collateral agents and other persons acting for the benefit of the holders of securitization bonds, or the **financing parties**, under the financing order and Consumers Energy, that it will not take or permit any action that would impair the value of the securitization property, reduce or alter, except as allowed in connection with a **true-up adjustment** (as defined under **Glossary of Defined Terms** in the accompanying prospectus), or impair the securitization charges to be imposed, collected and remitted to the financing parties, until the principal, interest and premium, and any other charges incurred and contracts to be performed, in connection with the securitization bonds have been paid and performed in full.

Michigan has both a voter initiative and a referendum process. The time for challenging Act 142 through a referendum has expired, but the right of voters in Michigan to enact laws by initiative can be exercised at any time, provided a prescribed process is followed and successfully concluded. Constitutional protections against actions that violate the pledge of the State of Michigan should apply whether legislation is passed by the Michigan legislature or is brought about by a voter initiative.

Please read **Act 142 Electric Utilities May Securitize Qualified Costs** in the accompanying prospectus.

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True-up mechanism for payment of scheduled principal and interest:

Act 142 and the financing order mandate that securitization charges on covered electric customers be reviewed and adjusted by the MPSC at least annually to correct any overcollections or undercollections of the preceding 12 months and to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the securitization bonds. In addition, the financing order provides that true-up adjustments are required on a semi-annual basis (or, one year prior to the last scheduled final payment date for the latest maturing tranche, on a quarterly basis) if the servicer determines that a true-up adjustment is necessary to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the securitization bonds. True-up adjustments may also be made by the servicer more frequently at any time, without limits as to frequency, if the servicer determines that a true-up adjustment is necessary to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the securitization bonds. The financing order permits mid-year true-up adjustments to be implemented immediately without additional MPSC approval if the proposed true-up adjustment is not opposed. Please read *Consumers Energy's Financing Order True-Up Mechanism* in the accompanying prospectus. In the financing order, the MPSC affirms that it will act pursuant to the financing order to ensure that expected securitization charges are sufficient to pay on a timely basis all scheduled principal of and interest on the bonds and ongoing other qualified costs in connection with the securitization bonds.

There is no cap on the level of securitization charges that may be imposed on covered electric customers to pay on a timely basis scheduled principal of and interest on the bonds and ongoing other qualified costs. Such securitization charges may continue to be imposed, charged and collected until the bonds are paid in full, except that securitization charges may not be billed more than 15 years after the beginning of the first complete billing cycle during which securitization charges were initially placed on any covered electric customer's bill. Through the true-up mechanism, which adjusts for undercollections of securitization charges due to any reason, and during that 15-year period, covered electric customers share in the liabilities of all other covered electric customers for the payment of securitization charges.

Please read *Act 142 Electric Utilities May Securitize Qualified Costs* and *The Servicing Agreement True-Up Adjustment Process* in the accompanying prospectus.

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- Nonbypassable securitization charges: Act 142 provides that the securitization charges are nonbypassable, and the financing order requires the imposition and the collection of securitization charges from all existing and future covered electric customers. Covered electric customers do not include (i) current choice customers, (ii) customers to the extent they obtain or use self-service power or (iii) customers to the extent engaged in affiliate wheeling. Any successor to Consumers Energy under Act 142, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, acquisition, sale or transfer, by operation of law, as a result of electric utility restructuring or otherwise, must perform and satisfy all obligations of Consumers Energy under Act 142. The securitization charges are applied to covered electric customers individually and are adjusted and reallocated among all such covered electric customers as necessary under the true-up mechanism. Please read The Securitization Charges in this prospectus supplement and Consumers Energy's Financing Order and The Servicing Agreement True-Up Adjustment Process in the accompanying prospectus. Please also read Risk Factors Other Risks Associated with an Investment in the Securitization Bonds in the accompanying prospectus.
- Priority of payments: On each payment date for the bonds, the trustee will allocate or pay all amounts on deposit in the general subaccount of the collection account in the following order of priority:
1. payment of the trustee's fees, expenses and outstanding indemnity amounts in an amount not to exceed \$500,000 annually;
 2. payment of the servicing fee relating to the bonds, which will be a fixed amount specified in the servicing agreement, plus any unpaid servicing fees from prior payment dates as described under The Servicing Agreement Servicing Compensation in the accompanying prospectus;
 3. payment of the administration fee, which will be a fixed amount specified in the administration agreement between us and Consumers Energy, and of the fees of our independent managers, which will be in an amount specified in an agreement between us and our independent managers, each as described in the table on page S-16, plus any unpaid administration or management fees from prior payment dates;
 4. payment of all of our other ordinary periodic operating expenses relating to the bonds, such as accounting and audit fees, rating agency and related fees (i.e. website provider fees), legal fees and certain reimbursable costs of the administrator under the administration agreement;
 5. payment of the interest then due on the bonds, including any past-due interest (together with, to the extent lawful, interest thereon);
 6. payment of the principal required to be paid on the bonds on the final maturity date or as a result of acceleration upon an **event of default** (as defined under Description of the Securitization Bonds Events of Default; Rights Upon Event of Default in the accompanying prospectus);
 7. payment of the principal then scheduled to be paid on the bonds in accordance with the expected sinking fund schedule, including any previously unpaid scheduled principal, paid pro rata among the bonds if there is a deficiency;

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8. payment of any of our remaining unpaid operating expenses (including any such amounts owed to the trustee but unpaid due to the limitation in clause 1 above) and any remaining amounts owed pursuant to the **basic documents** (as defined under Glossary of Defined Terms in the accompanying prospectus);
9. replenishment of any amounts drawn from the capital subaccount;
10. so long as no event of default has occurred and is continuing, release to Consumers Energy of an amount equal to investment earnings since the previous payment date (or, in the case of the first payment date, since the issuance date) on the initial amount deposited by it into the capital subaccount;
11. allocation of the remainder, if any, to the excess funds subaccount; and
12. after the bonds have been paid in full and discharged and all of the foregoing amounts are paid in full, the balance, together with all amounts in the capital subaccount and the excess funds subaccount, to us free and clear of the lien of the indenture.

The annual servicing fee for the bonds in clause 2 payable to Consumers Energy or any affiliate thereof while it is acting as servicer shall not at any time exceed 0.05% of the original principal amount of the bonds. The annual servicing fee for the bonds payable to any other servicer not affiliated with Consumers Energy shall not at any time exceed 0.75% of the original principal amount of the bonds. Please read Credit Enhancement How Funds in the Collection Account Will Be Allocated in this prospectus supplement.

Other securitization bonds being serviced by Consumers Energy:

Consumers Energy will be the initial servicer of the securitization bonds. Consumers Energy currently acts as servicer with respect to the Securitization Bonds, Series 2001-1, or the **2001-1 securitization bonds**, issued by Consumers Funding LLC, a wholly-owned subsidiary of Consumers Energy, or the **2001-1 securitization bond issuer**. Please read Relationship to the 2001-1 securitization bonds in this prospectus supplement.

Relationship to the 2001-1 securitization bonds:

In November 2001, the 2001-1 securitization bond issuer issued and sold \$468,592,000 of 2001-1 securitization bonds in accordance with a financing order and order on rehearing issued by the MPSC on October 24, 2000 and January 4, 2001, respectively. After giving effect to payments on the 2001-1 securitization bonds on the April 20, 2014 quarterly payment date, the 2001-1 securitization bonds had \$70,614,670 in aggregate principal amount outstanding, which was equal to the amount set forth in the expected amortization schedule for the 2001-1 securitization bonds. The final legal maturity date of the 2001-1 securitization bonds is October 20, 2016, and the expected final payment date of the 2001-1 securitization bonds is October 20, 2015. Consumers Energy currently acts as servicer with respect to the 2001-1 securitization bonds. The 2001-1 securitization bond issuer will have no obligations under the securitization bonds, and we have no obligations under the 2001-1 securitization bonds. The security pledged to secure the securitization bonds will be separate from the security that is securing the 2001-1 securitization bonds. Please read Relationship to the 2001-1 Securitization Bonds in the accompanying prospectus.

