

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.	42,600	42,520
<b>Retail 3.3%</b>			
35,000	CVS Caremark Corp.	1,735,942	2,504,950
5,000	Harris Teeter Supermarkets Inc.	246,702	246,750
4,000	Walgreen Co.	176,920	229,760
8,000	Wal-Mart Stores Inc.	388,998	629,520
		2,548,562	3,610,980
<b>Specialty Chemicals 0.3%</b>			
4,000	International Flavors & Fragrances Inc.	229,032	343,920
<b>Telecommunications 3.0%</b>			
11,000	BCE Inc.	324,958	476,190
7,000	Belgacom SA	219,502	207,092
2,700	Philippine Long Distance Telephone Co., ADR	81,903	162,216
2,400	Swisscom AG	899,561	1,266,924
24,000	Telekom Austria AG	249,796	181,725
20,000	Verizon Communications Inc.	712,682	982,800
		2,488,402	3,276,947
<b>Transportation 0.8%</b>			
17,000	GATX Corp.	505,713	886,890
<b>Wireless Communications 0.2%</b>			
7,000	Turkcell Iletisim Hizmetleri A/S, ADR	98,600	93,450
2,000	United States Cellular Corp.	81,629	83,640

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		180,229	177,090
<b>TOTAL COMMON STOCKS</b>		50,894,259	72,277,732
<b>WARRANTS 0.0%</b>			
<b>Food and Beverage 0.0%</b>			
1,300	Parmalat SpA, GDR, expire 12/31/15 (a)(d)	0	894
<b>Principal Amount</b>		<b>Cost</b>	<b>Market Value</b>
<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	\$ 887,118	\$ 67,500
<b>U.S. GOVERNMENT OBLIGATIONS 17.1%</b>			
18,512,000	U.S. Treasury Bills, 0.035% to 0.105% , 01/02/14 to 06/26/14	18,508,459	18,509,184
<b>TOTAL INVESTMENTS 100.0%</b>		\$ 82,972,375	108,242,429
		<b>Termination Date</b>	<b>Unrealized Appreciation</b>
<b>Notional Amount</b>			
<b>EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS</b>			
\$ 976,107 (47,500 Shares)	Rolls-Royce Holdings plc(e)	06/27/14	26,435
1 (4,085,000 Shares)	Rolls-Royce Holdings plc, Cl. C(e)	06/27/14	6,764
	<b>TOTAL EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS</b>		33,199
			<b>Market Value</b>
<b>Other Assets and Liabilities (Net)</b>			5,518,878
<b>PREFERRED STOCK</b>			
(965,548 preferred shares outstanding)			(24,138,700)
<b>NET ASSETS COMMON STOCK</b>			
(13,823,189 common shares outstanding)			\$ 89,655,806
<b>NET ASSET VALUE PER COMMON SHARE</b>			
(\$89,655,806 ÷ 13,823,189 shares outstanding)			\$ 6.49

- (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 December 31, 2013, the market value of Rule 144A securities amounted to \$5,827,176 or 5.38% of total investments.

See accompanying notes to financial statements.



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

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

(b) At December 31, 2013, the Fund held investments in restricted and illiquid securities amounting to \$71,661 or 0.07% of total investments, which were valued as follows:

Acquisition Shares	Issuer	Acquisition Date	Acquisition Cost	12/31/13 Carrying Value Per Share
24	Elite Pharmaceuticals Inc., \$2.32 Cv. Pfd., Ser. C	04/25/07	\$ 21,952	\$820.0000
31,390,000	Rolls-Royce Holdings plc, Cl. C	10/23/13	50,694	0.0017

(c) Securities, or a portion thereof, with a value of \$1,430,100 were deposited with the broker as collateral for the equity contract for difference swap agreements.

(d) Illiquid security.

(e) At December 31, 2013, 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 December 31, 2013.

See accompanying notes to financial statements.

