

GABELLI CONVERTIBLE & INCOME SECURITIES FUND INC  
Form N-Q  
November 21, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

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

Investment Company Act file number 811-05715

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: September 30, 2018

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q

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 the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Schedule of Investments.**

The Schedule(s) of Investments is attached herewith.

**The Gabelli Convertible and Income**

**Securities Fund Inc.**

**Third Quarter Report September 30, 2018**

**(Y)our Portfolio Management Team**

|                                                                 |                                                            |                                                    |                                                           |
|-----------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------|
| <b>Mario J. Gabelli, CFA</b><br><i>Chief Investment Officer</i> | <b>Thomas H. Dinsmore, CFA</b><br><i>Portfolio Manager</i> | <b>Jane D. O'Keefe</b><br><i>Portfolio Manager</i> | <b>James A. Dinsmore, CFA</b><br><i>Portfolio Manager</i> |
|                                                                 | <i>BS, Wharton School of Business</i>                      | <i>BA, University of New Hampshire</i>             | <i>BA, Cornell University</i>                             |
|                                                                 | <i>MA, Fairleigh Dickinson University</i>                  |                                                    | <i>MBA, Rutgers University</i>                            |

**To Our Shareholders,**

For the quarter ended September 30, 2018, the net asset value (NAV) total return of The Gabelli Convertible and Income Securities Fund Inc. was 2.7%, compared with a total return of 0.03% for the Bloomberg Barclays Government/Credit Bond Index. The total return for the Fund's publicly traded shares was (5.8)%. The Fund's NAV per share was \$5.62, while the price of the publicly traded shares closed at \$5.69 on the New York Stock Exchange (NYSE). See below for additional performance information.

Enclosed is the schedule of investments as of September 30, 2018.

**Comparative Results**

**Average Annual Returns through September 30, 2018 (a) (Unaudited)**

|                                                       | Quarter | 1 Year | 5 Year | 10 Year | 15 Year | Since Inception (07/03/89) |
|-------------------------------------------------------|---------|--------|--------|---------|---------|----------------------------|
| <b>Gabelli Convertible and Income Securities Fund</b> |         |        |        |         |         |                            |
| <b>NAV Total Return (b)</b>                           | 2.68%   | 9.58%  | 6.92%  | 7.39%   | 6.05%   | 6.91%                      |
| <b>Investment Total Return (c)</b>                    | (5.83)  | 13.29  | 8.33   | 9.26    | 5.60    | 6.55(d)                    |
| Standard & Poor's (S&P) 500 Index                     | 7.71    | 17.91  | 13.95  | 11.97   | 9.65    | 10.21(e)                   |
| Bloomberg Barclays Government/Credit Bond Index       | 0.03    | (1.42) | 2.18   | 3.93    | 3.71    | N/A(f)                     |
| Lipper Convertible Securities Fund Average            | 3.90    | 11.05  | 7.30   | 9.15    | 7.42    | 8.25(e)                    |

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value

*changes versus funds that don't employ leverage. 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 Bloomberg 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 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 on March 31, 1995.

(d) Since inception return is from March 31, 1995 when the Fund converted to closed-end status; before this date, the Fund had no operating history on the NYSE.

(e) From June 30, 1989, the date closest to the Fund's inception for which data are available.

(f) The Bloomberg Barclays Government/Credit Bond Index inception date is January 29, 1999.