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Initial securitization charge as a percentage of covered electric customer's total electricity bill:	The initial securitization charge for the bonds is expected to represent approximately 1% of the total monthly electric bill received by an average 656 kilowatt-hour, or kWh , Michigan residential covered electric customer served by Consumers Energy as of March 31, 2014. When combined with the securitization charges for the 2001-1 securitization bonds, the cumulative securitization charges would be expected to represent approximately 2.6% of the total monthly electric bill by an average 656 kWh Michigan residential covered electric customer served by Consumers Energy as of March 31, 2014.
Tax treatment:	Please read "Material U.S. Federal Income Tax Consequences" in the accompanying prospectus.
ERISA eligible:	Yes; please read "ERISA Considerations" in the accompanying prospectus.
Payment dates and interest accrual:	<p>Semi-annually, and on the final maturity date for any tranche. Interest will be calculated on a 30/360 basis. The first scheduled payment date is , 2015. If any interest payment date is not a business day (as defined under "Glossary of Defined Terms" in the accompanying prospectus), payments scheduled to be made on such date may be made on the next business day and no interest shall accrue upon such payment during the intervening period.</p> <p>Interest is due on each payment date for each tranche, and principal is due upon the final maturity date for each tranche.</p>
Expected settlement:	The issuance date will be on or about , 2014, settling flat. DTC, Clearstream Banking, société anonyme, and Euroclear Bank S.A./N.V., as operator of the Euroclear system.
Risk factors:	You should consider carefully the risk factors beginning on page 10 of the accompanying prospectus before you invest in the bonds.

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We will issue the bonds and secure their payment under an indenture that we will enter into with The Bank of New York Mellon, as trustee, referred to in this prospectus supplement and the accompanying prospectus as the **trustee**. We will issue the bonds in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof, except that we may issue one bond in each tranche in a smaller denomination. The initial principal balance, scheduled final payment date, final maturity date and interest rate for each tranche of the bonds are stated in the table below:

Tranche	Expected Weighted Average Life (Years)	Principal Amount Issued	Scheduled Final Payment Date	Final Maturity Date	Interest Rate
A-1		\$			%
A-2		\$			%
A-3		\$			%

The scheduled final payment date for each tranche of the bonds is the date when the outstanding principal balance of that tranche will be reduced to zero if we make payments according to the expected amortization schedule for that tranche. The final maturity date for each tranche of bonds is the date when we are required to pay the entire remaining unpaid principal balance, if any, of all outstanding bonds of that tranche. The failure to pay principal of any tranche of the bonds by the final maturity date for that tranche is an event of default, but the failure to pay principal of any tranche of the bonds by the related scheduled final payment date will not be an event of default. Please read **Description of the Securitization Bonds Interest and Principal on the Securitization Bonds** and **Description of the Securitization Bonds Events of Default; Rights Upon Event of Default** in the accompanying prospectus.

The Collateral

The bonds will be secured under the indenture by all of our assets relating to the bonds. The principal asset pledged will be the securitization property relating to the bonds, which will constitute a present property right created under Act 142 by the financing order. The **collateral** includes all of our right, title and interest (whether owned on the issuance date or thereafter acquired or arising) in and to the following property:

- **&bottom:0pt">**
 - a) an investment advisor,
 - b) an underwriter (distributor),
 - c) a transfer agent or shareholder accounting record-keeper, or

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d) an administrator authorized by written agreement to keep financial and/or other required records, for an Investment Company named as Insured while performing acts coming within the scope of the usual duties of an officer or Employee of any Investment Company named as Insured herein, or while acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the Property of any such Investment Company, provided that only Employees or partners of a transfer agent, shareholder accounting record-keeper or administrator which is an affiliated person as defined in the Investment Company Act of 1940, of an Investment Company named as Insured or is an affiliated person of the adviser, underwriter or administrator of such Investment Company, and which is not a bank, shall be included within the definition of Employee.

Each employer of temporary personnel or processors as set forth in SubSections (6) and of Section 1(a) and their partners, officers and employees shall collectively be deemed to be one person for all the purposes of this bond, excepting, however, the last paragraph of Section 13.

Brokers, or other agents under contract or representatives of the same general character shall not be considered Employees.

- (b) Property means money (i.e currency, coin, bank notes, Federal Reserve notes), postage and revenue stamps, U.S. Savings Stamps, bullion, precious metals of all kinds and in any form and articles made therefrom, jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, bonds, securities, evidences of debts, debentures, scrip, certificates, interim receipts, warrants, rights, puts, calls, straddles, spreads, transfers, coupons, drafts, bills of exchange, acceptances, notes, checks, withdrawal orders, money orders, warehouse receipts, bills of lading, conditional sales contracts, abstracts of title, insurance policies, deeds, mortgages under real estate and/or chattels and upon interests therein, and assignments of such policies, mortgages and instruments, and other valuable papers, including books of account and other records used by the Insured in the conduct of its business, and all other instruments similar to or in the nature of the foregoing including Electronic Representations of such instruments enumerated above (but excluding all data processing records) in which the Insured has an interest or in which the Insured acquired or should have acquired an interest by reason of a predecessor's declared financial condition at the time of the Insured's consolidation or merger with, or purchase of the principal assets of, such predecessor or which are held by the Insured for any purpose or in any capacity and whether so held by the Insured for any purpose or in any capacity and whether so held gratuitously or not and whether or not the Insured is liable therefor.
- (c) Forgery means the signing of the name of another with intent to deceive; it does not include the signing of one's own name with or without authority, in any capacity, for any purpose.
- (d) Larceny and Embezzlement as it applies to any named Insured means those acts as set forth in Section 37 of the Investment Company Act of 1940.
- (e) Items of Deposit means any one or more checks and drafts. Items of Deposit shall not be deemed uncollectible until the Insured's collection procedures have failed.

SECTION 2. EXCLUSIONS

THIS BOND DOES NOT COVER:

- (a) loss effected directly or indirectly by means of forgery or alteration of, on or in any instrument, except when covered by Insuring Agreement (A), (E), (F) or (G).
- (b) loss due to riot or civil commotion outside the United States of America and Canada; or loss due to military, naval or usurped power, war or insurrection unless such loss occurs in transit in the circumstances recited in Insuring Agreement (D), and unless, when such transit was initiated, there was no knowledge of such riot, civil commotion, military, naval or usurped power, war or insurrection on the part of any person acting for the Insured in initiating such transit.
- (c) loss, in time of peace or war, directly or indirectly caused by or resulting from the effects of nuclear fission or fusion or radioactivity; provided, however, that this paragraph shall not apply to loss resulting from industrial uses of nuclear energy.
- (d) loss resulting from any wrongful act or acts of any person who is a member of the Board of Directors of the Insured or a member of any equivalent body by whatsoever name known unless such person is also an Employee or an elected official, partial owner or partner of the Insured in some other capacity, nor, in any event, loss resulting from the act or acts of any person while acting in the capacity of a member of such Board or equivalent body.
- (e) loss resulting from the complete or partial non-payment of, or default upon, any loan or transaction in the nature of, or amounting to, a loan made by or obtained from the Insured or any of its partners, directors or Employees, whether authorized or unauthorized and whether procured in good faith or through trick, artifice, fraud or false pretenses. unless such loss is covered under Insuring Agreement (A), (E) or (F).
- (f) loss resulting from any violation by the Insured or by any Employee
 - (1) of law regulating (a) the issuance, purchase or sale of securities, (b) securities transactions upon Security Exchanges or over the counter market, (c) Investment Companies, or (d) Investment Advisors, or
 - (2) of any rule or regulation made pursuant to any such law, unless such loss, in the absence of such laws, rules or regulations, would be covered under Insuring Agreements (A) or (E).
- (g) loss of Property or loss of privileges through the misplacement or loss of Property as set forth in Insuring Agreement (C) or (D) while the Property is in the custody of any armored motor vehicle company, unless such loss shall be in excess of the amount recovered or received by the Insured under (a) the Insured's contract with said armored motor vehicle company, (b) insurance carried by said armored motor vehicle company for the benefit of users of its service, and (c) all other insurance and indemnity in force in

whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this bond shall cover only such excess.

- (h) potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this bond, except as included under Insuring Agreement (I).
- (i) all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this bond.
- (j) loss through the surrender of Property away from an office of the Insured as a result of a threat
 - (1) to do bodily harm to any person, except loss of Property in transit in the custody of any person acting as messenger provided that when such transit was initiated there was no knowledge by the Insured of any such threat, or
 - (2) to do damage to the premises or Property of the Insured, except when

covered under Insuring Agreement (A).

