

GABELLI CONVERTIBLE & INCOME SECURITIES FUND INC  
Form N-CSRS  
September 04, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number 811-05715

The Gabelli Convertible and Income Securities Fund Inc.

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: June 30, 2014

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct

comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Reports to Stockholders.**

The Report to Shareholders is attached herewith.

**The Gabelli Convertible and Income  
Securities Fund Inc.**

**Semiannual Report June 30, 2014**

**Mario J. Gabelli, CFA  
Portfolio Manager**

**To Our Shareholders,**

For the six months ended June 30, 2014, the net asset value ( NAV ) total return of The Gabelli Convertible and Income Securities Fund Inc. was 5.1%, compared with a total return of 3.8% for the Barclays Government/Credit Bond Index. The total return for the Fund 's publicly traded shares was 6.0%. The Fund 's NAV per share was \$6.57, while the price of the publicly traded shares closed at \$6.29 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed are the schedule of investments and financial statements as of June 30, 2014.

**Comparative Results**

|   | <b>Average Annual Returns through June 30, 2014 (a) (Unaudited)</b> |        |        |         | Since                   |
|---|---|--------|--------|---------|-------------------------|
|   | Year to Date  | 1 Year | 5 Year | 10 Year | Inception<br>(07/03/89) |
| <b>Gabelli Convertible and Income Securities Fund</b> |   |        |        |         |                         |
| <b>NAV Total Return (b)</b>                           | 5.09%   | 17.16% | 13.70% | 6.66%   | 7.27%                   |
| <b>Investment Total Return (c)</b>                    | 6.03  | 9.83   | 13.57  | 4.30    | 6.25(d)                 |
| Standard & Poor 's ( S&P ) 500 Index                  | 7.14  | 24.61  | 18.83  | 7.78    | 9.89(e)                 |
| Barclays Government/Credit Bond Index                 | 3.76  | 4.07   | 5.03   | 4.89    | N/A(f)                  |
| Lipper Convertible Securities Fund Average            | 7.14  | 20.50  | 15.13  | 7.52    | 8.72(e)                 |

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The S&P 500 Index is an unmanaged indicator of stock market performance. The Barclays Government/Credit Bond Index is a market value weighted index that tracks the performance of fixed rate, publicly placed, dollar denominated obligations. The Lipper Convertible Securities Fund Average reflects the average performance of open-end mutual funds classified in this particular category. Dividends and interest income are considered reinvested. You cannot invest directly in an index.

(b) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date, and adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$10.00.

- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$11.25.
- (d) The Fund converted to closed-end status on March 31, 1995 and had no operating history on the NYSE prior to that date.
- (e) From June 30, 1989, the date closest to the Fund's inception for which data is available.
- (f) The Barclays Government/Credit Bond Index inception date is January 29, 1999.

**Summary of Portfolio Holdings (Unaudited)**

The following table presents portfolio holdings as a percent of total investments as of June 30, 2014:

**The Gabelli Convertible and Income Securities Fund Inc.**

|                                   |        |
|-----------------------------------|--------|
| Financial Services                | 19.2%  |
| U.S. Government Obligations       | 17.0%  |
| Energy and Utilities              | 13.0%  |
| Health Care                       | 11.6%  |
| Aerospace                         | 7.8%   |
| Diversified Industrial            | 7.1%   |
| Food and Beverage                 | 5.5%   |
| Telecommunications                | 3.5%   |
| Retail                            | 3.4%   |
| Automotive                        | 1.9%   |
| Automotive: Parts and Accessories | 1.8%   |
| Building and Construction         | 1.4%   |
| Consumer Products                 | 1.3%   |
| Computer Hardware                 | 1.1%   |
| Transportation                    | 1.0%   |
| Hotels and Gaming                 | 0.8%   |
| Specialty Chemicals               | 0.5%   |
| Communications Equipment          | 0.4%   |
| Equipment and Supplies            | 0.4%   |
| Broadcasting                      | 0.3%   |
| Computer Software and Services    | 0.3%   |
| Electronics                       | 0.2%   |
| Wireless Communications           | 0.2%   |
| Cable and Satellite               | 0.1%   |
| Business Services                 | 0.1%   |
| Entertainment                     | 0.1%   |
| Metals and Mining                 | 0.0%*  |
|                                   | 100.0% |

\* Amount represents less than 0.05%.

