

GABELLI CONVERTIBLE & INCOME SECURITIES FUND INC  
Form N-CSR  
March 10, 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: December 31, 2013

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.

## Annual Report December 31, 2013

Mario J. Gabelli, CFA  
Portfolio Manager

### To Our Shareholders,

For the year ended December 31, 2013, the net asset value ( NAV ) total return of The Gabelli Convertible and Income Securities Fund Inc. was 24.8%, compared with a total return of (2.2)% for the Barclays Government/Credit Bond Index. The total return for the Fund's publicly traded shares was 24.7%. The Fund's NAV per share was \$6.49, while the price of the publicly traded shares closed at \$6.16 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed are the schedule of investments and financial statements as of December 31, 2013.

Sincerely yours,

Bruce N. Alpert

President

February 14, 2014

### Comparative Results

#### Average Annual Returns through December 31, 2013 (a) (Unaudited)

	1 Year	5 Year	10 Year	Since Inception (07/03/89)
<b>Gabelli Convertible and Income Securities Fund</b>				
<b>NAV Total Return (b)</b>	24.83%	13.32%	6.15%	7.21%
<b>Investment Total Return (c)</b>	24.73	10.72	3.58	6.09(d)
Standard & Poor's 500 Index	32.39	17.94	7.41	9.80(e)
Barclays Government/Credit Bond Index	(2.22)	4.37	4.48	N/A(f)
Lipper Convertible Securities Fund Average	22.64	17.37	7.06	8.60(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 redeemed, 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. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Standard & Poor's 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.

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- (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 December 31, 2013:

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

Financial Services	18.8%
U.S. Government Obligations	17.1%
Health Care	11.9%
Energy and Utilities	11.6%
Aerospace	8.7%
Diversified Industrial	7.6%
Food and Beverage	5.3%
Telecommunications	3.5%
Retail	3.5%
Automotive: Parts and Accessories	1.8%
Building and Construction	1.6%
Automotive	1.3%
Consumer Products	1.3%
Computer Hardware	1.2%
Transportation	0.8%
Hotels and Gaming	0.8%
Communications Equipment	0.7%
Equipment and Supplies	0.4%
Environmental Services	0.4%
Broadcasting	0.4%
Specialty Chemicals	0.3%
Computer Software and Services	0.3%
Metals and Mining	0.2%
Electronics	0.2%
Wireless Communications	0.2%
Cable and Satellite	0.1%
Entertainment	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).



## The Gabelli Convertible and Income Securities Fund Inc.

## Schedule of Investments December 31, 2013

Principal Amount		Cost	Market Value
<b>Convertible Corporate Bonds 13.9%</b>			
<b>Aerospace 1.5%</b>			
\$ 800,000	GenCorp Inc., Sub. Deb., 4.063%, 12/31/39	\$ 652,207	\$ 1,613,000
<b>Automotive 1.3%</b>			
	Navistar International Corp., Sub. Deb. Cv.,		
700,000	3.000%, 10/15/14	696,426	719,250
700,000	4.500%, 10/15/18	696,645	723,187
		1,393,071	1,442,437
<b>Broadcasting 0.4%</b>			
200,000	Sirius XM Radio Inc., Cv., 7.000%, 12/01/14(a)	193,578	389,500
<b>Building and Construction 1.6%</b>			
150,000	Ascent Capital Group Inc., 4.000%, 07/15/20	154,867	160,594
1,200,000	Layne Christensen Co., 4.250%, 11/15/18	1,200,000	1,203,750
200,000	Lennar Corp., Cv., 2.750%, 12/15/20(a)	204,262	368,625
		1,559,129	1,732,969
<b>Diversified Industrial 6.2%</b>			
3,500,000	Griffon Corp., Sub. Deb., 4.000%, 01/15/17(a)	3,479,022	4,123,437
1,400,000	Roper Industries Inc., Sub. Deb. Cv. STEP, 0.000%, 01/15/34	899,909	2,455,250
100,000	Trinity Industries Inc., Sub. Deb. Cv., 3.875%, 06/01/36	72,690	132,188
		4,451,621	6,710,875
<b>Electronics 0.1%</b>			
100,000	Intel Corp., Sub. Deb. Cv., 3.250%, 08/01/39	106,321	136,125
<b>Entertainment 0.0%</b>			
100,000	THQ Inc., Cv., 5.000%, 08/15/14	70,321	26,375