- (k) all costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this bond unless such indemnity is provided for under Insuring Agreement (B).
- (l) loss resulting from payments made or withdrawals from the account of a customer of the Insured, shareholder or subscriber to shares involving funds erroneously credited to such account, unless such payments are made to or withdrawn by such depositor or representative of such person, who is within the premises of the drawee bank of the Insured or within the office of the Insured at the time of such payment or withdrawal or unless such payment is covered under Insuring Agreement (A).
- (m) any loss resulting from Uncollectible Items of Deposit which are drawn from a financial institution outside the fifty states of the United States of America, District of Columbia, and territories and possessions of the United States of America, and Canada.

SECTION 3. ASSIGNMENT OF RIGHTS

This bond does not afford coverage in favor of any Employers of temporary personnel or of processors as set forth in sub-sections (6) and (7) of Section 1(a) of this bond, as aforesaid, and upon payment to the Insured by the Underwriter on account of any loss through dishonest or fraudulent act(s) including Larceny or Embezzlement committed by any of the partners, officers or employees of such Employers, whether acting alone or in collusion with others, an assignment of such of the Insured's rights and causes of action as it may have against such Employers by reason of such acts so committed shall, to the extent of such payment, be given by the Insured to the Underwriter, and the Insured shall execute all papers necessary to secure to the Underwriter the rights herein provided for.

SECTION 4. LOSS -NOTICE -PROOF-

LEGAL PROCEEDINGS

This bond is for the use and benefit only of the Insured named in the Declarations and the Underwriter shall not be liable hereunder for loss sustained by anyone other than the Insured unless the Insured, in its sole discretion and at its option, shall include such loss in the Insured's proof of loss. At the earliest practicable moment after discovery of any loss hereunder the Insured shall give the Underwriter written notice thereof and shall also within six months after such discovery furnish to the Underwriter affirmative proof of loss with full particulars. If claim is made under this bond for loss of securities or shares, the Underwriter shall not be liable unless each of such securities or shares is identified in such proof of loss by a certificate or bond number or, where such securities or shares are uncertificated, by such identification means as agreed to by the Underwriter. The Underwriter shall have thirty days after notice and proof of loss within which to investigate the claim, but where the loss is clear and undisputed, settlement shall be made within forty-eight hours; and this shall apply notwithstanding the loss is made up wholly or in part of securities of which duplicates may be obtained. Legal proceedings for recovery of any loss hereunder shall not be brought prior to the expiration of sixty days after such proof of loss is filed with the Underwriter nor after the expiration of twenty-four months from the discovery of such loss, except that any action or proceeding to recover hereunder on account of any judgment against the Insured in any suit mentioned in General Agreement C or to recover attorneys' fees paid in any such suit, shall be begun within twenty-four months from the date upon which the judgment in such suit shall become final. If any limitation embodied in this bond is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

Discovery occurs when the Insured

(a) becomes aware of facts, or

(b) receives written notice of an actual or potential claim by a third party which alleges that the Insured is liable under circumstance

which would cause a reasonable person to assume that a loss covered by the bond has been or will be

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incurred even though the exact amount or details of loss may not be then known.

SECTION 5. VALUATION OF PROPERTY

The value of any Property, except books of accounts or other records used by the Insured in the conduct of its business, for the loss of which a claim shall be made hereunder, shall be determined by the average market value of such Property on the business day next preceding the discovery of such loss; provided, however, that the value of any Property replaced by the Insured prior to the payment of claim therefor shall be the actual market value at the time of replacement; and further provided that in case of a loss or misplacement of interim certificates, warrants, rights, or other securities, the production which is necessary to the exercise of subscription, conversion, redemption or deposit privileges, the value thereof shall be the market value of such privileges immediately preceding the expiration thereof if said loss or misplacement is not discovered until after their expiration. If no market price is quoted for such Property or for such privileges, the value shall be fixed by agreement between the parties or by arbitration.

In case of any loss or damage to Property consisting of books of accounts or other records used by the Insured in the conduct of its business, the Underwriter shall be liable under this bond only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labor for the actual transcription or copying of data which shall have been furnished by the Insured in order to reproduce such books and other records.

SECTION 6. VALUATION OF PREMISES AND FURNISHINGS

In case of damage to any office of the Insured, or loss of or damage to the furnishings, fixtures, stationery, supplies, equipment, safes or vaults therein, the Underwriter shall not be liable for more than the actual cash value thereof, or for more than the actual cost of their replacement or repair. The Underwriter may, at its election, pay such actual cash value or make such replacement or repair. If the Underwriter

and the Insured cannot agree upon such cash value or such cost of replacement or repair, such shall be determined by arbitration.

SECTION 7. LOST SECURITIES

If the Insured shall sustain a loss of securities the total value of which is in excess of the limit stated in Item 3 of the Declarations of this bond, the liability of the Underwriter shall be limited to payment for, or duplication of, securities having value equal to the limit stated in Item 3 of the Declarations of this bond.

If the Underwriter shall make payment to the Insured for any loss of securities, the Insured shall thereupon assign to the Underwriter all of the Insured's rights, title and interests in and to said securities.

With respect to securities the value of which do not exceed the Deductible Amount (at the time of the discovery of the loss) and for which the Underwriter may at its sole discretion and option and at the request of the Insured issue a Lost Instrument Bond or Bonds to effect replacement thereof, the Insured will pay the usual premium charged therefor and will indemnify the Underwriter against all loss or expense that the Underwriter may sustain because of the issuance of such Lost Instrument Bond or Bonds.

With respect to securities the value of which exceeds the Deductible Amount (at the time of discovery of the loss) and for which the Underwriter may issue or arrange for the issuance of a Lost Instrument Bond or Bonds to effect replacement thereof, the Insured agrees that it will pay as premium therefor a proportion of the usual premium charged therefor, said proportion being equal to the percentage that the Deductible Amount bears to the value of the securities upon discovery of the loss, and that it will indemnify the issuer of said Lost Instrument Bond or Bonds against all loss

and expense that is not recoverable from the Underwriter under the terms and conditions of this INVESTMENT COMPANY BLANKET BOND subject to the Limit of Liability hereunder.

SECTION 8. SALVAGE

In case of recovery, whether made by the Insured or by the Underwriter, on account of any loss in excess of the Limit of Liability hereunder plus the Deductible Amount applicable to such loss from any

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source other than suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Underwriter, the net amount of such recovery, less the actual costs and expenses of making same, shall be applied to reimburse the Insured in full for the excess portion of such loss, and the remainder, if any, shall be paid first in reimbursement of the Underwriter and thereafter in reimbursement of the Insured for that part of such loss within the Deductible Amount. The Insured shall execute all necessary papers to secure to the Underwriter the rights provided for herein.

SECTION 9. NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY

At all times prior to termination hereof this bond shall continue in force for the limit stated in the applicable sections of Item 3 of the Declarations of this bond notwithstanding any previous loss for which the Underwriter may have paid or be liable to pay hereunder; PROVIDED, however, that regardless of the number of years this bond shall continue in force and the number of premiums which shall be payable or paid, the liability of the Underwriter under this bond with respect to all loss resulting from

- (a) any one act of burglary, robbery or holdup, or attempt thereat, in which no Partner or Employee is concerned or implicated shall be deemed to be one loss, or
- (b) any one unintentional or negligent act on the part of any one person resulting in damage to or destruction or misplacement of Property, shall be deemed to be one loss, or
- (c) all wrongful acts, other than those specified in (a) above, of any one person shall be deemed to be one loss, or
- (d) all wrongful acts, other than those specified in (a) above, of one or more persons (which dishonest act(s) or act(s) of Larceny or Embezzlement include, but are not limited to, the failure of an Employee to report such acts of others) whose dishonest act or acts intentionally or unintentionally, knowingly or unknowingly, directly or indirectly, aid or aids in any way, or permits the continuation of, the dishonest act or acts of any other person or persons shall be deemed to be one loss with the act or acts of the persons aided, or
- (e) any one casualty or event other than those specified in (a), (b), (c) or (d) preceding, shall be deemed to be one loss, and

shall be limited to the applicable Limit of Liability stated in Item 3 of the Declarations of this bond irrespective of the total amount of such loss or losses and shall not be cumulative in amounts from year to year or from period to period.

Sub-section (c) is not applicable to any situation to which the language of sub-section (d) applies.

SECTION 10. LIMIT OF LIABILITY

With respect to any loss set forth in the PROVIDED clause of Section 9 of this bond which is recoverable or recovered in whole or in part under any other bonds or policies issued by the Underwriter to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Underwriter under this bond and under other bonds or policies shall not exceed, in the aggregate, the amount carried hereunder on

such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss if the latter amount be the larger.