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

**Proxy Voting**

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

**Certifications**

The Fund's Chief Executive Officer has certified to the New York Stock Exchange ( NYSE ) that, as of June 11, 2014, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund reports to the SEC on Form N-CSR which contains certifications by the Fund's principal executive officer and principal financial officer that relate to the Fund's disclosure in such reports and that are required by Rule 30a-2(a) under the 1940 Act.

**The Gabelli Convertible and Income Securities Fund Inc.****Schedule of Investments June 30, 2014 (Unaudited)**

| <b>Principal<br/>Amount</b> |  | <b>Cost</b>  | <b>Market<br/>Value</b> |
|-----------------------------|--|--------------|-------------------------|
|                             | <b>CONVERTIBLE CORPORATE BONDS 13.5%</b>                   |              |                         |
|                             | <b>Aerospace 1.9%</b>                                      |              |                         |
| \$ 1,000,000                | GenCorp Inc., Sub. Deb.,<br>4.063%, 12/31/39               | \$ 1,049,481 | \$ 2,130,625            |
|                             | <b>Automotive 1.9%</b>                                     |              |                         |
|                             | Navistar International Corp., Sub. Deb.,                   |              |                         |
| 700,000                     | 3.000%, 10/15/14   | 698,669      | 708,750                 |
| 700,000                     | 4.500%, 10/15/18(a)  | 696,960      | 725,812                 |
| 700,000                     | 4.750%, 04/15/19(a)  | 700,000      | 750,312                 |
|                             |  | 2,095,629    | 2,184,874               |
|                             | <b>Broadcasting 0.3%</b>                                   |              |                         |
| 200,000                     | Sirius XM Radio Inc.,<br>7.000%, 12/01/14(a)               | 196,974      | 380,875                 |
|                             | <b>Building and Construction 1.4%</b>                      |              |                         |
| 150,000                     | Ascent Capital Group Inc.,<br>4.000%, 07/15/20             | 154,532      | 140,344                 |
| 1,200,000                   | Layne Christensen Co.,<br>4.250%, 11/15/18(a)              | 1,200,000    | 1,092,000               |
| 200,000                     | Lennar Corp.,<br>2.750%, 12/15/20(a)                       | 203,943      | 382,375                 |
|                             |  | 1,558,475    | 1,614,719               |
|                             | <b>Diversified Industrial 5.9%</b>                         |              |                         |
| 3,500,000                   | Griffon Corp., Sub. Deb.,<br>4.000%, 01/15/17(a)           | 3,482,237    | 4,053,438               |
| 1,400,000                   | Roper Industries Inc., Sub. Deb.<br>STEP, 0.000%, 01/15/34 | 912,277      | 2,572,500               |
| 100,000                     | Trinity Industries Inc., Sub. Deb.,<br>3.875%, 06/01/36    | 72,929       | 186,688                 |



