

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)
Gabelli Convertible and Income Securities Fund				
NAV Total Return (b)	24.83%	13.32%	6.15%	7.21%
Investment Total Return (c)	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 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 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 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.

The Gabelli Convertible and Income Securities Fund Inc.

Schedule of Investments December 31, 2013

Principal Amount		Cost	Market Value
Convertible Corporate Bonds 13.9%			
Aerospace 1.5%			
\$ 800,000	GenCorp Inc., Sub. Deb., 4.063%, 12/31/39	\$ 652,207	\$ 1,613,000
Automotive 1.3%			
	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
Broadcasting 0.4%			
200,000	Sirius XM Radio Inc., Cv., 7.000%, 12/01/14(a)	193,578	389,500
Building and Construction 1.6%			
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
Diversified Industrial 6.2%			
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
Electronics 0.1%			
100,000	Intel Corp., Sub. Deb. Cv., 3.250%, 08/01/39	106,321	136,125
Entertainment 0.0%			
100,000	THQ Inc., Cv., 5.000%, 08/15/14	70,321	26,375

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Environmental Services 0.4%			
350,000	Covanta Holding Corp., 3.250%, 06/01/14	350,000	411,031
Financial Services 1.4%			
1,500,000	Janus Capital Group Inc., 3.250%, 07/15/14	1,500,000	1,560,000
Health Care 0.4%			
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
Principal Amount		Cost	Market Value
\$ 250,000	Wright Medical Group Inc., Cv., 2.625%, 12/01/14	\$ 243,373	\$ 256,719
		438,102	469,593
Hotels and Gaming 0.2%			
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
Metals and Mining 0.2%			
100,000	Alcoa Inc., 5.250%, 03/15/14	100,000	165,813
Retail 0.2%			
60,000	Costco Wholesale Corp., Sub. Deb. Cv., Zero Coupon, 08/19/17	55,680	162,450
TOTAL CONVERTIBLE CORPORATE BONDS		11,067,773	15,055,418
Shares			
Convertible Preferred Stocks 2.1%			
Communications Equipment 0.4%			
400	Lucent Technologies Capital Trust I, 7.750% Cv. Pfd.	156,750	402,000
Energy and Utilities 0.3%			
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
Food and Beverage 0.9%			
	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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Health Care 0.0%			
24	Elite Pharmaceuticals Inc., \$2.32 Cv. Pfd., Ser. C (b)	21,952	19,680
Telecommunications 0.5%			
12,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	298,812	547,320
TOTAL CONVERTIBLE PREFERRED STOCKS		1,614,766	2,331,701
COMMON STOCKS 66.8%			
Aerospace 7.2%			
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
	COMMON STOCKS (Continued)		
	Aerospace (Continued)		
31,390,000	Rolls-Royce Holdings plc, Cl. C (b)	\$ 50,694	\$ 51,981
		4,237,607	7,782,028
	Automotive: Parts and Accessories 1.8%		
24,000	Genuine Parts Co.	936,689	1,996,560
	Cable and Satellite 0.1%		
3,000	Rogers Communications Inc., Cl. B	68,313	135,750
	Communications Equipment 0.3%		
20,000	Corning Inc.	298,894	356,400
	Computer Hardware 1.2%		
7,000	International Business Machines Corp.	694,162	1,312,990
	Computer Software and Services 0.3%		
8,500	Diebold Inc.	252,697	280,585
	Consumer Products 1.3%		
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
	Diversified Industrial 1.4%		
50,000	General Electric Co.	834,697	1,401,500
2,075	Textron Inc.	51,917	76,277
		886,614	1,477,777
	Electronics 0.1%		
6,000	LSI Corp.	66,270	66,120
	Energy and Utilities 11.2%		
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
	Equipment and Supplies 0.4%		
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

	Financial Services 17.4%		
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

	Food and Beverage 4.4%		
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

	Health Care 11.5%		
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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
COMMON STOCKS (Continued)			
Health Care (Continued)			
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
Hotels and Gaming 0.6%			
15,000	Ryman Hospitality Properties Inc.	558,750	626,700
Metals and Mining 0.0%			
4,000	Alcoa Inc.	42,600	42,520
Retail 3.3%			
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
Specialty Chemicals 0.3%			
4,000	International Flavors & Fragrances Inc.	229,032	343,920
Telecommunications 3.0%			
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
Transportation 0.8%			
17,000	GATX Corp.	505,713	886,890
Wireless Communications 0.2%			
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
TOTAL COMMON STOCKS		50,894,259	72,277,732
WARRANTS 0.0%			
Food and Beverage 0.0%			
1,300	Parmalat SpA, GDR, expire 12/31/15 (a)(d)	0	894
Principal Amount		Cost	Market Value
	CORPORATE BONDS 0.1%		
	Energy and Utilities 0.1%		
\$ 1,000,000	Texas Competitive Electric Holdings Co. LLC, Ser. B, 10.250%, 11/01/15	\$ 887,118	\$ 67,500
	U.S. GOVERNMENT OBLIGATIONS 17.1%		
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
TOTAL INVESTMENTS 100.0%		\$ 82,972,375	108,242,429
		Termination Date	Unrealized Appreciation
Notional Amount			
	EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS		
\$ 976,107	Rolls-Royce Holdings plc(e)	06/27/14	26,435
(47,500 Shares)			
1	Rolls-Royce Holdings plc, Cl. C(e)	06/27/14	6,764
(4,085,000 Shares)			
	TOTAL EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS		33,199
			Market Value
Other Assets and Liabilities (Net)			5,518,878
PREFERRED STOCK			
(965,548 preferred shares outstanding)			(24,138,700)
NET ASSETS COMMON STOCK			
(13,823,189 common shares outstanding)			\$ 89,655,806
NET ASSET VALUE PER COMMON SHARE			
(\$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

