

GABELLI CONVERTIBLE & INCOME SECURITIES FUND INC

Form N-Q

November 20, 2013

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, 2013

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

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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, 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. Schedule of Investments.

The Schedule(s) of Investments is attached herewith.

The Gabelli Convertible and Income Securities Fund Inc.

Third Quarter Report September 30, 2013

Mario J. Gabelli, CFA

Portfolio Manager

To Our Shareholders,

For the quarter ended September 30, 2013, the net asset value (NAV) total return of The Gabelli Convertible and Income Securities Fund Inc. was 2.5%, compared with a total return of 0.4% for the Barclays Government/Credit Bond Index. The total return for the Fund's publicly traded shares was 1.8%. The Fund's NAV per share was \$6.08, while the price of the publicly traded shares closed at \$6.17 on the New York Stock Exchange (NYSE). See below for additional performance information.

Enclosed is the schedule of investments as of September 30, 2013.

Comparative Results

Average Annual Returns through September 30, 2013 (a) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	Since Inception (07/03/89)
Gabelli Convertible and Income Securities Fund					
NAV Total Return (b)	2.48%	15.35%	7.87%	5.62%	6.91%
Investment Total Return (c)	1.79	15.99	10.20	4.26	6.07(d)
Standard & Poor's 500 Index	5.24	19.34	10.02	7.57	9.45(e)
Barclays Government/Credit Bond Index	0.36	(1.85)	5.72	4.48	N/A(f)
Lipper Convertible Securities Fund Average	6.67	18.64	11.03	7.49	8.45(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. 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 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.
- (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.

The Gabelli Convertible and Income Securities Fund Inc.

Schedule of Investments September 30, 2013 (Unaudited)

<u>Principal Amount</u>		<u>Market Value</u>
	CONVERTIBLE CORPORATE BONDS 12.4%	
	Aerospace 1.5%	
\$ 860,000	GenCorp Inc., Sub. Deb. Cv., 4.063% 12/31/39	\$ 1,554,987
	Automotive 0.7%	
700,000	Navistar International Corp., Sub. Deb. Cv., 3.000%, 10/15/14	712,688
	Broadcasting 0.4%	
200,000	Sirius XM Radio Inc., Cv., 7.000%, 12/01/14(a)	432,375
	Building and Construction 1.0%	
150,000	Ascent Capital Group Inc. 4.000%, 07/15/20	158,250
400,000	Lennar Corp., Cv., 2.000%, 12/01/20(a)	517,000
200,000	2.750%, 12/15/20(a)	339,500
		1,014,750
	Diversified Industrial 6.0%	
3,500,000	Griffon Corp., Sub. Deb. Cv., 4.000%, 01/15/17(a)	3,909,062
1,400,000	Roper Industries Inc., Sub. Deb. Cv. STEP, 0.000%, 01/15/34	2,341,500
100,000	Trinity Industries Inc., Sub. Deb. Cv., 3.875%, 06/01/36	121,813
		6,372,375
	Electronics 0.1%	
100,000	Intel Corp., Sub. Deb. Cv., 3.250%, 08/01/39	124,000
	Entertainment 0.0%	
100,000	THQ Inc., Cv., 5.000%, 08/15/14	50,750
	Environmental Services 0.5%	
350,000	Covanta Holding Corp., Cv., 3.250%, 06/01/14	482,781
	Financial Services 1.4%	
1,500,000	Janus Capital Group Inc., Cv., 3.250%, 07/15/14	1,530,000

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Health Care 0.4%		
100,000	Chemed Corp., Cv., 1.875%, 05/15/14	105,062
100,000	NuVasive Inc., Cv., 2.750%, 07/01/17	98,000
250,000	Wright Medical Group Inc., Cv., 2.625%, 12/01/14	247,500
		450,562

Principal Amount		Market Value
Hotels and Gaming 0.2%		
\$ 100,000	MGM Resorts International, Cv., 4.250%, 04/15/15	\$ 127,562
100,000	Morgans Hotel Group Co., Sub. Deb. Cv., 2.375%, 10/15/14	98,625
		226,187

Metals and Mining 0.1%		
100,000	Alcoa Inc., Cv., 5.250%, 03/15/14	129,000

Retail 0.1%		
60,000	Costco Wholesale Corp., Sub. Deb. Cv., Zero Coupon, 08/19/17	157,162

TOTAL CONVERTIBLE CORPORATE BONDS		13,237,617
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Shares		
Convertible Preferred Stocks 2.0%		
Communications Equipment 0.4%		
400	Lucent Technologies Capital Trust I, 7.750% Cv. Pfd.	405,200
Energy and Utilities 0.3%		
6,000	AES Trust III, 6.750% Cv. Pfd.	302,400
300	El Paso Energy Capital Trust I, 4.750% Cv. Pfd.	16,839
		319,239
Food and Beverage 0.8%		
8,000	Post Holdings Inc., 3.750% Cv. Pfd. (a)	827,240
Health Care 0.0%		
24	Elite Pharmaceuticals Inc., \$2.32 Cv. Pfd., Ser. C (b)	20,304
Telecommunications 0.5%		
12,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	505,800
TOTAL CONVERTIBLE PREFERRED STOCKS		2,077,783

COMMON STOCKS 68.9%		
Aerospace 6.2%		

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400	Rockwell Automation Inc.	42,776
365,000	Rolls-Royce Holdings plc	6,570,828
		6,613,604
	Automotive: Parts and Accessories 2.0%	
25,500	Genuine Parts Co.	2,062,695
	Cable and Satellite 0.9%	
7,000	Kabel Deutschland Holding AG	822,939

See accompanying notes to schedule of investments.