|                  |  |    |             |               |
|------------------|--|----|-------------|---------------|
|                  |  |    | 4,467,443   | 6,812,626     |
|                  | <b>Electronics 0.1%</b>                                  |    |             |               |
| 100,000          | Intel Corp., Sub. Deb.,<br>3.250%, 08/01/39              |    | 106,237     | 154,438       |
|                  | <b>Entertainment 0.1%</b>                                |    |             |               |
| 100,000          | THQ Inc.,<br>5.000%, 08/15/14                            |    | 54,690      | 54,690        |
|                  | <b>Financial Services 1.3%</b>                           |    |             |               |
| 1,500,000        | Janus Capital Group Inc.,<br>3.250%, 07/15/14            |    | 1,500,000   | 1,513,125     |
|                  | <b>Health Care 0.3%</b>                                  |    |             |               |
| 100,000          | NuVasive Inc.,<br>2.750%, 07/01/17                       |    | 96,979      | 114,875       |
| 250,000          | Wright Medical Group Inc.,<br>2.625%, 12/01/14           |    | 246,934     | 251,563       |
|                  |  |    | 343,913     | 366,438       |
|                  |  |    |             |               |
|                  |  |    |             | <b>Market</b> |
| <b>Principal</b> |  |    | <b>Cost</b> | <b>Value</b>  |
| <b>Amount</b>    |  |    |             |               |
|                  | <b>Hotels and Gaming 0.2%</b>                            |    |             |               |
| \$ 100,000       | MGM Resorts International,<br>4.250%, 04/15/15           | \$ | 100,241     | \$ 147,062    |
| 100,000          | Morgans Hotel Group Co.,<br>2.375%, 10/15/14             |    | 99,014      | 99,375        |
|                  |  |    | 199,255     | 246,437       |
|                  | <b>Retail 0.1%</b>                                       |    |             |               |
| 60,000           | Costco Wholesale Corp., Sub. Deb., Zero Coupon, 08/19/17 |    | 56,254      | 157,200       |
|                  | <b>TOTAL CONVERTIBLE CORPORATE BONDS</b>                 |    | 11,628,351  | 15,616,047    |

**Shares**

|   |   |           |           |
|---|---|-----------|-----------|
| <b>CONVERTIBLE PREFERRED STOCKS 1.7%</b>      |   |           |           |
| <b>Energy and Utilities 0.3%</b>              |   |           |           |
| 6,000   | AES Trust III,<br>6.750%                  | 229,530   | 311,040   |
| 300   | El Paso Energy Capital Trust I,<br>4.750% | 11,460    | 16,590    |
|   |   | 240,990   | 327,630   |
| <b>Food and Beverage 0.9%</b>                 |   |           |           |
| Post Holdings Inc.                            |   |           |           |
| 1,000   | 2.500%, Series C(a)                       | 96,261    | 101,938   |
| 8,000   | 3.750%(a)                                 | 800,000   | 954,120   |
|   |   | 896,261   | 1,056,058 |
| <b>Telecommunications 0.5%</b>                |   |           |           |
| 12,000  | Cincinnati Bell Inc.,<br>6.750%, Ser. B   | 288,687   | 575,988   |
| <b>TOTAL CONVERTIBLE PREFERRED STOCKS</b>     |   | 1,425,938 | 1,959,676 |
| <b>COMMON STOCKS 67.7%</b>                    |   |           |           |
| <b>Aerospace 5.9%</b>                         |   |           |           |
| 200   | Rockwell Automation Inc.                  | 6,008     | 25,032    |
| 365,000                                       | Rolls-Royce Holdings plc                  | 4,180,905 | 6,677,591 |
| 48,910,000                                    | Rolls-Royce Holdings plc, Cl. C (b)       | 82,061    | 83,704    |
|   |   | 4,268,974 | 6,786,327 |
| <b>Automotive: Parts and Accessories 1.8%</b> |   |           |           |
| 24,000  | Genuine Parts Co.                         | 936,689   | 2,107,200 |
| <b>Business Services 0.1%</b>                 |   |           |           |
| 1,000   | MICROS Systems Inc.                       | 67,744    | 67,900    |
| <b>Cable and Satellite 0.1%</b>               |   |           |           |
| 3,000   | Rogers Communications Inc., Cl. B         | 68,313    | 120,750   |
| <b>Communications Equipment 0.4%</b>          |   |           |           |
| 20,000  | Corning Inc.                              | 298,894   | 439,000   |

See accompanying notes to financial statements.