Assets:	
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
Total Assets	118,285,358
Liabilities:	
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
Total Liabilities	4,490,852
Preferred Stock:	
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
Net Assets Attributable to Common Shareholders	\$ 89,655,806
Net Assets Attributable to Common Shareholders Consist of:	
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
Net Assets	\$ 89,655,806
Net Asset Value per Common Share: (\$89,655,806 ÷ 13,823,189 shares outstanding at \$0.001 par value; 998,000,000 shares authorized)	\$6.49

Statement of Operations

For the Year Ended December 31, 2013

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

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Interest	856,838
Total Investment Income	2,739,530
Expenses:	
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
Total Expenses	1,528,401
Less:	
Custodian fee credits	(520)
Net Expenses	1,527,881
Net Investment Income	1,211,649
Net Realized and Unrealized Gain on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency:	
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
Net realized gain on investments, securities sold short, swap contracts, and foreign currency transactions	5,951,715
Net change in unrealized appreciation/depreciation:	
on investments	12,768,411
on swap contracts	20,955
on foreign currency translations	1,048
Net change in unrealized appreciation/depreciation on investments, swap contracts, and foreign currency translations	12,790,414
Net Realized and Unrealized Gain on Investments, Securities Sold Short, Swap Contracts, and Foreign Currency	18,742,129
Net Increase in Net Assets Resulting from Operations	19,953,778
Total Distributions to Preferred Stock Shareholders	(1,448,322)
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations	\$ 18,505,456

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
Operations:		
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
Net Increase in Net Assets Resulting from Operations	19,953,778	9,892,552
Distributions to Preferred Shareholders:		
Net investment income	(315,426)	(814,478)
Net realized gain	(1,132,896)	(637,867)
Total Distributions to Preferred Shareholders	(1,448,322)	(1,452,345)
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations	18,505,456	8,440,207
Distributions to Common Shareholders:		
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)
Total Distributions to Common Shareholders	(6,594,696)	(6,527,622)
Fund Share Transactions:		
Net increase in net assets from common shares issued upon reinvestment of distributions	819,803	974,442
Net Increase in Net Assets from Fund Share Transactions	819,803	974,442
Net Increase in Net Assets Attributable to Common Shareholders	12,730,563	2,887,027
Net Assets Attributable to Common Shareholders:		
Beginning of year	76,925,243	74,038,216
End of year (including undistributed net investment income of \$209,056 and \$61, 446, respectively)	\$ 89,655,806	\$ 76,925,243

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.**Financial Highlights****Selected data for a share outstanding throughout each year:**

	Year Ended December 31,				
	2013	2012	2011	2010	2009
Operating Performance:					
Net asset value, beginning of year	\$ 5.62	\$ 5.48	\$ 6.01	\$ 5.94	\$ 5.19
Net investment income	0.09	0.10	0.10	0.15	0.18
Net realized and unrealized gain/(loss) on investments, securities sold short, swap contracts, and foreign currency transactions	1.37	0.63	(0.05)	0.50	1.10
Total from investment operations	1.46	0.73	0.05	0.65	1.28
Distributions to Preferred Shareholders: (a)					
Net investment income	(0.03)	(0.06)	(0.07)	(0.11)	(0.11)
Net realized gain	(0.08)	(0.05)	(0.03)		
Total distributions to preferred shareholders	(0.11)	(0.11)	(0.10)	(0.11)	(0.11)
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations					
	1.35	0.62	(0.05)	0.54	1.17
Distributions to Common Shareholders:					
Net investment income	(0.09)	(0.05)	(0.04)	(0.06)	(0.09)
Net realized gain	(0.31)	(0.04)	(0.02)		
Paid-in capital	(0.08)	(0.39)	(0.42)	(0.41)	(0.33)
Total distributions to common shareholders	(0.48)	(0.48)	(0.48)	(0.47)	(0.42)
Fund Share Transactions:					
Increase/(decrease) in net asset value from common share transactions	(0.00)(b)	0.00(b)	0.00(b)	0.00(b)	0.00(b)
Increase in net asset value from repurchase of preferred shares					0.00(b)
Total Fund share transactions	(0.00)(b)	0.00(b)	0.00(b)	0.00(b)	0.00(b)
Net Asset Value Attributable to Common Shareholders, End of Year	\$ 6.49	\$ 5.62	\$ 5.48	\$ 6.01	\$ 5.94
NAV total return	24.83%	11.69%	(0.74)%	9.46%	23.72%
Market value, end of year	\$ 6.16	\$ 5.34	\$ 5.11	\$ 6.12	\$ 5.81
Investment total return	24.73%	13.81%	(9.11)%	13.96%	13.16%