SECTION 11. OTHER INSURANCE

If the Insured shall hold, as indemnity against any loss covered hereunder, any valid and enforceable insurance or suretyship, the Underwriter shall be liable hereunder only for such amount of such loss which is in excess of the amount of such other insurance or suretyship, not exceeding, however, the Limit of Liability of this bond applicable to such loss.

SECTION 12. DEDUCTIBLE

The Underwriter shall not be liable under any of the Insuring Agreements of this bond on account of loss as specified, respectively, in sub-sections (a), (b), (c), (d) and (e) of Section 9, NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND

TOTAL LIABILITY, unless the amount of such loss, after deducting the net amount of all reimbursement and/or recovery obtained or made by the Insured, other than from any bond or policy of insurance issued by an insurance company and covering such loss, or by the Underwriter on account thereof prior to payment by the Underwriter of such loss, shall exceed the Deductible Amount set forth in Item 3 of the Declarations hereof (herein called Deductible Amount) and then for such excess only, but in no event for more than the applicable Limit of Liability stated in Item 3 of the Declarations.

The Insured will bear, in addition to the Deductible Amount, premiums on Lost Instrument Bonds as set forth in Section 7.

There shall be no deductible applicable to any loss under Insuring Agreement A sustained by any Investment Company named as Insured herein.

SECTION 13. TERMINATION

The Underwriter may terminate this bond as an entirety by furnishing written notice specifying the termination date which cannot be prior to 60 days after the receipt of such written notice by each Investment Company named as Insured and the Securities and Exchange Commission, Washington, D.C. The Insured may terminate this bond as an entirety by furnishing written notice to the Underwriter. When the Insured cancels, the Insured shall furnish written notice to the Securities and Exchange Commission, Washington, D.C. prior to 60 days before the effective date of the termination. The Underwriter shall notify all other Investment Companies named as Insured of the receipt of such termination notice and the termination cannot be effective prior to 60 days after receipt of written notice by all other Investment Companies. Premiums are earned until the termination date as set forth herein.

This Bond will terminate as to any one Insured immediately upon taking over of such Insured by a receiver or other liquidator or by State or Federal officials, or immediately upon the filing of a petition under any State or Federal statute relative to bankruptcy or reorganization of the Insured, or

assignment for the benefit of creditors of the Insured, or immediately upon such Insured ceasing to exist, whether through merger into another entity, or by disposition of all of its assets.

The Underwriter shall refund the unearned premium computed at short rates in accordance with the standard short rate cancellation tables if terminated by the Insured or pro rata if terminated for any other reason.

This Bond shall terminate

- (a) as to any Employee as soon as any partner, officer or supervisory Employee of the Insured, who is not in collusion with such Employee, shall learn of any dishonest or fraudulent act(s), including Larceny or Embezzlement on the part of such Employee without prejudice to the loss of any Property then in transit in the custody of such Employee (See Section 16[d]), or
- (b) as to any Employee 60 days after receipt by each Insured and by the Securities and Exchange Commission of a written notice from the Underwriter of its desire to terminate this bond as to such Employee, or
- (c) as to any person, who is a partner, officer or employee of any Electronic Data Processor covered under this bond, from and after the time that the Insured or any partner or officer thereof not in collusion with such

person shall have knowledge or information that such person has committed any dishonest or fraudulent act(s), including Larceny or Embezzlement in the service of the Insured or otherwise, whether such act be committed before or after the time this bond is effective.

SECTION 14. RIGHTS AFTER TERMINATION OR CANCELLATION

At any time prior to the termination or cancellation of this bond as an entirety, whether by the Insured or the Underwriter, the Insured may give to the Underwriter notice that it desires under this bond an additional period of 12 months within which to discover loss sustained by the Insured prior to the

effective date of such termination or cancellation and shall pay an additional premium therefor.

Upon receipt of such notice from the Insured, the Underwriter shall give its written consent thereto; provided, however, that such additional period of time shall terminate immediately;

(a) on the effective date of any other insurance obtained by the Insured, its successor in business or any other party, replacing in whole or in part the insurance afforded by this bond, whether or not such other insurance provides coverage for loss sustained prior to its effective date, or

(b) upon takeover of the Insured's business by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed for this purpose without the necessity of the Underwriter giving notice of such termination. In the event that such additional period of time is terminated, as provided above, the Underwriter shall refund any unearned premium.

The right to purchase such additional period for the discovery of loss may not be exercised by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed to take over the Insured's business for the operation or for the liquidation thereof or for any other purpose.

SECTION 15. CENTRAL HANDLING OF SECURITIES

Securities included in the systems for the central handling of securities established and maintained by Depository Trust Company, Midwest Depository Trust Company, Pacific Securities Depository Trust Company, and Philadelphia Depository Trust Company, hereinafter called Corporations, to the extent of the Insured's interest therein as effective by the making of appropriate entries on the books and records of such Corporations shall be deemed to be Property.

The words Employee and Employees shall be deemed to include the officers, partners, clerks and other employees of the New York Stock Exchange, Boston Stock Exchange, Midwest Stock Exchange, Pacific Stock Exchange and Philadelphia Stock Exchange, hereinafter called Exchanges, and of the above named Corporations, and of any nominee in whose name is registered any security included within

the systems for the central handling of securities established and maintained by such Corporations, and any employee of any recognized service company, while such officers, partners, clerks and other employees and employees of service companies perform services for such Corporations in the operation of such systems. For the purpose of the above definition a recognized service company shall be any company providing clerks or other personnel to said Exchanges or Corporation on a contract basis.

The Underwriter shall not be liable on account of any loss(es) in connection with the central handling of securities within the systems established and maintained by such Corporations, unless such loss(es) shall be in excess of the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations, against such loss(es), and then the Underwriter shall be liable hereunder only for the Insured's share of such excess loss(es), but in no event for more than the Limit of Liability applicable hereunder.

For the purpose of determining the Insured's share of excess loss(es) it shall be deemed that the Insured has an interest in any certificate representing any security included within such systems equivalent to the interest the Insured then has in all certificates representing the same security included within such systems and that such Corporations shall use their best judgement in apportioning the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations against such loss(es) in connection with the central handling of securities within such

systems among all those having an interest as recorded by appropriate entries in the books and records of such Corporations in Property involved in such loss(es) on the basis that each such interest shall share in the amount(s) so recoverable or recovered in the ratio that the value of each such interest bears to the total value of all such interests and that the Insured s share of such excess loss(es) shall be the amount of the Insured s interest in such Property in excess of the amount(s) so apportioned to the Insured by such Corporations.

This bond does not afford coverage in favor of such Corporations or Exchanges or any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and upon payment to the Insured by the Underwriter on account of any loss(es) within the systems, an

assignment of such of the Insured's rights and causes of action as it may have against such Corporations or Exchanges shall to the extent of such payment, be given by the Insured to the Underwriter, and the Insured shall execute all papers necessary to secure to the Underwriter the rights provided for herein.

SECTION 16. ADDITIONAL COMPANIES INCLUDED AS INSURED

If more than one corporation, co-partnership or person or any combination of them be included as the Insured herein:

- (a) the total liability of the Underwriter hereunder for loss or losses sustained by any one or more or all of them shall not exceed the limit for which the Underwriter would be liable hereunder if all such loss were sustained by any one of them,
- (b) the one first named herein shall be deemed authorized to make, adjust and receive and enforce payment of all claims hereunder and shall be deemed to be the agent of the others for such purposes and for the giving or receiving of any notice required or permitted to be given by the terms hereof, provided that the Underwriter shall furnish each named Investment Company with a copy of the bond and with any amendment thereto, together with a copy of each formal filing of the settlement of each such claim prior to the execution of such settlement,
- (c) the Underwriter shall not be responsible for the proper application of any payment made hereunder to said first named Insured,
- (d) knowledge possessed or discovery made by any partner, officer or supervisory Employee of any Insured shall for the purposes of Section 4 and Section 13 of this bond constitute knowledge or discovery by all the Insured, and
- (e) if the first named Insured ceases for any reason to be covered under this bond, then the Insured next named shall thereafter be considered as the first named Insured for the purposes of this bond.