**The Gabelli Convertible and Income Securities Fund Inc.****Schedule of Investments (Continued) June 30, 2014 (Unaudited)**

| Shares                                     |                                       | Cost       | Market Value |
|--|---------------------------------------|------------|--------------|
| <b>COMMON STOCKS (Continued)</b>           |                                       |            |              |
| <b>Computer Hardware 1.1%</b>              |                                       |            |              |
| 7,000                                      | International Business Machines Corp. | \$ 694,162 | \$ 1,268,890 |
| <b>Computer Software and Services 0.3%</b> |                                       |            |              |
| 8,500                                      | Diebold Inc.                          | 252,697    | 341,445      |
| <b>Consumer Products 1.3%</b>              |                                       |            |              |
| 35,000                                     | Swedish Match AB                      | 695,784    | 1,215,287    |
| 3,500                                      | The Procter & Gamble Co.              | 216,290    | 275,065      |
|  |                                       | 912,074    | 1,490,352    |
| <b>Diversified Industrial 1.2%</b>         |                                       |            |              |
| 50,000                                     | General Electric Co.                  | 834,697    | 1,314,000    |
| 2,075                                      | Textron Inc.                          | 51,917     | 79,452       |
|  |                                       | 886,614    | 1,393,452    |
| <b>Electronics 0.1%</b>                    |                                       |            |              |
| 1,000                                      | Hittite Microwave Corp.               | 77,995     | 77,950       |
| 1,000                                      | Measurement Specialties Inc.          | 86,003     | 86,070       |
|  |                                       | 163,998    | 164,020      |
| <b>Energy and Utilities 12.6%</b>          |                                       |            |              |
| 5,000                                      | Anadarko Petroleum Corp.              | 316,931    | 547,350      |
| 10,000                                     | BP plc, ADR                           | 405,483    | 527,500      |
| 4,000                                      | Cameron International Corp.           | 266,111    | 270,840      |
| 5,000                                      | Chevron Corp.                         | 294,390    | 652,750      |
| 4,000                                      | ConocoPhillips                        | 155,172    | 342,920      |
| 10,000                                     | CONSOL Energy Inc.                    | 348,881    | 460,700      |
| 5,500                                      | Devon Energy Corp.                    | 309,208    | 436,700      |
| 15,000                                     | Exxon Mobil Corp.                     | 886,881    | 1,510,200    |
| 34,000                                     | Great Plains Energy Inc.              | 489,182    | 913,580      |
| 5,000                                      | Halliburton Co.                       | 147,980    | 355,050      |
| 15,000                                     | Hess Corp.                            | 838,102    | 1,483,350    |

Edgar Filing: GABELLI CONVERTIBLE & INCOME SECURITIES FUND INC - Form N-CSRS

|        |                                   |           |            |
|--------|-----------------------------------|-----------|------------|
| 2,000  | Integrys Energy Group Inc.        | 137,909   | 142,260    |
| 20,000 | National Fuel Gas Co.             | 809,007   | 1,566,000  |
| 500    | National Oilwell Varco Inc.       | 41,320    | 41,175     |
| 18,000 | NextEra Energy Inc.               | 1,200,246 | 1,844,640  |
| 2,000  | Northeast Utilities               | 50,900    | 94,540     |
| 2,000  | Peabody Energy Corp.              | 35,090    | 32,700     |
| 2,000  | Pepco Holdings Inc.               | 55,118    | 54,960     |
| 16,000 | Royal Dutch Shell plc, Cl. A, ADR | 1,014,367 | 1,317,920  |
| 30,000 | Severn Trent plc                  | 800,222   | 991,922    |
| 8,000  | SJW Corp.                         | 190,741   | 217,600    |
| 10,000 | UNS Energy Corp.                  | 545,892   | 604,100    |
| 10,000 | Weatherford International plc     | 96,850    | 230,000    |
|        |                                   | 9,435,983 | 14,638,757 |

**Equipment and Supplies 0.4%**

|       |                         |         |         |
|-------|-------------------------|---------|---------|
| 1,500 | Graco Inc.              | 92,810  | 117,120 |
| 8,000 | Mueller Industries Inc. | 192,772 | 235,280 |
| 1,000 | The Timken Co.          | 51,110  | 67,840  |
|       |                         | 336,692 | 420,240 |