**The Gabelli Convertible and Income Securities Fund Inc.****Schedule of Investments September 30, 2018 (Unaudited)**

| <b>Principal<br/>Amount</b> |                                                              | <b>Market<br/>Value</b> |
|-----------------------------|--------------------------------------------------------------|-------------------------|
|                             | <b>CONVERTIBLE CORPORATE BONDS 49.3%</b>                     |                         |
|                             | <b>Aerospace 2.5%</b>                                        |                         |
| \$ 1,000,000                | Aerojet Rocketdyne Holdings Inc.,<br>2.250%, 12/15/23        | \$ 1,429,795            |
| 1,013,000                   | Kaman Corp.,<br>3.250%, 05/01/24                             | 1,192,074               |
|                             |                                                              | 2,621,869               |
|                             | <b>Broadcasting 0.7%</b>                                     |                         |
| 588,000                     | Liberty Media Corp.-Liberty Formula One,<br>1.000%, 01/30/23 | 688,602                 |
|                             | <b>Building and Construction 0.1%</b>                        |                         |
| 200,000                     | Ascent Capital Group Inc.,<br>4.000%, 07/15/20               | 140,000                 |
|                             | <b>Business Services 1.9%</b>                                |                         |
| 515,000                     | Bristow Group Inc.,<br>4.500%, 06/01/23                      | 519,893                 |
| 500,000                     | Perficient Inc.,<br>2.375%, 09/15/23(a)                      | 474,500                 |
| 500,000                     | Q2 Holdings Inc.,<br>0.750%, 02/15/23(a)                     | 592,163                 |
| 356,000                     | Team Inc.,<br>5.000%, 08/01/23                               | 449,450                 |
|                             |                                                              | 2,036,006               |
|                             | <b>Cable and Satellite 1.5%</b>                              |                         |
| 1,600,000                   | DISH Network Corp.,<br>3.375%, 08/15/26                      | 1,530,026               |
|                             | <b>Communications Equipment 1.7%</b>                         |                         |
| 1,500,000                   | InterDigital, Inc.,<br>1.500%, 03/01/20                      | 1,762,731               |
|                             | <b>Computer Software and Services 12.6%</b>                  |                         |

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|                             |                                                     |                         |
|-----------------------------|-----------------------------------------------------|-------------------------|
| 515,000                     | Apptio Inc.,<br>0.875%, 04/01/23(a)                 | 580,466                 |
| 700,000                     | Coupa Software Inc.,<br>0.375%, 01/15/23(a)         | 1,278,961               |
| 1,500,000                   | CSG Systems International Inc.,<br>4.250%, 03/15/36 | 1,580,019               |
| 584,000                     | Ctrip.com International Ltd.,<br>1.250%, 09/15/22   | 572,670                 |
| 386,000                     | GDS Holdings Ltd.,<br>2.000%, 06/01/25(a)           | 356,606                 |
| 1,016,000                   | IAC FinanceCo. Inc.,<br>0.875%, 10/01/22(a)         | 1,512,588               |
| 1,294,000                   | Lumentum Holdings Inc.,<br>0.250%, 03/15/24         | 1,555,423               |
| 1,056,000                   | MercadoLibre Inc.,<br>2.000%, 08/15/28(a)           | 1,043,837               |
| 1,092,000                   | New Relic Inc.,<br>0.500%, 05/01/23(a)              | 1,166,600               |
| <b>Principal<br/>Amount</b> |                                                     | <b>Market<br/>Value</b> |
| \$ 565,000                  |                                                     |                         |
|                             | Nice Systems Inc.,<br>1.250%, 01/15/24              | \$ 810,422              |
| 352,000                     | Okta Inc.,<br>0.250%, 02/15/23(a)                   | 545,672                 |
| 1,000,000                   | PROS Holdings Inc.,<br>2.000%, 06/01/47             | 982,270                 |
| 428,000                     | Pure Storage Inc.,<br>0.125%, 04/15/23(a)           | 496,845                 |
| 300,000                     | Sea Ltd.,<br>2.250%, 07/01/23(a)                    | 297,583                 |
| 500,000                     | Splunk Inc.,<br>1.125%, 09/15/25(a)                 | 517,433                 |
|                             |                                                     | 13,297,395              |
|                             | <b>Consumer Services 1.5%</b>                       |                         |
| 1,500,000                   | Extra Space Storage LP,<br>3.125%, 10/01/35(a)      | 1,591,395               |
|                             | <b>Diversified Industrial 1.5%</b>                  |                         |
| 600,000                     | Chart Industries Inc.,<br>1.000%, 11/15/24(a)       | 856,530                 |
| 500,000                     | TimkenSteel Corp.,<br>6.000%, 06/01/21              | 713,163                 |
|                             |                                                     | 1,569,693               |
|                             | <b>Electronics 2.7%</b>                             |                         |
| 500,000                     |                                                     | 1,149,063               |