SECTION 17. NOTICE AND CHANGE OF CONTROL

Upon the Insured's obtaining knowledge of a transfer of its outstanding voting securities which results in a change in control (as set forth in Section 2(a) (9) of the Investment Company Act of 1940) of the Insured, the Insured shall within thirty (30) days of such knowledge give written notice to the Underwriter setting forth:

- (a) the names of the transferors and transferees (or the names of the beneficial owners if the voting securities are requested in another name), and
- (b) the total number of voting securities owned by the transferors and the transferees (or the beneficial owners), both immediately before and after the transfer, and

(c) the total number of outstanding voting securities.

As used in this section, control means the power to exercise a controlling influence over the management or policies of the Insured.

Failure to give the required notice shall result in termination of coverage of this bond, effective upon the date of stock transfer for any loss in which any transferee is concerned or implicated.

Such notice is not required to be given in the case of an Insured which is an Investment Company.

SECTION 18. CHANGE OR MODIFICATION

This bond or any instrument amending or effecting same may not be changed or modified orally. No changes in or modification thereof shall be effective unless made by written endorsement issued to form a part hereof over the signature of the Underwriter's Authorized Representative. When a bond covers only one Investment Company no change or modification which would adversely affect the rights of the Investment Company shall be effective prior to 60 days after written notification has been furnished to the Securities and Exchange Commission, Washington, D.C. by the Insured or by the

Underwriter. If more than one Investment Company is named as the Insured herein, the Underwriter shall give written notice to each Investment Company and to the Securities and Exchange Commission, Washington, D.C. not less than 60 days prior to the effective date of any change or modification which would adversely affect the rights of such Investment Company.

IN WITNESS WHEREOF, the Underwriter has caused this bond to be executed on the Declarations Page.

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There are over 3,000 property and casualty insurance companies in the United States.

Only 50 are included on the Ward's 50 List for safety, consistency and performance.

Only 5 have been rated A or better by A.M. Best for over 100 years.

Only 2 are on both lists.

Great American Insurance Company is 1 of the two.

Source: Ward Group®, 2014 Ward's 50 Property and Casualty Companies, and A.M. Best®. Great American Insurance Company is rated A+ (Superior) by A.M. Best® as of March 20, 2015. 0790FIC-B (4/15)

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Great American Insurance Company

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IMPORTANT NOTICE

FIDELITY CRIME DIVISION CLAIMS

Should this account have a potential claim situation, please contact:

Fidelity & Crime Claims Department

Great American Insurance Group

Five Waterside Crossing

Windsor, CT 06095

(860) 298-7330

(860) 688-8188 fax

CrimeClaims@gaig.com

SDM-683 (Ed. 08/14)

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Great American Insurance Company

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IMPORTANT INFORMATION TO POLICYHOLDERS

CALIFORNIA

TO OBTAIN INFORMATION OR TO MAKE A COMPLAINT

In the event you need to contact someone about this Policy for any reason please contact your agent. If you have additional questions, you may contact the insurance company issuing this Policy at the following address and telephone number:

Great American Insurance Group

Administrative Offices

301 East 4th Street

Cincinnati, OH 45202

Or you may call the toll-free telephone number for information or to make a complaint at:

1-800-972-3008

If you have a problem with your insurance company, its agent or representative that has not been resolved to your satisfaction, please call or write to the Department of Insurance.

California Department of Insurance

Consumer Services Division

300 South Spring Street, South Tower

Los Angeles, California 90013

1-800-927-4357

213-897-8921 (if calling from within the Los Angeles area)

1-800-482-4833 (TDD Number)

Written correspondence is preferable so that a record of your inquiry can be maintained. When contacting your agent, company or the Bureau of Insurance, have your Policy Number available.

ATTACH THIS NOTICE TO YOUR POLICY

This notice is for information only and does not become a part or condition of the attached document.

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FXS 1101 (Ed. 05 14)

FINANCIAL INSTITUTION EXCESS FOLLOW FORM CERTIFICATE

GREAT AMERICAN INSURANCE COMPANY

(herein called UNDERWRITER)

Bond No.: FS 5594674 11 00
Named Insured: Allianz Funds
(herein called Insured)
Address: 650 Newport Center Drive
Newport Beach, CA 92660

The UNDERWRITER, in consideration of an agreed premium, and in reliance upon the statements and information furnished to the UNDERWRITER by the INSURED, and subject to the terms and conditions of the underlying coverage scheduled in Item 3. below, as excess and not contributing insurance, agrees to pay the INSURED for loss which:

- (a) Would have been paid under the Underlying but for the fact that such loss exceeds the limit of liability of the Underlying Carrier(s) listed in Item 3., and
- (b) for which the Underlying Carrier(s) has (have) made payment, and the Insured has collected, the full amount of the expressed limit of the Underlying Carrier s(s) liability.

Item 1. Bond Period: from 12:01 a.m. on 07/01/2017 to 12:01 a.m. on 07/01/2018
(inception) (expiration)

Item 2. Single Loss Limit of Liability at Inception: \$ 10,000,000

Item 3. Underlying Coverage Schedule:

- A) Company: National Union Fire Insurance Company of Pittsburgh, PA
- Single Loss Limit: \$25,000,000
- Deductible Amount: \$250,000

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Bond Number: 6214333

Bond Period: from 12:01 a.m. on 07/01/2017 to 12:01 a.m. on 07/01/2018

Item 4. Coverage provided by this Bond is subject to the following attached Rider(s): 1,2,3. and 4

Item 5. By acceptance of this Bond, you give us notice canceling prior Bond No. FS 5594674 10, the cancellation to be effective at the same time this Bond become effective.

FXS 1101 (Ed. 05/14)

(Page 1 of 1)

R * B0 * 07/21/2017 * FS 5594674 11
00

Great American Insurance Company

194710

FXS 11 02 (Ed. 05 14)

RIDER NO. 1

EXCLUDE ALL SUB-LIMITED COVERAGE(S)

To be attached to and form part of **Financial Institution Excess Follow Form Certificate**

Bond No.: FS 5594674 11 00

In favor of: Allianz Funds

It is agreed that:

1. Coverage provided by this Bond shall not respond as excess over any sub-limited coverage(s) that are part of the Underlying Bond(s).
2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond other than as stated herein.
3. This Rider shall become effective as of 12:01 a.m. on 07/01/2017 standard time.

FXS 11 02 (Ed. 05/14)

(Page 1 of 1)

R * B0 * 07/21/2017 * FS 5594674 11
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Great American Insurance Company

194710

FXS 11 04 (Ed. 05 14)

RIDER NO. 2

EXHAUSTION OF UNDERLYING LIMITS AGREEMENT

To be attached to and form part of **Financial Institution Excess Follow Form Certificate**

Bond No.: FS 5594674 11 00

In favor of: Allianz Funds

It is agreed that:

1. **Item (b)** of the Preamble of the attached **Financial Institution Excess Follow Form Certificate** is amended to read as follows:
 - (b) For which the Underlying Carrier(s) has (have) made payment, and the **Insured** has collected, the full amount of the expressed limit of the Underlying Carrier s(s) liability, except when the Underlying Carrier(s) is (are) unable to pay due to the Underlying Carrier s own insolvency or where the Underlying Carrier(s) in good faith, settles a claim made by the **Insured** as a result of a covered loss for less than the expressed Limit of Liability of the Underlying Carrier(s) that is applicable to the covered loss.
2. In either the case of insolvency or for which a good faith settlement is made by the Underlying Carrier(s) as respects a covered loss sustained by the **Insured**, the **Insured** s loss that is in excess of what should be paid by the Underlying Carrier(s) in insolvency or that which is in excess of a good faith settlement that is made by the Underlying Carrier(s), shall be treated as self-insured and the **Insured** may make claim for the excess amount as per the Limit of Liability described in **Item 2.** of the Declarations of the attached **Financial Institution Excess Follow Form Certificate**.
3. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions,provisions, agreements or limitations of the above mentioned Bond other than as stated herein.
4. This Rider shall become effective as of 12:01 a.m. on 07/01/2017 standard time.