**Market**

| Shares  |  | Cost       | Value        |
|---------|--|------------|--------------|
|         | <b>Financial Services 17.9%</b>            |            |              |
| 45,000  | AllianceBernstein Holding LP               | \$ 903,314 | \$ 1,164,600 |
| 28,000  | American Express Co.                       | 1,885,693  | 2,656,360    |
| 10,000  | American International Group Inc.          | 385,235    | 545,800      |
| 1,277   | Deutsche Bank AG                           | 38,137     | 44,925       |
| 5,000   | GAM Holding AG                             | 57,403     | 95,286       |
| 4,000   | HSBC Holdings plc, ADR                     | 219,919    | 203,200      |
| 10,000  | JPMorgan Chase & Co.                       | 387,710    | 576,200      |
| 9,000   | Julius Baer Group Ltd.                     | 269,080    | 371,042      |
| 16,000  | Kinnevik Investment AB, Cl. A              | 418,589    | 688,463      |
| 10,000  | Legg Mason Inc.                            | 272,325    | 513,100      |
| 4,000   | M&T Bank Corp.                             | 349,734    | 496,200      |
| 7,000   | Marsh & McLennan Companies Inc.            | 174,146    | 362,740      |
| 29,000  | Morgan Stanley                             | 730,399    | 937,570      |
| 18,000  | Northern Trust Corp.                       | 829,290    | 1,155,780    |
| 10,000  | Protective Life Corp.                      | 694,140    | 693,300      |
| 9,000   | Royal Bank of Canada                       | 464,093    | 642,870      |
| 13,000  | State Street Corp.                         | 601,481    | 874,380      |
| 6,500   | T. Rowe Price Group Inc.                   | 496,340    | 548,665      |
| 48,000  | The Bank of New York Mellon Corp.          | 1,258,088  | 1,799,040    |
| 20,000  | The Hartford Financial Services Group Inc. | 639,813    | 716,200      |
| 20,000  | The PNC Financial Services Group Inc.      | 1,146,669  | 1,781,000    |
| 2,000   | W. R. Berkley Corp.                        | 83,208     | 92,620       |
| 60,000  | Wells Fargo & Co.(c)                       | 1,863,506  | 3,153,600    |
| 325,000 | Wright Investors Service Holdings Inc.     | 812,500    | 599,625      |

14,980,812 20,712,566

| <b>Food and Beverage 4.6%</b> |                                    |           |           |
|-------------------------------|------------------------------------|-----------|-----------|
| 14,000                        | Davide Campari-Milano SpA          | 118,557   | 121,156   |
| 1,000                         | Diageo plc, ADR                    | 131,264   | 127,270   |
| 6,000                         | Dr Pepper Snapple Group Inc.       | 277,766   | 351,480   |
| 3,000                         | General Mills Inc.                 | 100,266   | 157,620   |
| 5,000                         | Kellogg Co.                        | 255,405   | 328,500   |
| 5,000                         | Mondelēz International Inc., Cl. A | 96,791    | 188,050   |
| 350,000                       | Parmalat SpA                       | 1,074,302 | 1,197,179 |
| 2,020                         | Pernod Ricard SA                   | 170,831   | 242,577   |
| 1,500                         | Post Holdings Inc.                 | 39,945    | 76,365    |
| 2,000                         | Remy Cointreau SA                  | 155,023   | 184,007   |
| 54,000                        | The Coca-Cola Co.                  | 1,442,170 | 2,287,440 |
| 2,000                         | The Hillshire Brands Co.           | 53,720    | 124,600   |

3,916,040 5,386,244

| <b>Health Care 11.3%</b> |                             |           |           |
|--------------------------|-----------------------------|-----------|-----------|
| 14,000                   | Becton, Dickinson and Co.   | 1,107,369 | 1,656,200 |
| 7,500                    | Covidien plc                | 511,053   | 676,350   |
| 30,000                   | Eli Lilly & Co.             | 1,243,447 | 1,865,100 |
| 1,080,296                | Elite Pharmaceuticals Inc.  | 126,144   | 459,126   |
| 11,000                   | Express Scripts Holding Co. | 814,582   | 762,630   |

See accompanying notes to financial statements.