The Gabelli Convertible and Income Securities Fund Inc.

Schedule of Investments (Continued) September 30, 2013 (Unaudited)

<u>Shares</u>		<u>Market Value</u>
	COMMON STOCKS (Continued)	
	Cable and Satellite (Continued)	
3,000	Rogers Communications Inc., Cl. B	\$ 129,030
		951,969
	Communications Equipment 0.3%	
22,000	Corning Inc.	320,980
	Computer Hardware 1.2%	
7,000	International Business Machines Corp.	1,296,260
	Computer Software and Services 0.2%	
6,500	Diebold Inc.	190,840
	Consumer Products 1.4%	
35,000	Swedish Match AB	1,235,160
3,500	The Procter & Gamble Co.	264,565
		1,499,725
	Diversified Industrial 2.2%	
95,000	General Electric Co.	2,269,550
2,075	Textron Inc.	57,291
		2,326,841
	Energy and Utilities 13.2%	
5,000	Anadarko Petroleum Corp.	464,950
10,000	BP plc, ADR	420,300
6,000	Chevron Corp.	729,000
4,000	ConocoPhillips	278,040
7,000	CONSOL Energy Inc.	235,550
5,500	Devon Energy Corp.	317,680
5,000	Duke Energy Corp.	333,900
15,000	Exxon Mobil Corp.	1,290,600
1,200,000	GenOn Energy Inc., Escrow	0
34,000	Great Plains Energy Inc.	754,800
5,000	Halliburton Co.	240,750
17,000	Hess Corp.	1,314,780
100,000	Invensys plc	806,217
20,000	National Fuel Gas Co.	1,375,200
20,000	NextEra Energy Inc.	1,603,200
5,000	Northeast Utilities	206,250
50,000	NV Energy Inc.	1,180,500
1,000	Peabody Energy Corp.	17,250
16,000	Royal Dutch Shell plc, Cl. A, ADR	1,050,880
30,000	Severn Trent plc	856,241
8,000	SJW Corp.	224,160
3,000	UNS Energy Corp.	139,860

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10,000	Weatherford International Ltd.	153,300
		13,993,408
Equipment and Supplies 0.4%		
1,500	Graco Inc.	111,090
6,000	Mueller Industries Inc.	334,020
		445,110
Market		
Shares		Value
Financial Services 16.6%		
45,000	AllianceBernstein Holding LP	\$ 893,700
30,000	American Express Co.	2,265,600
10,000	American International Group Inc.	486,300
1,000	Deutsche Bank AG	45,880
6,000	GAM Holding AG	108,476
16,000	Hartford Financial Services Group Inc.	497,920
4,000	HSBC Holdings plc, ADR	217,040
10,000	JPMorgan Chase & Co.	516,900
11,000	Julius Baer Group Ltd.	513,297
16,000	Kinnevik Investment AB, Cl. A	549,458
10,000	Legg Mason Inc.	334,400
5,000	M&T Bank Corp.	559,600
7,500	Marsh & McLennan Companies Inc.	326,625
26,000	Morgan Stanley	700,700
18,000	Northern Trust Corp.	979,020
11,000	Royal Bank of Canada	706,310
13,000	State Street Corp.	854,750
6,000	T. Rowe Price Group Inc.	431,580
48,000	The Bank of New York Mellon Corp.	1,449,120
24,000	The PNC Financial Services Group Inc.	1,738,800
2,000	W. R. Berkley Corp.	85,720
65,000	Wells Fargo & Co.(c)	2,685,800
325,000	Wright Investors Service Holdings Inc.	690,625
		17,637,621
Food and Beverage 4.5%		
8,000	Dr Pepper Snapple Group Inc.	358,560
2,000	General Mills Inc.	95,840
2,000	Hillshire Brands Co.	61,480
5,000	Kellogg Co.	293,650
5,000	Mondelēz International Inc., Cl. A	157,100
400,000	Parmalat SpA	1,339,863
1,020	Pernod Ricard SA	126,662
1,500	Post Holdings Inc.	60,555
60,000	The Coca-Cola Co.(c)	2,272,800
		4,766,510
Health Care 11.9%		
18,000	Becton, Dickinson and Co.	1,800,360
3,500	Covidien plc	213,290
35,000	Eli Lilly & Co.	1,761,550
866,218	Elite Pharmaceuticals Inc.	107,324
20,000	Johnson & Johnson	1,733,800
25,000	Life Technologies Corp.	1,870,750
9,000	Merck & Co. Inc.	428,490
70,000	Pfizer Inc.	2,009,700
27,000	Roche Holding AG, ADR	1,823,310
10,000	UnitedHealth Group Inc.	716,100
6,000	Zoetis Inc.	186,720

See accompanying notes to schedule of investments.