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<b>Environmental Services 0.4%</b>			
350,000	Covanta Holding Corp., 3.250%, 06/01/14	350,000	411,031
<b>Financial Services 1.4%</b>			
1,500,000	Janus Capital Group Inc., 3.250%, 07/15/14	1,500,000	1,560,000
<b>Health Care 0.4%</b>			
100,000	Chemed Corp., 1.875%, 05/15/14	98,222	104,062
100,000	NuVasive Inc., Cv., 2.750%, 07/01/17	96,507	108,812
<b>Principal Amount</b>		<b>Cost</b>	<b>Market Value</b>
\$ 250,000	Wright Medical Group Inc., Cv., 2.625%, 12/01/14	\$ 243,373	\$ 256,719
		438,102	469,593
<b>Hotels and Gaming 0.2%</b>			
100,000	MGM Resorts International, Cv., 4.250%, 04/15/15	100,389	137,750
100,000	Morgans Hotel Group Co., Cv., 2.375%, 10/15/14	97,354	97,500
		197,743	235,250
<b>Metals and Mining 0.2%</b>			
100,000	Alcoa Inc., 5.250%, 03/15/14	100,000	165,813
<b>Retail 0.2%</b>			
60,000	Costco Wholesale Corp., Sub. Deb. Cv., Zero Coupon, 08/19/17	55,680	162,450
<b>TOTAL CONVERTIBLE CORPORATE BONDS</b>		11,067,773	15,055,418
<b>Shares</b>			
<b>Convertible Preferred Stocks 2.1%</b>			
<b>Communications Equipment 0.4%</b>			
400	Lucent Technologies Capital Trust I, 7.750% Cv. Pfd.	156,750	402,000
<b>Energy and Utilities 0.3%</b>			
6,000	AES Trust III, 6.750% Cv. Pfd.	229,530	301,080
300	El Paso Energy Capital Trust I, 4.750% Cv. Pfd.	11,460	16,839
		240,990	317,919
<b>Food and Beverage 0.9%</b>			
	Post Holdings Inc.		
1,000	2.500% Cv. Pfd., Series C	96,262	100,062
8,000	3.750% Cv. Pfd.(a)	800,000	944,720
		896,262	1,044,782

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<b>Health Care 0.0%</b>			
24	Elite Pharmaceuticals Inc., \$2.32 Cv. Pfd., Ser. C (b)	21,952	19,680
<b>Telecommunications 0.5%</b>			
12,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	298,812	547,320
<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b>		1,614,766	2,331,701
<b>COMMON STOCKS 66.8%</b>			
<b>Aerospace 7.2%</b>			
200	Rockwell Automation Inc.	6,008	23,632
365,000	Rolls-Royce Holdings plc	4,180,905	7,706,415

See accompanying notes to financial statements.

## The Gabelli Convertible and Income Securities Fund Inc.

## Schedule of Investments (Continued) December 31, 2013

Shares		Cost	Market Value
	<b>COMMON STOCKS (Continued)</b>		
	<b>Aerospace (Continued)</b>		
31,390,000	Rolls-Royce Holdings plc, Cl. C (b)	\$ 50,694	\$ 51,981
		4,237,607	7,782,028
	<b>Automotive: Parts and Accessories 1.8%</b>		
24,000	Genuine Parts Co.	936,689	1,996,560
	<b>Cable and Satellite 0.1%</b>		
3,000	Rogers Communications Inc., Cl. B	68,313	135,750
	<b>Communications Equipment 0.3%</b>		
20,000	Corning Inc.	298,894	356,400
	<b>Computer Hardware 1.2%</b>		
7,000	International Business Machines Corp.	694,162	1,312,990
	<b>Computer Software and Services 0.3%</b>		
8,500	Diebold Inc.	252,697	280,585
	<b>Consumer Products 1.3%</b>		
35,000	Swedish Match AB	695,784	1,124,793
3,500	The Procter & Gamble Co.	216,290	284,935
		912,074	1,409,728
	<b>Diversified Industrial 1.4%</b>		
50,000	General Electric Co.	834,697	1,401,500
2,075	Textron Inc.	51,917	76,277
		886,614	1,477,777
	<b>Electronics 0.1%</b>		
6,000	LSI Corp.	66,270	66,120
	<b>Energy and Utilities 11.2%</b>		
5,000	Anadarko Petroleum Corp.	316,931	396,600
10,000	BP plc, ADR	405,483	486,100
5,000	Chevron Corp.	294,390	624,550
4,000	ConocoPhillips	155,172	282,600
10,000	CONSOL Energy Inc.	348,881	380,400
5,500	Devon Energy Corp.	309,208	340,285