**The Gabelli Convertible and Income Securities Fund Inc.****Schedule of Investments (Continued) June 30, 2014 (Unaudited)**

| <b>Shares</b>                    |   | <b>Cost</b>  | <b>Market Value</b> |
|----------------------------------|---|--------------|---------------------|
| <b>COMMON STOCKS (Continued)</b> |   |              |                     |
| <b>Health Care (Continued)</b>   |   |              |                     |
| 21,000                           | Johnson & Johnson                       | \$ 1,367,620 | \$ 2,197,020        |
| 4,000                            | Medical Action Industries Inc.          | 54,980       | 54,920              |
| 9,000                            | Merck & Co. Inc.                        | 299,129      | 520,650             |
| 65,000                           | Pfizer Inc.                             | 1,494,244    | 1,929,200           |
| 50,000                           | Roche Holding AG, ADR                   | 1,099,624    | 1,865,000           |
| 500                              | Shire plc, ADR                          | 93,868       | 117,745             |
| 10,000                           | UnitedHealth Group Inc.                 | 309,124      | 817,500             |
| 6,000                            | Zoetis Inc.                             | 156,000      | 193,620             |
|                                  |   | 8,677,184    | 13,115,061          |
| <b>Hotels and Gaming 0.6%</b>    |   |              |                     |
| 15,000                           | Ryman Hospitality Properties Inc.       | 558,750      | 722,250             |
| <b>Metals and Mining 0.0%</b>    |   |              |                     |
| 4,000                            | Alcoa Inc.                              | 42,600       | 59,560              |
| <b>Retail 3.3%</b>               |   |              |                     |
| 35,000                           | CVS Caremark Corp.                      | 1,735,942    | 2,637,950           |
| 8,000                            | Safeway Inc.                            | 274,809      | 274,720             |
| 4,000                            | Walgreen Co.                            | 176,920      | 296,520             |
| 8,000                            | Wal-Mart Stores Inc.                    | 388,998      | 600,560             |
|                                  |   | 2,576,669    | 3,809,750           |
| <b>Specialty Chemicals 0.5%</b>  |   |              |                     |
| 8,018                            | Chemtura Corp.                          | 202,641      | 209,510             |
| 4,000                            | International Flavors & Fragrances Inc. | 229,032      | 417,120             |
|                                  |   | 431,673      | 626,630             |

Edgar Filing: GABELLI CONVERTIBLE & INCOME SECURITIES FUND INC - Form N-CSRS

**Telecommunications 3.0%**

|        |   |           |           |
|--------|---|-----------|-----------|
| 10,000 | BCE Inc.                                    | 283,752   | 453,600   |
| 7,000  | Belgacom SA                                 | 219,502   | 232,295   |
| 2,700  | Philippine Long Distance Telephone Co., ADR | 81,903    | 181,926   |
| 2,400  | Swisscom AG                                 | 899,561   | 1,395,129 |
| 24,000 | Telekom Austria AG                          | 249,796   | 234,643   |
| 20,000 | Verizon Communications Inc.                 | 712,682   | 978,600   |
|        |   | 2,447,196 | 3,476,193 |

**Transportation 1.0%**

|        |            |         |           |
|--------|------------|---------|-----------|
| 17,000 | GATX Corp. | 505,713 | 1,137,980 |
|--------|------------|---------|-----------|

**Wireless Communications 0.2%**

|       |                                       |         |         |
|-------|---------------------------------------|---------|---------|
| 7,000 | Turkcell Iletisim Hizmetleri A/S, ADR | 98,600  | 109,200 |
| 2,000 | United States Cellular Corp.          | 81,629  | 81,600  |
|       |                                       | 180,229 | 190,800 |

**TOTAL COMMON STOCKS**

52,639,700 78,475,367

**WARRANTS 0.0%**

**Food and Beverage 0.0%**

|       |  |   |     |
|-------|--|---|-----|
| 1,300 | Parmalat SpA, GDR,<br>expire 12/31/15 (a)(d) | 0 | 804 |
|-------|--|---|-----|