The Gabelli Convertible and Income Securities Fund Inc.

Schedule of Investments (Continued) September 30, 2013 (Unaudited)

<u>Shares</u>		<u>Market Value</u>
COMMON STOCKS (Continued)		
Hotels and Gaming 0.5%		
15,625	Ryman Hospitality Properties Inc.	\$ 539,219
Retail 3.0%		
37,000	CVS Caremark Corp.	2,099,750
5,000	Harris Teeter Supermarkets Inc.	245,950
4,000	Walgreen Co.	215,200
9,000	Wal-Mart Stores Inc.	665,640
		3,226,540
Specialty Chemicals 0.3%		
4,000	International Flavors & Fragrances Inc.	329,200
Telecommunications 3.2%		
11,000	BCE Inc.	469,700
5,000	Belgacom SA	132,918
2,700	Philippine Long Distance Telephone Co., ADR	183,168
2,400	Swisscom AG	1,153,359
20,000	Telekom Austria AG	167,699
27,000	Verizon Communications Inc.	1,259,820
		3,366,664
Transportation 0.8%		
18,500	GATX Corp.	879,120
Wireless Communications 0.1%		
7,000	Turkcell Iletisim Hizmetleri A/S, ADR	103,250
1,000	United States Cellular Corp.	45,530
		148,780
	TOTAL COMMON STOCKS	73,246,480
WARRANTS 0.0%		
Food and Beverage 0.0%		
1,300	Parmalat SpA, GDR, expire 12/31/15 (a)(d)	875
Principal Amount		
CORPORATE BONDS 0.0%		
Energy and Utilities 0.0%		
\$ 1,000,000	Texas Competitive Electric Holdings Co. LLC, Ser. B, 10.250%, 11/01/15	27,500

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U.S. GOVERNMENT OBLIGATIONS 16.7%		
17,735,000	U.S. Treasury Bills, 0.030% to 0.100% , 10/03/13 to 03/13/14	17,734,187
TOTAL INVESTMENTS 100.0%		
(Cost \$82,940,987)		\$ 106,324,442
		Market
		Value
Aggregate tax cost		\$ 83,528,795
Gross unrealized appreciation		\$ 24,558,774
Gross unrealized depreciation		(1,763,127)
Net unrealized appreciation/depreciation		\$ 22,795,647

Notional Amount	Termination Date	Unrealized Depreciation
EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS		
\$ 860,680	Rolls-Royce Holdings plc(e)	06/27/14 \$ (6,439)
(47,500 Shares)		

- (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, 2013, the market value of Rule 144A securities amounted to \$6,026,052 or 5.67% of total investments.
- (b) At September 30, 2013, the Fund held investments in restricted and illiquid securities amounting to \$20,304 or 0.02% of total investments, which were valued under methods approved by the Board of Directors as follows:

Acquisition Shares	Issuer	Acquisition Date	Acquisition Cost	09/30/13 Carrying Value Per Share
24	Elite Pharmaceuticals Inc., \$2.32 Cv. Pfd., Ser. C	04/25/07	\$ 21,952	\$ 846.0000
(c)	Securities, or a portion thereof, with a value of \$3,625,920 were deposited with the broker as collateral for the equity contract for difference swap agreements.			
(d)	Illiquid security.			
(e)	At September 30, 2013, the Fund had entered into an equity contract for difference swap agreement 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 September 30, 2013.			

See accompanying notes to schedule of investments.

The Gabelli Convertible and Income Securities Fund Inc.

Notes to Schedule of Investments (Unaudited)

The Fund's schedule of investments is 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 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 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.

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 Fund'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 and other financial instruments by inputs used to value the Fund's investments as of September 30, 2013 is as follows:

	Level 1 Quoted Prices	Valuation Inputs Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total Market Value at 9/30/13
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Convertible Corporate Bonds (a)		\$ 13,237,617		\$ 13,237,617
Convertible Preferred Stocks:				
Food and Beverage		827,240		827,240
Health Care		20,304		20,304
Other Industries (a)	\$ 1,230,239			1,230,239
Total Convertible Preferred Stocks	1,230,239	847,544		2,077,783
Common Stocks:				
Energy and Utilities	13,993,408		\$ 0	13,993,408
Other Industries (a)	59,253,072			59,253,072
Total Common Stocks	73,246,480		0	73,246,480
Warrants (a)			875	875
Corporate Bonds (a)		27,500		27,500
U.S. Government Obligations		17,734,187		17,734,187