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|           |                                                     |           |
|-----------|-----------------------------------------------------|-----------|
|           | Intel Corp., Sub. Deb.,<br>3.250%, 08/01/39         |           |
| 1,500,000 | Knowles Corp.,<br>3.250%, 11/01/21                  | 1,716,000 |
|           |                                                     | 2,865,063 |
|           | <b>Energy and Utilities 3.7%</b>                    |           |
| 500,000   | Cheniere Energy Inc.,<br>4.250%, 03/15/45           | 403,562   |
| 1,016,000 | Newpark Resources Inc.,<br>4.000%, 12/01/21(a)      | 1,352,662 |
| 2,500,000 | SunPower Corp.,<br>4.000%, 01/15/23                 | 2,104,213 |
|           |                                                     | 3,860,437 |
|           | <b>Entertainment 1.0%</b>                           |           |
| 1,000,000 | Gannett Co. Inc.,<br>4.750%, 04/15/24(a)            | 1,047,947 |
|           | <b>Financial Services 0.4%</b>                      |           |
| 344,000   | LendingTree Inc.,<br>0.625%, 06/01/22               | 437,880   |
|           | <b>Health Care 8.3%</b>                             |           |
| 500,000   | Bayer Capital Corp.BV,<br>5.625%, 11/22/19(a)       | 536,675   |
| 1,083,000 | Intercept Pharmaceuticals Inc.,<br>3.250%, 07/01/23 | 1,099,922 |

See accompanying notes to schedule of investments.



**The Gabelli Convertible and Income Securities Fund Inc.****Schedule of Investments (Continued) September 30, 2018 (Unaudited)**

| Principal Amount                               |                                                       | Market Value |
|------------------------------------------------|-------------------------------------------------------|--------------|
| <b>CONVERTIBLE CORPORATE BONDS (Continued)</b> |                                                       |              |
| <b>Health Care (Continued)</b>                 |                                                       |              |
| \$ 500,000                                     | Invacare Corp.,<br>4.500%, 06/01/22                   | \$ 566,592   |
| 608,000                                        | Neurocrine Biosciences Inc.,<br>2.250%, 05/15/24      | 1,037,905    |
| 750,000                                        | NuVasive Inc.,<br>2.250%, 03/15/21                    | 952,031      |
| 1,000,000                                      | Pacira Pharmaceuticals Inc.,<br>2.375%, 04/01/22      | 1,059,996    |
| 500,000                                        | Paratek Pharmaceuticals Inc.,<br>4.750%, 05/01/24(a)  | 474,375      |
| 200,000                                        | Retrophin Inc.,<br>2.500%, 09/15/25                   | 205,879      |
| 500,000                                        | Supernus Pharmaceuticals Inc.,<br>0.625%, 04/01/23(a) | 561,607      |
| 600,000                                        | Teladoc Health Inc.,<br>3.000%, 12/15/22              | 1,227,565    |
| 1,000,000                                      | Teligent Inc.,<br>3.750%, 12/15/19                    | 957,500      |
|                                                |                                                       | 8,680,047    |
| <b>Metals and Mining 1.0%</b>                  |                                                       |              |
| 1,000,000                                      | Arconic Inc.,<br>1.625%, 10/15/19                     | 1,021,890    |
| <b>Semiconductors 4.8%</b>                     |                                                       |              |
| 750,000                                        | Cypress Semiconductor Corp.,<br>4.500%, 01/15/22      | 944,381      |
| 1,000,000                                      | Inphi Corp.,<br>1.125%, 12/01/20                      | 1,157,222    |
| 800,000                                        | NXP Semiconductors NV,<br>1.000%, 12/01/19            | 834,983      |
| 947,000                                        | Rambus Inc.,<br>1.375%, 02/01/23(a)                   | 854,126      |
| 1,000,000                                      | Teradyne Inc.,<br>1.250%, 12/15/23                    | 1,301,452    |
|                                                |                                                       | 5,092,164    |