**Principal**

| <u>Amount</u>                   |  | <u>Cost</u>   | <u>Market Value</u> |
|---------------------------------|--|---------------|---------------------|
|                                 | <b>CORPORATE BONDS 0.1%</b>  |               |                     |
|                                 | <b>Energy and Utilities 0.1%</b>                                       |               |                     |
| \$ 1,000,000                    | Texas Competitive Electric Holdings Co. LLC, Ser. B, 10.250%, 11/01/15 | \$ 878,156    | \$ 161,250          |
|                                 | <b>U.S. GOVERNMENT OBLIGATIONS 17.0%</b>                               |               |                     |
| 19,650,000                      | U.S. Treasury Bills, 0.020% to 0.080% , 07/03/14 to 11/28/14(e)        | 19,648,422    | 19,649,172          |
| <b>TOTAL INVESTMENTS 100.0%</b> |  | \$ 86,220,567 | 115,862,316         |



| <b>Notional<br/>Amount</b>                            |                             | <b>Termination<br/>Date</b> | <b>Unrealized<br/>Appreciation</b> |
|---|-----------------------------|-----------------------------|------------------------------------|
| <b>EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS</b> |                             |                             |                                    |
| \$ 834,627  | Rolls-Royce Holdings plc(f) | 06/29/15                    | 34,277                             |
| (47,500 Shares)                                       |                             |                             |                                    |
|   |                             |                             | <b>Market<br/>Value</b>            |
| <b>Other Assets and Liabilities (Net)</b>             |                             |                             | (1,004,339)                        |
| <b>PREFERRED STOCK</b>                                |                             |                             |                                    |
| (965,548 preferred shares outstanding)                |                             |                             | (24,138,700)                       |
| <b>NET ASSETS COMMON STOCK</b>                        |                             |                             |                                    |
| (13,823,189 common shares outstanding)                |                             |                             | \$ 90,753,554                      |
| <b>NET ASSET VALUE PER COMMON SHARE</b>               |                             |                             |                                    |
| (\$90,753,554 ÷ 13,823,189 shares outstanding)        |                             |                             | \$ 6.57                            |

- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2014, the market value of Rule 144A securities amounted to \$8,441,674 or 7.29% of total investments.

See accompanying notes to financial statements.

**The Gabelli Convertible and Income Securities Fund Inc.**

**Schedule of Investments (Continued) June 30, 2014 (Unaudited)**

- (b) At June 30, 2014, the Fund held investments in a restricted and illiquid security amounting to \$83,704 or 0.07% of total investments, which was valued under methods approved by the Board of Directors as follows:

| Acquisition<br>Shares | Issuer                          | Acquisition<br>Date | Acquisition<br>Cost | 06/30/14<br>Carrying<br>Value<br>Per Share |
|-----------------------|---------------------------------|---------------------|---------------------|--|
| 48,910,000            | Rolls-Royce Holdings plc, Cl. C | 04/23/14            | \$82,061            | \$0.0017                                   |

- (c) Security, or a portion thereof, with a value of \$3,048,480 was deposited with the broker as collateral for the equity contract for difference swap agreements.
- (d) Illiquid security.
- (e) At June 30, 2014, \$500,000 of the principal amount was pledged as collateral for equity contract for difference swap agreements.
- (f) At June 30, 2014, the Fund had entered into equity contract for difference swap agreements with The Goldman Sachs Group, Inc.
- Non-income producing security.  
Represents annualized yield at date of purchase.

ADR American Depositary Receipt

GDR Global Depositary Receipt

STEP Step coupon security. The rate disclosed is that in effect at June 30, 2014.

See accompanying notes to financial statements.