## The Gabelli Convertible and Income Securities Fund Inc.

### Statement of Assets and Liabilities

December 31, 2013

<b>Assets:</b>	
Investments, at value (cost \$82,972,375)	\$ 108,242,429
Cash	27,308
Deposit at brokers	2,331,033
Receivable for investments sold	7,254,029
Dividends and interest receivable	292,899
Unrealized appreciation on swap contracts	33,199
Deferred offering expense	101,727
Prepaid expenses	2,734
<b>Total Assets</b>	<b>118,285,358</b>
<b>Liabilities:</b>	
Distributions payable	24,139
Payable for investments purchased	4,039,898
Payable for investment advisory fees	316,328
Payable for payroll expenses	26,102
Payable for accounting fees	3,750
Other accrued expenses	80,635
<b>Total Liabilities</b>	<b>4,490,852</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>\$ 89,655,806</b>
<b>Net Assets Attributable to Common Shareholders Consist of:</b>	
Paid-in capital	\$ 65,582,346
Undistributed net investment income	209,056
Accumulated net realized loss on investments, securities sold short, swap contracts, and foreign currency transactions	(1,440,275)
Net unrealized appreciation on investments	25,270,054
Net unrealized appreciation on swap contracts	33,199
Net unrealized appreciation on foreign currency translations	1,426
<b>Net Assets</b>	<b>\$ 89,655,806</b>
<b>Net Asset Value per Common Share:</b> (\$89,655,806 ÷ 13,823,189 shares outstanding at \$0.001 par value; 998,000,000 shares authorized)	<b>\$6.49</b>

### Statement of Operations

For the Year Ended December 31, 2013

<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$35,331)	\$ 1,882,692

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Interest	856,838
<b>Total Investment Income</b>	<b>2,739,530</b>
<b>Expenses:</b>	
Investment advisory fees	1,089,838
Payroll expenses	93,587
Shareholder communications expenses	58,751
Directors' fees	52,500
Legal and audit fees	45,519
Accounting fees	45,000
Shareholder services fees	40,621
Custodian fees	37,512
Miscellaneous expenses	65,073
<b>Total Expenses</b>	<b>1,528,401</b>
Less:	
Custodian fee credits	(520)
<b>Net Expenses</b>	<b>1,527,881</b>
<b>Net Investment Income</b>	<b>1,211,649</b>
<b>Net Realized and Unrealized Gain on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency:</b>	
Net realized gain on investments	4,787,768
Net realized gain on securities sold short	839,168
Net realized gain on swap contracts	321,487
Net realized gain on foreign currency transactions	3,292
<b>Net realized gain on investments, securities sold short, swap contracts, and foreign currency transactions</b>	<b>5,951,715</b>
Net change in unrealized appreciation/depreciation:	
on investments	12,768,411
on swap contracts	20,955
on foreign currency translations	1,048
<b>Net change in unrealized appreciation/depreciation on investments, swap contracts, and foreign currency translations</b>	<b>12,790,414</b>
<b>Net Realized and Unrealized Gain on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency</b>	<b>18,742,129</b>
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>19,953,778</b>
Total Distributions to Preferred Stock Shareholders	(1,448,322)
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>\$ 18,505,456</b>

See accompanying notes to financial statements.

**The Gabelli Convertible and Income Securities Fund Inc.****Statement of Changes in Net Assets Attributable to Common Shareholders**

	Year Ended December 31, 2013	Year Ended December 31, 2012
<b>Operations:</b>		
Net investment income	\$ 1,211,649	\$ 1,362,280
Net realized gain on investments, securities sold short, swap contracts, and foreign currency transactions	5,951,715	1,291,320
Net change in unrealized appreciation on investments, swap contracts, and foreign currency translations	12,790,414	7,238,952
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>19,953,778</b>	<b>9,892,552</b>
<b>Distributions to Preferred Shareholders:</b>		
Net investment income	(315,426)	(814,478)
Net realized gain	(1,132,896)	(637,867)
<b>Total Distributions to Preferred Shareholders</b>	<b>(1,448,322)</b>	<b>(1,452,345)</b>
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>18,505,456</b>	<b>8,440,207</b>
<b>Distributions to Common Shareholders:</b>		
Net investment income	(1,195,291)	(671,564)
Net realized gain	(4,293,045)	(525,944)
Return of capital	(1,106,360)	(5,330,114)
<b>Total Distributions to Common Shareholders</b>	<b>(6,594,696)</b>	<b>(6,527,622)</b>
<b>Fund Share Transactions:</b>		
Net increase in net assets from common shares issued upon reinvestment of distributions	819,803	974,442
<b>Net Increase in Net Assets from Fund Share Transactions</b>	<b>819,803</b>	<b>974,442</b>
<b>Net Increase in Net Assets Attributable to Common Shareholders</b>	<b>12,730,563</b>	<b>2,887,027</b>
<b>Net Assets Attributable to Common Shareholders:</b>		
Beginning of year	76,925,243	