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.**Financial Highlights (Continued)****Selected data for a share outstanding throughout each year:**

	Year Ended December 31,				
	2013	2012	2011	2010	2009
Ratios to Average net assets and Supplemental Data:					
Net assets including liquidation value of preferred shares, end of year (in 000 s)	\$ 113,795	\$ 101,064	\$ 98,177	\$ 104,547	\$ 102,173
Net assets attributable to common shares, end of year (in 000 s)	\$ 89,656	\$ 76,925	\$ 74,038	\$ 80,408	\$ 78,034
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions	1.43%	1.77%	1.77%	2.43%	3.28%
Ratio of operating expenses to average net assets attributable to common shares before fees waived	1.80%	1.94%	2.00%	2.05%	2.01%
Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any	1.80%	1.94%	1.69%	2.05%	2.01%
Ratio of operating expenses to average net assets including liquidation value of preferred shares before fees waived	1.40%	1.47%	1.53%	1.57%	1.50%
Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction, if any	1.40%	1.47%	1.29%	1.57%	1.50%
Portfolio turnover rate	35%	18%	41%	44%	71%
Preferred Stock:					
6.000% Series B Cumulative Preferred Stock					
Liquidation value, end of year (in 000 s)	\$ 24,139	\$ 24,139	\$ 24,139	\$ 24,139	\$ 24,139
Total shares outstanding (in 000 s)	966	966	966	966	966
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (c)	\$ 25.30	\$ 25.78	\$ 25.48	\$ 25.20	\$ 23.95
Asset coverage per share	\$ 117.85	\$ 104.67	\$ 101.68	\$ 108.28	\$ 105.82
Asset Coverage (d)	471%	419%	407%	433%	423%

For 2013 based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend date. The years ended 2012, 2011, 2010, and 2009, were based on net asset value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.

Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.

- (a) Calculated based upon average common shares outstanding on the record dates throughout the periods.
 (b) Amount represents less than \$0.005 per share.
 (c) Based on weekly prices.
 (d) Asset coverage is calculated by combining all series of preferred stock.

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.

Notes to Financial Statements

1. Organization. The Gabelli Convertible and Income Securities Fund Inc. is a diversified closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act), whose investment objective is to seek a high level of total return through a combination of current income and capital appreciation by investing in convertible securities. The Fund was incorporated in Maryland on December 19, 1988 as a diversified open-end management investment company and commenced investment operations on July 3, 1989 as The Gabelli Convertible Securities Fund, Inc. The Board of Directors (the Board), at a special meeting of shareholders held on February 17, 1995, voted to approve the conversion of the Fund to closed-end status, effective March 31, 1995.

The Fund will invest at least 80% of its net assets, under normal market conditions, in a combination of convertible securities and income producing securities (the 80% Policy). The Fund expects to continue its practice of focusing on convertible securities to the extent attractive opportunities are available. The 80% Policy may be changed without shareholder approval. However, the Fund has adopted a policy to provide shareholders with notice at least sixty days prior to the implementation of any change in the 80% Policy.

2. Significant Accounting Policies. The Fund's financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP), which may require the use of management estimates and assumptions. 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 financial statements.

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 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 instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, 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. Debt instruments having a maturity greater than sixty days 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. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. 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.

The Gabelli Convertible and Income Securities Fund Inc.**Notes to Financial Statements (Continued)**

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 Receipt 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).

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 and other financial instruments by inputs used to value the Fund's investments as of December 31, 2013 is as follows:

	Valuation Inputs			Total Market Value
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	at 12/31/13
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Convertible Corporate Bonds (a)		\$15,055,418		\$ 15,055,418
Convertible Preferred Stocks:				
Food and Beverage		1,044,782		1,044,782
Other Industries (a)	\$ 1,286,919			1,286,919
Total Convertible Preferred Stocks	1,286,919	1,044,782		2,331,701
Common Stocks:				
Aerospace	7,730,047		\$51,981	7,782,028
Energy and Utilities	12,091,178		0	12,091,178
Other Industries (a)	52,404,526			52,404,526
Total Common Stocks	72,225,751		51,981	72,277,732
Warrants (a)		894		894
Corporate Bonds (a)		67,500		67,500
U.S. Government Obligations				