---

**The Gabelli Convertible and Income Securities Fund Inc.**
**Statement of Assets and Liabilities****June 30, 2014 (Unaudited)**

|   |                      |
|---|----------------------|
| <b>Assets:</b>  |                      |
| Investments, at value (cost \$86,220,567)   | \$ 115,862,316       |
| Receivable for investments sold   | 45,499               |
| Dividends and interest receivable   | 289,820              |
| Deferred offering expense   | 28,060               |
| Unrealized appreciation on swap contracts   | 34,277               |
| Prepaid expenses  | 1,913                |
| <b>Total Assets</b>   | <b>116,261,885</b>   |
| <b>Liabilities:</b>   |                      |
| Payable to custodian  | 318,615              |
| Distributions payable   | 20,116               |
| Payable for investments purchased   | 866,518              |
| Payable for investment advisory fees  | 74,261               |
| Payable for payroll expenses  | 43,038               |
| Payable for accounting fees   | 11,250               |
| Other accrued expenses  | 35,833               |
| <b>Total Liabilities</b>  | <b>1,369,631</b>     |
| <b>Preferred Stock:</b>   |                      |
| Series B Cumulative Preferred Stock (6.000%, \$25 liquidation value, \$0.001 par value, 1,995,000 shares authorized with 965,548 shares issued and outstanding) | 24,138,700           |
| <b>Net Assets Attributable to Common Shareholders</b>   | <b>\$ 90,753,554</b> |
| <b>Net Assets Attributable to Common Shareholders Consist of:</b>   |                      |
| Paid-in capital   | \$ 62,221,573        |
| Undistributed net investment income   | 238,118              |
| Distributions in excess of net realized gain on investments, swap contracts, and foreign currency transactions  | (1,383,562)          |
| Net unrealized appreciation on investments  | 29,641,749           |
| Net unrealized appreciation on swap contracts   | 34,277               |
| Net unrealized appreciation on foreign currency translations  | 1,399                |
| <b>Net Assets</b>   | <b>\$ 90,753,554</b> |

**Net Asset Value per Common Share:**

(\$90,753,554 ÷ 13,823,189 shares outstanding at \$0.001 par value; 998,000,000 shares authorized)

\$6.57**Statement of Operations****For the Six Months Ended June 30, 2014 (Unaudited)****Investment Income:**

|  |              |
|--|--------------|
| Dividends (net of foreign withholding taxes of \$27,855) | \$ 1,046,788 |
| Interest   | 215,104      |

|                                |                  |
|--------------------------------|------------------|
| <b>Total Investment Income</b> | <b>1,261,892</b> |
|--------------------------------|------------------|

**Expenses:**

|                                     |         |
|-------------------------------------|---------|
| Investment advisory fees            | 560,934 |
| Shelf registration expense          | 94,048  |
| Shareholder communications expenses | 37,904  |
| Payroll expenses                    | 31,608  |
| Directors' fees                     | 26,033  |
| Accounting fees                     | 22,500  |
| Legal and audit fees                | 22,210  |
| Shareholder services fees           | 19,865  |
| Custodian fees                      | 18,035  |
| Miscellaneous expenses              | 36,903  |

|                       |                |
|-----------------------|----------------|
| <b>Total Expenses</b> | <b>870,040</b> |
|-----------------------|----------------|

**Less:**

|                        |           |
|------------------------|-----------|
| Advisory fee reduction | (119,702) |
|------------------------|-----------|

|                     |                |
|---------------------|----------------|
| <b>Net Expenses</b> | <b>750,338</b> |
|---------------------|----------------|

|                              |                |
|------------------------------|----------------|
| <b>Net Investment Income</b> | <b>511,554</b> |
|------------------------------|----------------|

**Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, and Foreign Currency:**

|  |           |
|--|-----------|
| Net realized gain on investments                   | 387,061   |
| Net realized loss on swap contracts                | (135,296) |
| Net realized loss on foreign currency transactions | (614)     |

|   |         |
|---|---------|
| Net realized gain on investments, swap contracts, and foreign currency transactions | 251,151 |
|---|---------|

**Net change in unrealized appreciation/depreciation:**

|                   |           |
|-------------------|-----------|
| on investments    | 4,371,695 |
| on swap contracts | 1,078     |

|  |                         |
|--|-------------------------|
| on foreign currency translations   | (27)                    |
| Net change in unrealized appreciation/depreciation on investments, swap contracts, and foreign currency translations | 4,372,746               |
| <b>Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, and Foreign Currency</b>                  | <b>4,623,897&amp;nb</b> |