FXS 11 04 (Ed. 05/14)

(Page 1 of 1)

R * B0 * 07/21/2017 * FS 5594674 11
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Great American Insurance Company

194710

FXS 11 02 (Ed. 05 14)

RIDER NO. 3

CALIFORNIA PREMIUM RIDER

To be attached to and form part of **Financial Institution Excess Follow Form Certificate**

Bond No.: FS 5594674 11 00

In favor of: Allianz Funds

It is agreed that:

1. In compliance with the ruling of the Commission of Insurance of the State of California and the opinion of the Attorney General of that State requiring that the premium for all Bonds or Policies be endorsed thereon, the basic premium charged for the attached bond for the Bond Period:

From: 07/01/2017

To: 07/01/2018

Is: Fourteen Thousand Nine Hundred Twenty Three and 00/100 Dollars \$14,923.00

2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond other than as stated herein.
3. This Rider shall become effective as of 12:01 a.m. on 07/01/2017 standard time.

FXS 11 09 (Ed.05/14)

(Page 1 of 1)

R * B0 * 07/21/2017 * FS 5594674 11
00

Great American Insurance Company

194710

FXS 11 12 (Ed. 05 14)

RIDER NO. 4

DROP DOWN RIDER

To be attached to and form part of **Financial Institution Excess Follow Form Certificate**

Bond No.: FS 5594674 11 00

In favor of: Allianz Funds

It is agreed that:

1. All Underlying Coverage detailed in **Item 3.** of the Declarations shall be maintained in full force and effect during the period of this Bond, except for any reduction in the aggregate limits contained therein solely by payment of claims, including court costs and attorneys fees.
2. If by reason of the payment of any claim or claims by the Underlying Carrier(s) during the period of this coverage, which reduces the aggregate limits of the Underlying Coverage, this Bond shall respond excess over the Single Loss Limits of Liability of the Underlying Carrier(s) named in **Item 3.** of the Declarations until the reduced Annual Aggregate Limits are exhausted; and in such event, this Bond shall continue in force as Primary Bond, and the Deductible set forth on the Declarations Page of the Primary Bond shall apply to this Bond.
3. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond other than as stated herein.
4. This Rider shall become effective as of 12:01 a.m. on 07/01/2017 standard time.

FSX 11 12 (Ed.05/14)

(Page 1 of 1)

R * B0 * 07/21/2017 * FS 5594674 11
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Great American Insurance Company

194710

FI 73 41 (Ed. 08/15)

In Witness Clause

In Witness Whereof, we have caused this Financial Institution Bond to be executed and attested, and, if required by state law, this Financial Institution Bond shall not be valid unless countersigned by our authorized representative.

President

Secretary

FI 73 41 (Ed. 08/15)

Copyright Great American Insurance Co., 2009

EXPERTS FOCUSED ON YOUR PROTECTION. WE DELIVER.

August 22, 2017

Annalisa Brown

Edgewood Partners Insurance Center

295 Madison Ave., 38th Floor

New York, NY 10017

Re: Allianz Funds
Policy # BFBD-45001523-23

Dear Annalisa,

Thank you for insuring your account with Berkley Crime. Attached please find a copy of the policy for the above referenced account. In the event of loss, please contact:

Ms. Megan Manogue

Assistant Vice President, Chief Claims Officer

849 Fairmount Avenue, Suite 301

Towson, Maryland 21286

Phone (toll free): (866) 539-3995 ext. 6333

Fax (toll free): (866) 915-7879

E-Mail: claims@berkleycrime.com

Please feel free to contact me with any additional questions.

Sincerely,

Matthew McNamara

Assistant Vice President, Regional Manager

MMcNamara@BerkleyCrime.com

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757 Third Avenue, 10th Floor, New York, NY 10017 PH. 844.44.CRIME

PRODUCER

Annalisa Brown

Edgewood Partners Insurance Center

295 Madison Ave., 38th Floor

New York, NY 10017

(646) 452-4038

Underwritten By

BERKLEY REGIONAL INSURANCE COMPANY

Administrative Office:
475 Steamboat Road
Greenwich, CT 06830

Issuing Office:
29 South Main Street, Suite 308
West Hartford, CT 06107

BROKER DEALERS (FORM 14) EXCESS FOLLOW FORM CERTIFICATE

BOND NUMBER	BFBD-45001523-23	PRIOR BOND NUMBER	BFBD-45001523-22
NAMED INSURED	Allianz Funds		
MAILING ADDRESS	650 Newport Center Dr Newport Beach, CA 92660		
POLICY PERIOD	7/01/2017 to 7/01/2018 (12:01 A.M. at your Mailing Address shown above)		

TERMS AND CONDITIONS:

In consideration of the premium charged and in reliance upon the statements and information furnished to the COMPANY by the Insured and subject to the terms and conditions of the UNDERLYING COVERAGE scheduled below, the COMPANY agrees to pay the Insured, as excess and not contributing insurance, for loss which:

- a) would have been paid by the underlying Carrier(s) in the UNDERLYING COVERAGE scheduled below but for the fact that such loss exceeds the Limit of Liability of the underlying Carrier(s), and
- b) for which the underlying Carrier(s) has made monetary payment and the Insured has collected the full monetary amount of the underlying Carrier's expressed Limit of Liability.

This bond does not provide coverage in excess of any sub-limited coverage in the underlying bond(s) which is below the underlying Carrier's expressed Single Loss Limit of Liability in the UNDERLYING COVERAGE scheduled below.

LEAD CARRIER FOR LAYER: Berkley Regional Insurance Company

SINGLE LOSS LIMIT OF LIABILITY:

\$5,000,000 excess of \$35,000,000 plus deductible

AGGREGATE LIMIT:

UNDERLYING COVERAGE:

Carrier: National Union Fire Insurance Company of Pittsburgh, PA

Single Loss Limit of Liability: \$25,000,000

Single Loss Deductible: \$250,000

Aggregate Limit:

Bond Number: 6214333

Bond Period: 07/01/2017 to 07/01/2018

Carrier: Great American Insurance Company

Single Loss Limit of Liability: \$10,000,000 excess of \$25,000,000 plus deductible

Aggregate Limit:

Bond Number: FS 5594674 11 00

Bond Period: 07/01/2017 to 07/01/2018

BCR FIB XS 01 15

Page 1 of 2

Forms and Riders Forming Part of this Bond When Issued:

Form Number and

Edition Date	Description of Form or Rider:
BCR WDC 01 01 15	Berkley Crime We Deliver Cover Page
BCR COV 01 08 16	Berkley Crime Cover Letter
BCR FIB XS 01 15	Financial Institution Excess Follow Form Certificate
BCR WDB 01 01 15	Berkley Crime We Deliver Back Page

Cancellation of Prior Insurance Issued by Us:

By acceptance of this Bond you give us notice canceling prior bond Numbers: BFBD-45001523-22 the cancellation to be effective at the time this Bond becomes effective.

IN WITNESS WHEREOF, Berkley Regional Insurance Company designated herein has executed and attested these presents.

Ira S. Lederman
Director, Senior Vice President and Secretary

W. Robert Berkley, Jr.
Director and President

BCR FIB XS 01 15

Page 2 of 2

Berkley Crime

29 South Main Street, 3rd FL | West Hartford, CT 06107 | 844.44. CRIME

Berkleycrime.com

AGREEMENT AMONG JOINT INSUREDS

THIS AGREEMENT made as of July 1, 2017 by and among, AllianzGI Institutional Multi-Series Trust, AllianzGI NFJ Dividend, interest & Premium Strategy Fund, AllianzGI Convertible & Income Fund, AllianzGI Convertible & Income Fund II, AllianzGI Equity & Convertible Income Fund, AllianzGI Convertible & Income 2024 Target Term Fund, AllianzGI Diversified Income & Convertible Fund, Premier Multi-Series VIT, Allianz Fund and Allianz Funds Multi-Strategy Trust (each a Trust), on behalf of each Trust's respective series of shares (the Funds).

WHEREAS, each of the Trusts and Funds have investment advisers which are affiliates of each other (each such firm, and any other advisory firm that is an affiliate of such firms, an Affiliated Manager);

WHEREAS, the Trusts and Funds are named as insureds under a Joint Investment Company Blanket Bond (the Bond) issued by National Union Fire Insurance Company of Pittsburgh, PA, Great American Insurance Group and Berkley Regional Insurance Company (collectively, the Insurers);

WHEREAS, the Trusts desire to establish (i) the basis on which additional investment companies for which an Affiliated Manager may hereafter act as investment adviser may be added as named insureds under the Bond, and (ii) the criteria by which recoveries under the Bond shall be allocated among the parties;

NOW, THEREFORE, it is agreed as follows:

1. If the Insurers are willing without additional premium to add, as an insured under the Bond, any investment company, not listed at the head of this agreement for which an Affiliated Manager hereafter is investment adviser, which may be included in the Bond pursuant to Rule 17g-1(b) under the Investment Company Act of 1940, as amended, and the rules and regulations thereafter (the Act), the Trusts agree (a) that such addition may be made, provided that those trustees of each Trust who are not interested persons of such Trust shall approve such addition, and (b) that such investment company may become a party to this agreement and be included within the terms trust, Fund, or party, provided that in each case such

investment company shall have executed and delivered to the Trusts its written agreement to become a party hereto and to be bound by the terms of this Agreement.