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|        |                                                            |           |
|--------|------------------------------------------------------------|-----------|
|        | El Paso Energy Capital Trust I,<br>4.750%, 03/31/28        |           |
| 20,668 | Hess Corp.,<br>8.000%, 02/01/19                            | 1,642,693 |
| 5,163  | Sempra Energy,<br>6.000%, Ser. A, 01/15/21                 | 520,637   |
| 5,000  | 6.750%, Ser. B, 07/15/21                                   | 503,975   |
| 21,875 | South Jersey Industries Inc.,<br>7.250%, 04/15/21          | 1,220,844 |
|        |                                                            | 4,053,716 |
|        | <b>Financial Services 2.6%</b>                             |           |
| 9,000  | Alibaba - Mandatory Exchange Trust,<br>5.750%, 06/01/19(a) | 1,668,375 |
| 9,324  | Assurant Inc.,<br>6.500%, Ser. D, 03/15/21                 | 1,049,509 |
|        |                                                            | 2,717,884 |

See accompanying notes to schedule of investments.

## The Gabelli Convertible and Income Securities Fund Inc.

## Schedule of Investments (Continued) September 30, 2018 (Unaudited)

| Shares                                                  |                                                               | Market Value |
|---------------------------------------------------------|---------------------------------------------------------------|--------------|
| <b>MANDATORY CONVERTIBLE SECURITIES (b) (Continued)</b> |                                                               |              |
| <b>Health Care 1.8%</b>                                 |                                                               |              |
| 22,646                                                  | Becton Dickinson and Co.,<br>6.125%, 05/01/20                 | \$ 1,480,142 |
| 1,000                                                   | Teva Pharmaceutical Industries Ltd.,<br>7.000%, 12/15/18      | 403,660      |
|                                                         |                                                               | 1,883,802    |
| <b>Real Estate Investment Trusts 1.8%</b>               |                                                               |              |
| 1,727                                                   | Crown Castle International Corp.,<br>6.875%, Ser. A, 08/01/20 | 1,875,522    |
| <b>TOTAL MANDATORY CONVERTIBLE SECURITIES</b>           |                                                               | 14,369,627   |
| <b>COMMON STOCKS 23.3%</b>                              |                                                               |              |
| <b>Automotive: Parts and Accessories 0.5%</b>           |                                                               |              |
| 5,000                                                   | Genuine Parts Co.                                             | 497,000      |
| <b>Broadcasting 0.1%</b>                                |                                                               |              |
| 2,000                                                   | Tribune Media Co., Cl. A                                      | 76,860       |
| <b>Building and Construction 1.0%</b>                   |                                                               |              |
| 5,500                                                   | Herc Holdings Inc.                                            | 281,600      |
| 16,688                                                  | USG Corp.                                                     | 722,757      |
|                                                         |                                                               | 1,004,357    |
| <b>Computer Hardware 0.4%</b>                           |                                                               |              |
| 3,000                                                   | International Business Machines Corp.                         | 453,630      |
| <b>Computer Software and Services 1.1%</b>              |                                                               |              |
| 5,000                                                   | CA Inc.                                                       | 220,750      |
| 8,600                                                   | Proofpoint Inc.                                               | 914,399      |
|                                                         |                                                               | 1,135,149    |
| <b>Consumer Products 1.2%</b>                           |                                                               |              |
| 2,000                                                   | SodaStream International Ltd.                                 | 286,160      |