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15,000	Exxon Mobil Corp.	886,881	1,518,000
1,200,000	GenOn Energy Inc., Escrow	0	0
34,000	Great Plains Energy Inc.	489,182	824,160
5,000	Halliburton Co.	147,980	253,750
17,000	Hess Corp.	998,366	1,411,000
20,000	National Fuel Gas Co.	809,007	1,428,000
18,000	NextEra Energy Inc.	1,200,246	1,541,160
2,000	Northeast Utilities	50,900	84,780
1,000	Peabody Energy Corp.	17,360	19,530
16,000	Royal Dutch Shell plc, Cl. A, ADR	1,014,367	1,140,320
30,000	Severn Trent plc	800,222	847,023
8,000	SJW Corp.	190,741	238,320
2,000	UNS Energy Corp.	69,572	119,700
10,000	Weatherford International Ltd.	96,850	154,900
		8,601,739	12,091,178

Shares		Cost	Market Value
	<b>Equipment and Supplies 0.4%</b>		
1,500	Graco Inc.	\$ 92,810	\$ 117,180
4,000	Mueller Industries Inc.	192,772	252,040
1,000	Timken Co.	51,110	55,070
		336,692	424,290

	<b>Financial Services 17.4%</b>		
45,000	AllianceBernstein Holding LP	903,314	960,300
28,000	American Express Co.	1,885,693	2,540,440
10,000	American International Group Inc.	385,235	510,500
1,000	Deutsche Bank AG	29,651	48,240
5,000	GAM Holding AG	57,403	97,248
20,000	Hartford Financial Services Group Inc.	639,813	724,600
4,000	HSBC Holdings plc, ADR	219,919	220,520
10,000	JPMorgan Chase & Co.	387,710	584,800
10,000	Julius Baer Group Ltd.	305,079	480,242
16,000	Kinnevik Investment AB, Cl. A	418,589	744,545
10,000	Legg Mason Inc.	272,325	434,800
4,000	M&T Bank Corp.	349,734	465,680
7,000	Marsh & McLennan Companies Inc.	174,146	338,520
25,000	Morgan Stanley	601,945	784,000
18,000	Northern Trust Corp.	829,290	1,114,020
10,000	Royal Bank of Canada	519,883	672,300
13,000	State Street Corp.	601,481	954,070
6,000	T. Rowe Price Group Inc.	455,532	502,620
48,000	The Bank of New York Mellon Corp.	1,258,088	1,677,120
20,000	The PNC Financial Services Group Inc.	1,146,669	1,551,600
2,000	W. R. Berkley Corp.	83,208	86,780
60,000	Wells Fargo & Co.(c)	1,863,506	2,724,000
325,000	Wright Investors Service Holdings Inc.	812,500	650,000
		14,200,713	18,866,945

	<b>Food and Beverage 4.4%</b>		
6,000	Dr Pepper Snapple Group Inc.	277,766	292,320
2,000	General Mills Inc.	51,574	99,820
2,000	Hillshire Brands Co.	53,720	66,880
5,000	Kellogg Co.	255,405	305,350
5,000	Mondelēz International Inc., Cl. A	96,791	176,500
400,000	Parmalat SpA	1,340,989	1,362,498
1,020	Pernod Ricard SA	57,595	116,201
1,500	Post Holdings Inc.	39,945	73,905
54,000	The Coca-Cola Co.	1,442,170	2,230,740
		3,615,955	4,724,214

	<b>Health Care 11.5%</b>		
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14,000	Becton, Dickinson and Co.	1,107,369	1,546,860
3,500	Covidien plc	159,691	238,350
30,000	Eli Lilly & Co.	1,243,447	1,530,000

See accompanying notes to financial statements.

**The Gabelli Convertible and Income Securities Fund Inc.****Schedule of Investments (Continued) December 31, 2013**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Health Care (Continued)</b>			
908,165	Elite Pharmaceuticals Inc.	\$ 103,464	\$ 108,980
21,000	Johnson & Johnson	1,367,620	1,923,390
25,000	Life Technologies Corp.	1,892,840	1,895,000
9,000	Merck & Co. Inc.	299,129	450,450
65,000	Pfizer Inc.	1,494,244	1,990,950
25,000	Roche Holding AG, ADR	1,099,624	1,755,000
10,000	UnitedHealth Group Inc.	309,124	753,000
6,000	Zoetis Inc.	156,000	196,140
		9,232,552	12,388,120
<b>Hotels and Gaming 0.6%</b>			
15,000	Ryman Hospitality Properties Inc.	558,750	626,700
<b>Metals and Mining 0.0%</b>			
4,000	Alcoa Inc.	&nbs	