2. In the event that the claims of loss of two or more insureds under the Bond are so related that the Insurers are entitled to assert that the claims must be aggregated, each Fund shall receive an equitable and proportionate share of the recovery, but at least equal to the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required under Rule 17g-1 under the Act.

3. A copy of the Agreement and Declaration of Trust Instrument of each Trust is on file with the Secretary of State of the state in which such Trust was organized, and notice is hereby given that this instrument is executed on behalf of the Trustees of each Trust as Trustees and not individually and that the obligations under this instrument are not binding upon any of the Trustees or holders of shares of beneficial interest of any Trust or Fund individually but are binding only upon the respective assets and property of each Trust and Fund.

IN WITNESS WHEREOF the parties have caused these presents to be executed by their officers hereunto duly authorized all as of the day and year first above written.

AllianzGI Institutional Multi-Series Trust

**AllianzGI NFJ Dividend, Interest &
Premium Strategy Fund**

AllianzGI Convertible & Income Fund

AllianzGI Convertible & Income Fund II

**AllianzGI Convertible & Income 2024
Target Term Fund**

**AllianzGI Equity & Convertible Income
Fund**

**AllianzGI Diversified Income & Convertible
Fund**

Premier Multi-Series VIT

Allianz Funds

Allianz Funds Multi-Strategy Trust

By:

Thomas J. Fuccillo
President and Chief Executive Officer

Certificate of Secretary

ALLIANZ FUNDS (AF)

ALLIANZ FUNDS MULTI-STRATEGY TRUST (MST)

ALLIANZGI INSTIUTIONAL MULTI-SERIES TRUST (IMST)

PREMIER MULTI-SERIES VIT (VIT)

ALLIANZGI NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND (NFJ)

ALLIANZGI CONVERTIBLE & INCOME FUND (NCV)

ALLIANZGI CONVERTIBLE & INCOME FUND II (NCZ)

ALLIANZGI CONVERTIBLE & INCOME 2024 TARGET TERM FUND (CBH)

ALLIANZGI EQUITY & CONVERTIBLE INCOME FUND (NIE)

ALLIANZGI DIVERSIFIED INCOME & CONVERTIBLE FUND (ACV)

(each, a Fund and collectively, the Funds)

Regarding Fidelity Bond

The undersigned, being the duly elected, qualified and acting Secretary of the above-referenced Funds, each a business trust organized under the laws of the Commonwealth of Massachusetts, hereby certifies that attached hereto is a true and complete copy of resolutions that were approved in substantially the form attached hereto by the Boards of Trustees of the Funds at meetings held on June 6, 2017 and October 10-11, 2017, at which a quorum was present and voted in favor thereof, and that said resolutions have not been revoked or amended and are now in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this certificate as Secretary of the above mentioned Funds on this 1st day of November, 2017.

/s/ Angela Borreggine
Angela Borreggine
Secretary and Chief Legal Officer

ALLIANZ FUNDS (AF)

ALLIANZ FUNDS MULTI-STRATEGY TRUST (MST)

ALLIANZGI INSTIUTIONAL MULTI-SERIES TRUST (IMST)

PREMIER MULTI-SERIES VIT (VIT)

ALLIANZGI NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND (NFJ)

ALLIANZGI CONVERTIBLE & INCOME FUND (NCV)

ALLIANZGI CONVERTIBLE & INCOME FUND II (NCZ)

ALLIANZGI CONVERTIBLE & INCOME 2024 TARGET TERM FUND (CBH)

ALLIANZGI EQUITY & CONVERTIBLE INCOME FUND (NIE)

ALLIANZGI DIVERSIFIED INCOME & CONVERTIBLE FUND (ACV)

(each, a Fund and collectively, the Funds)

Minutes of the Joint Meeting of the Boards of Trustees held on June 6, 2017

Approval of Fidelity Bond

VOTED: That, after considering all relevant factors, the action of the Funds in a Joint Investment Company Blanket Bond to be issued by the Funds as described in the Meeting materials by a consortium of insurers covering larceny and embezzlement and certain other acts, with a limit of liability for the period of July 1, 2017, to and including July 1, 2018, of \$40 million, or such amount as is necessary to cover the addition of the Funds to the Joint Investment Company Blanket Bond, for an aggregate one-year premium of an amount to be determined by AllianzGI U.S. and ratified by the Board once an aggregate premium figure is provided by the insurance companies, plus any additional amount as may be necessary to cover the addition of the Funds to the Joint Investment Company Blanket Bond, be and it is hereby approved, each Fund's share of the premium to be no greater than a pro rata amount based on the sum of the minimum bond requirement (or, if larger, the assigned coverage amount) for each party to the Joint Investment Company Blanket Bond in accordance with Rule 17g-1 under the 1940 Act, and, in the case of Allianz Funds, to be paid from the Administrative Fee paid to AllianzGI U.S. with respect to each series of Allianz Funds.

VOTED: That the officers of the Funds be, and they hereby are, authorized to approve insurers included in the consortium of insurers referenced in the foregoing Vote, with their approval deemed to constitute approval by the Trustees, subject to ratification by the Trustees at a subsequent meeting when the list of insurers from whom coverage has been obtained is finalized.

- VOTED: That, pursuant to Rule 17g-1 under the 1940 Act, the officers of the Funds be, and they each hereby are, designated as an agent for the Funds to make the filings and give the notices required by subparagraph (g) of said Rule.
- VOTED: That the officers of the Funds be, and they hereby are, authorized to make any and all payments and to do any and all other acts in the name of each Fund and on its behalf, as they, or any of them, may determine to be necessary or desirable and proper in connection with or in furtherance of the foregoing Votes.
- VOTED: That each Fund be and it hereby is authorized to enter into or amend an Agreement Among Joint Insureds with the other parties to the Joint Investment Company Blanket Bond, stating that in the event recovery is received under the bond as a result of the loss of any Fund and of one or more of the other named insured parties, the other Funds shall receive an equitable and proportionate share of recovery, such share being at least equal to the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required under Rule 17g-1 under the 1940 Act, and the President, the Treasurer and the Secretary of the Funds be and they hereby are, and each of them acting individually hereby is, authorized to execute and deliver such agreement, the taking of any or all such actions to be conclusive evidence of its authorization hereby.
- VOTED: That the form and amount of the Joint Investment Company Blanket Bond, after consideration of all relevant factors including each Fund's aggregate assets to which persons covered by the bond have access, the type and terms of arrangements made for custody and safekeeping of assets, and the nature of the securities held, be, and they hereby are, approved.
- VOTED: That each Fund's participation in the Joint Investment Company Blanket Bond described above be, and it hereby is, determined to be in the best interest of each Fund.

ALLIANZ FUNDS (AF)

ALLIANZ FUNDS MULTI-STRATEGY TRUST (MST)

ALLIANZGI INSTIUTIONAL MULTI-SERIES TRUST (IMST)

PREMIER MULTI-SERIES VIT (VIT)

ALLIANZGI NFJ DIVIDEND, INTEREST & PREMIUM STRATEGY FUND (NFJ)

ALLIANZGI CONVERTIBLE & INCOME FUND (NCV)

ALLIANZGI CONVERTIBLE & INCOME FUND II (NCZ)

ALLIANZGI CONVERTIBLE & INCOME 2024 TARGET TERM FUND (CBH)

ALLIANZGI EQUITY & CONVERTIBLE INCOME FUND (NIE)

ALLIANZGI DIVERSIFIED INCOME & CONVERTIBLE FUND (ACV)

(each, a Fund and collectively, the Funds)

Minutes of the Joint Meeting of the Boards of Trustees held on October 10-11, 2017

Ratification of and Approval of Fidelity Bond Agreement Among Joint Insureds

VOTED: That, after considering all relevant factors, the action of the Funds in joining the other parties to a Joint Investment Company Blanket Bond (the Investment Company Blanket Bond) as described in the meeting materials, issued by a consortium of insurers covering larceny and embezzlement and certain other acts, with a limit of liability for the period of July 1, 2017 to and including July 1, 2018 of \$40 million, for an aggregate one-year premium of \$63,535.20, be and it is hereby ratified and approved, each Fund's share of the premium to be no greater than a pro rata amount based on the sum of the minimum bond requirement (or, if larger, the assigned coverage amount) for each party to the Investment Company Blanket Bond in accordance with Rule 17g-1 under the 1940 Act and, in the case of Allianz Funds, to be paid from the Administrative Fee paid to AllianzGI U.S. with respect to Allianz Funds.