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|               |                                                         |                     |
|---------------|---------------------------------------------------------|---------------------|
| 20,000        | Swedish Match AB                                        | 1,023,921           |
|               |                                                         | 1,310,081           |
|               | <b>Diversified Industrial 0.2%</b>                      |                     |
| 18,000        | General Electric Co.                                    | 203,220             |
|               | <b>Energy and Utilities 1.3%</b>                        |                     |
| 1,000         | Chevron Corp.                                           | 122,280             |
| 1,000         | Exxon Mobil Corp.                                       | 85,020              |
| 2,500         | Royal Dutch Shell plc, Cl. A, ADR                       | 170,350             |
| 29,000        | Severn Trent plc                                        | 698,900             |
| 1,000,000     | Texas Competitive Electric Holdings Co. LLC, Escrow (c) | 0                   |
| 20,000        | The AES Corp.                                           | 280,000             |
|               |                                                         | 1,356,550           |
|               | <b>Equipment and Supplies 0.2%</b>                      |                     |
| 8,000         | Mueller Industries Inc.                                 | 231,840             |
|               |                                                         |                     |
| <b>Shares</b> |                                                         | <b>Market Value</b> |
|               | <b>Financial Services 9.5%</b>                          |                     |
| 2,500         | American Express Co.                                    | \$ 266,225          |
| 7,000         | American International Group Inc.                       | 372,680             |
| 13,113        | American Tower Corp., REIT                              | 1,905,319           |
| 4,000         | Bank of America Corp.                                   | 117,840             |
| 8,000         | Citigroup Inc.                                          | 573,920             |
| 4,500         | JPMorgan Chase & Co.                                    | 507,780             |
| 7,000         | Julius Baer Group Ltd.                                  | 350,285             |
| 10,000        | Kinnevik AB, Cl. A                                      | 307,739             |
| 4,000         | Morgan Stanley                                          | 186,280             |
| 9,500         | State Street Corp.                                      | 795,910             |
| 21,000        | The Bank of New York Mellon Corp.                       | 1,070,790           |
| 1,000         | The Dun & Bradstreet Corp.                              | 142,510             |
| 17,000        | The PNC Financial Services Group Inc.                   | 2,315,230           |
| 20,000        | Wells Fargo & Co.                                       | 1,051,200           |
| 62,428        | Wright Investors Service Holdings Inc.                  | 24,971              |
|               |                                                         | 9,988,679           |
|               | <b>Food and Beverage 1.0%</b>                           |                     |
| 88,000        | Parmalat SpA                                            | 290,169             |
| 2,020         | Pernod Ricard SA                                        | 331,394             |
| 3,000         | Remy Cointreau SA                                       | 390,809             |
|               |                                                         | 1,012,372           |
|               | <b>Health Care 2.5%</b>                                 |                     |
| 10,000        | Bristol-Myers Squibb Co.                                | 620,800             |
| 2,500         | Eli Lilly & Co.                                         | 268,275             |

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|                                     |                                         |           |
|-------------------------------------|-----------------------------------------|-----------|
| 1,000,000                           | Elite Pharmaceuticals Inc.              | 90,000    |
| 1,000                               | Johnson & Johnson                       | 138,170   |
| 5,000                               | Merck & Co. Inc.                        | 354,700   |
| 40,000                              | Roche Holding AG, ADR                   | 1,206,400 |
|                                     |                                         | 2,678,345 |
| <b>Hotels and Gaming 0.9%</b>       |                                         |           |
| 6,500                               | LaSalle Hotel Properties, REIT          | 224,835   |
| 8,500                               | Ryman Hospitality Properties Inc., REIT | 732,445   |
|                                     |                                         | 957,280   |
| <b>Retail 0.3%</b>                  |                                         |           |
| 1,000                               | Costco Wholesale Corp.                  | 234,880   |
| 7,000                               | Hertz Global Holdings Inc.              | 114,310   |
|                                     |                                         | 349,190   |
| <b>Telecommunications 1.5%</b>      |                                         |           |
| 1,600                               | Swisscom AG                             | 726,146   |
| 16,000                              | Verizon Communications Inc.             | 854,240   |
|                                     |                                         | 1,580,386 |
| <b>Transportation 0.1%</b>          |                                         |           |
| 1,000                               | GATX Corp.                              | 86,590    |
| <b>Wireless Communications 1.5%</b> |                                         |           |
| 22,566                              | T-Mobile US Inc.                        | 1,583,682 |

See accompanying notes to schedule of investments.

**The Gabelli Convertible and Income Securities Fund Inc.****Schedule of Investments (Continued) September 30, 2018 (Unaudited)**

| Shares                                     |                                                                    | Market Value         |
|--------------------------------------------|--------------------------------------------------------------------|----------------------|
| <b>COMMON STOCKS (Continued)</b>           |                                                                    |                      |
| <b>Wireless Communications (Continued)</b> |                                                                    |                      |
| 4,000                                      | Turkcell Iletisim Hizmetleri A/S, ADR                              | \$ 19,280            |
|                                            |                                                                    | 1,602,962            |
| <b>TOTAL COMMON STOCKS</b>                 |                                                                    | <b>24,524,491</b>    |
| <br>                                       |                                                                    |                      |
| <b>Principal Amount</b>                    |                                                                    |                      |
| <b>U.S. GOVERNMENT OBLIGATIONS 11.0%</b>   |                                                                    |                      |
| \$11,655,000                               | U.S. Treasury Bills,<br>1.969% to 2.142% ,<br>11/01/18 to 12/20/18 | 11,613,784           |
| <b>TOTAL INVESTMENTS 100.0%</b>            |                                                                    |                      |
|                                            | (Cost \$89,323,452)                                                | <b>\$105,144,949</b> |

- (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 September 30, 2018, the market value of Rule 144A securities amounted to \$19,173,845 or 18.24% of total investments.
- (b) Mandatory convertible securities are required to be converted on the dates listed; they generally may be converted prior to these dates at the option of the holder.
- (c) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.  
Non-income producing security.  
Represents annualized yields at dates of purchase.

ADR American Depositary Receipt

REIT Real Estate Investment Trust

See accompanying notes to financial statements.





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

**Notes to Schedule of Investments (Unaudited)**

As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its schedule of investments. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

**Security Valuation.** Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipts securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

Level 1 quoted prices in active markets for identical securities;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

Level 3 significant unobservable inputs (including the Board's determinations as to the fair value of investments).

**The Gabelli Convertible and Income Securities Fund Inc.****Notes to Schedule of Investments (Unaudited) (Continued)**

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of September 30, 2018 is as follows:

|                                          | Valuation Inputs         |                                                |                                            | Total Market Value<br>at 9/30/18 |
|------------------------------------------|--------------------------|------------------------------------------------|--------------------------------------------|----------------------------------|
|                                          | Level 1<br>Quoted Prices | Level 2 Other Significant<br>Observable Inputs | Level 3 Significant<br>Unobservable Inputs |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>        |                          |                                                |                                            |                                  |
| <b>ASSETS (Market Value):</b>            |                          |                                                |                                            |                                  |
| Convertible Corporate Bonds (a)          |                          | \$ 51,782,427                                  |                                            | \$ 51,782,427                    |
| Convertible Preferred Stocks (a)         | \$ 2,854,620             |                                                |                                            | 2,854,620                        |
| <b>Mandatory Convertible Securities:</b> |                          |                                                |                                            |                                  |
| Computer Software and Services           |                          | 599,065                                        |                                            | 599,065                          |
| Energy and Utilities                     | 3,549,741                | 503,975                                        |                                            | 4,053,716                        |
| Financial Services                       | 1,049,509                | 1,668,375                                      |                                            | 2,717,884                        |
| Other Industries (a)                     | 6,998,962                |                                                |                                            | 6,998,962                        |
| Total Mandatory Convertible Securities   | 11,598,212               | 2,771,415                                      |                                            | 14,369,627                       |
| <b>Common Stocks:</b>                    |                          |                                                |                                            |                                  |
| Energy and Utilities                     | 1,356,550                |                                                | \$ 0                                       | 1,356,550                        |
| Other Industries (a)                     | 23,167,941               |                                                |                                            | 23,167,941                       |
| Total Common Stock                       | 24,524,491               |                                                | 0                                          | 24,524,491                       |
| U.S. Government Obligations              |                          | 11,613,784                                     |                                            | 11,613,784                       |
| <b>TOTAL INVESTMENTS IN SECURITIES</b>   |                          |                                                |                                            |                                  |
| <b>ASSETS</b>                            | \$ 38,977,323            | \$ 66,167,626                                  | \$ 0                                       | \$ 105,144,949                   |