VOTED: That the insurers included in the consortium of insurers referenced in the foregoing Vote, be, and they hereby are, ratified and approved.

VOTED: That pursuant to Rule 17g-1 under the 1940 Act, the officers of the Funds be, and they each hereby are, designated as an agent for the Funds to make the filings and give the notices required by subparagraph (g) of said Rule with respect to the Investment Company Blanket Bond.

VOTED: That the filing of a copy of the Investment Company Blanket Bond with the Securities and Exchange Commission , together with (1) a copy of the resolution of the Board approving the amount, type, form, and coverage of the Investment Company Blanket Bond, (2) a statement showing the amount of a single insured bond which each Fund would have provided and maintained had it not been named as an insured under the Investment Company Blanket Bond, (3) a statement as to the period for which premiums have been paid, and (4) a copy of the Investment Company Blanket Bond agreement be, and hereby is, ratified and approved.

VOTED: That the form, terms, and provisions of the agreement with the other parties to the Investment Company Blanket Bond, stating that in the event recovery is received under the bond as a result of the loss of any Fund and of one or more of the other named insured parties, the other Funds shall receive an equitable and proportionate share of recovery, such share being at least equal to the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required under Rule 17g-1 under the 1940 Act (the Agreement Among Joint Insureds), as described to this meeting and presented at a prior meeting, be, and they hereby are, ratified and approved, and that the action of the Funds in entering into the Agreement Among Joint Insureds be, and it hereby is, ratified and approved.

VOTED: That the form and amount of the Investment Company Blanket Bond, after consideration of all relevant factors including each Fund's aggregate assets to which persons covered by the bond have access, the type and terms of arrangements made for custody and safekeeping of assets, and the nature of the securities held, be and they hereby are, ratified and approved.

VOTED: That each Fund's participation in the Investment Company Blanket Bond described above be, and it hereby is, determined to be in the best interest of each Fund.

Fidelity Bond Policy

\$40.0 million policy

(allocation based on each fund's coverage requirements under Rule 17g-1)

Fund Name	Gross Assets June 30, 2017	Required Coverage
Allianz Funds Multi-Strategy Trust:		
AllianzGI Best Styles Emerging Markets Equity Fund	\$ 6,803,368	\$ 150,000
AllianzGI Best Styles Global Equity Fund	736,875,708	1,000,000
AllianzGI Best Styles International Equity Fund	36,433,216	350,000
AllianzGI Best Styles U.S. Equity Fund	124,598,982	525,000
AllianzGI Convertible Fund	1,136,274,636	1,250,000
AllianzGI Emerging Markets Consumer Fund	41,187,849	350,000
AllianzGI Emerging Markets Debt Fund	42,893,598	350,000
AllianzGI Emerging Markets Small-Cap Fund	13,273,283	200,000
AllianzGI Europe Equity Dividend Fund	6,917,311	150,000
AllianzGI Global Allocation Fund	465,422,026	750,000
AllianzGI Global Dynamic Allocation Fund	290,944,732	750,000
AllianzGI Global Fundamental Strategy Fund	16,537,877	225,000
AllianzGI Global High Yield Fund	20,721,902	250,000
AllianzGI Global Megatrends Fund	2,562,447	125,000
AllianzGI Global Sustainability Fund	26,282,180	300,000
AllianzGI Global Water Fund	586,514,133	900,000
AllianzGI High Yield Bond Fund	290,160,884	750,000
AllianzGI International Growth Fund	30,316,322	300,000
AllianzGI International Small-Cap Fund	137,444,369	525,000
AllianzGI Micro Cap Fund	37,001,151	350,000
AllianzGI Multi-Asset Real Return Fund	3,842,371	125,000
AllianzGI NFJ Emerging Markets Value Fund	40,283,002	350,000
AllianzGI NFJ Global Dividend Value Fund	17,102,302	225,000
AllianzGI NFJ International Small-Cap Value Fund	4,928,036	150,000
AllianzGI NFJ International Value II Fund *	1,475,654	100,000
AllianzGI Real Estate Debt Fund +	10,010,000	200,000
AllianzGI Retirement 2020 Fund	53,518,196	400,000
AllianzGI Retirement 2025 Fund	62,291,349	400,000
AllianzGI Retirement 2030 Fund	68,768,311	400,000
AllianzGI Retirement 2035 Fund	53,657,899	400,000
AllianzGI Retirement 2040 Fund	51,081,894	400,000
AllianzGI Retirement 2045 Fund	31,183,191	300,000
AllianzGI Retirement 2050 Fund	29,915,144	300,000
AllianzGI Retirement 2055 Fund	13,072,657	200,000
AllianzGI Retirement Income Fund	52,009,659	400,000
AllianzGI Short Duration High Income Fund	1,670,793,886	1,500,000
AllianzGI Structured Return Fund	509,028,020	900,000
AllianzGI U.S. Equity Hedged Fund	3,420,873	125,000
AllianzGI U.S. Small-Cap Growth Fund *	16,724,693	225,000

AllianzGI Ultra Micro Cap Fund	39,775,721	350,000
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Fidelity Bond Policy

\$40.0 million policy

(allocation based on each fund's coverage requirements under Rule 17g-1)

Fund Name	Gross Assets June 30, 2017	Required Coverage
<u>AllianzGI U.S. Sponsored Closed-End Funds:</u>		
AllianzGI Convertible & Income Fund	\$ 971,373,501	\$ 1,250,000
AllianzGI Convertible & Income Fund II	738,790,812	1,000,000
AllianzGI Convertible & Income 2024 Target Term Fund	162,377,502	600,000
AllianzGI Diversified Income & Convertible Fund	341,317,767	750,000
AllianzGI Equity & Convertible Income Fund	605,226,333	900,000
AllianzGI NFJ Dividend, Interest & Premium Strategy Fund	1,378,146,081	1,250,000
<u>Allianz Funds:</u>		
AllianzGI Emerging Markets Opportunities Fund	261,975,327	750,000
AllianzGI Focused Growth Fund	930,758,072	1,000,000
AllianzGI Global Natural Resources Fund	26,797,658	300,000
AllianzGI Global Small-Cap Fund	216,628,463	600,000
AllianzGI Health Sciences Fund	165,042,604	600,000
AllianzGI Income & Growth Fund	3,243,831,152	2,100,000
AllianzGI Mid-Cap Fund	303,527,946	750,000
AllianzGI NFJ Dividend Value Fund	2,826,386,102	1,900,000
AllianzGI NFJ International Value Fund	465,229,637	750,000
AllianzGI NFJ Large-Cap Value Fund	362,659,714	750,000
AllianzGI NFJ Mid-Cap Value Fund	767,831,532	1,000,000
AllianzGI NFJ Small-Cap Value Fund	3,115,783,990	2,100,000
AllianzGI Small-Cap Blend Fund	82,040,381	450,000
AllianzGI Technology Fund	1,401,198,831	1,250,000
<u>AllianzGI Institutional Multi-Series Trust:</u>		
AllianzGI Advanced Core Bond Portfolio	213,737,396	600,000
AllianzGI Best Styles Global Managed Volatility	73,762,052	450,000
AllianzGI Discovery U.S. Portfolio @	17,973,115	225,000
AllianzGI Global Small-Cap Opportunities Portfolio	4,649,865	125,000
<u>Premier Multi-Series VIT:</u>		
NFJ Dividend Value Portfolio	4,661,382	125,000
RCM Dynamic Multi-Asset Plus VIT Portfolio	19,733,698	250,000
	\$ 25,483,489,745	\$ 38,825,000

* NFJ International Value II and U.S. Small-Cap Growth liquidated on July 14, 2017.

+ Real Estate Debt is expected to commence operations in 2018 with \$10.01M in Allianz seed money.

@ Discovery U.S. liquidated on July 31, 2017.