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

**Additional Information to Evaluate Qualitative Information.**

**General.** The Fund uses recognized industry pricing services approved by the Board and unaffiliated with the Adviser to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

***Fair Valuation.*** Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

**Notes to Schedule of Investments (Unaudited) (Continued)**

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

**Derivative Financial Instruments.** The Fund may engage in various portfolio investment strategies by investing in derivative financial instruments for the purposes of increasing the income of the Fund, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

The Fund's derivative contracts held at September 30, 2018, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

**Swap Agreements.** The Fund may enter into equity contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an equity contract for difference swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short term interest rates and the returns on the Fund's portfolio securities at the time an equity contract for difference swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

**Limitations on the Purchase and Sale of Futures Contracts, Certain Options, and Swaps.** Subject to the guidelines of the Board, the Fund may engage in commodity interest transactions (generally, transactions in futures, certain options, certain currency transactions, and certain types of swaps) only for bona fide hedging or other permissible transactions in accordance with the rules and regulations of the Commodity Futures Trading Commission (CFTC). Pursuant to amendments by the CFTC to Rule 4.5 under the Commodity Exchange Act (CEA), the Adviser has filed a notice of exemption from registration as a commodity pool operator with respect to the Fund. The Fund and the Adviser are therefore not subject to registration or regulation as a commodity pool operator under the CEA. In addition, certain trading restrictions are now applicable to the Fund which permit the Fund to engage in commodity interest transactions that include (i) bona fide hedging transactions, as that term is defined and interpreted by the CFTC and its staff, without regard to the percentage of the Fund's assets committed to margin and options premiums and (ii) non-bona fide hedging transactions, provided that



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**The Gabelli Convertible and Income Securities Fund Inc.****Notes to Schedule of Investments (Unaudited) (Continued)**

the Fund does not enter into such non-bona fide hedging transactions if, immediately thereafter, either (a) the sum of the amount of initial margin deposits on the Fund's existing futures positions or swaps positions and option or swaption premiums would exceed 5% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions, or (b) the aggregate net notional value of the Fund's commodity interest transactions would not exceed 100% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions. Therefore, in order to claim the Rule 4.5 exemption, the Fund is limited in its ability to invest in commodity futures, options, and certain types of swaps (including securities futures, broad based stock index futures, and financial futures contracts). As a result, in the future, the Fund will be more limited in its ability to use these instruments than in the past, and these limitations may have a negative impact on the ability of the Adviser to manage the Fund, and on the Fund's performance.

**Securities Sold Short.** The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. At September 30, 2018, the Fund did not hold securities sold short.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

**Foreign Securities.** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.





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

**Notes to Schedule of Investments (Unaudited) (Continued)**

**Foreign Taxes.** The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

**Restricted Securities.** The Fund may invest up to 15% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. At September 30, 2018, the Fund did not hold restricted securities.

**Tax Information.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

THE GABELLI CONVERTIBLE AND  
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TRANSFER AGENT AND

Werner J. Roeder

REGISTRAR

Former Medical Director,

Lawrence Hospital

Computershare Trust Company, N.A.

GCV Q3/2018

**Item 2. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

**SIGNATURES**

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

(Registrant) The Gabelli Convertible and Income Securities Fund Inc.

By (Signature and Title)\* /s/ Bruce N. Alpert  
Bruce N. Alpert, Principal Executive Officer

Date 11/16/2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Bruce N. Alpert  
Bruce N. Alpert, Principal Executive Officer

Date 11/16/2018

By (Signature and Title)\* /s/ John C. Ball  
John C. Ball, Principal Financial Officer and Treasurer

Date 11/16/2018

\* Print the name and title of each signing officer under his or her signature.