

The Gabelli Convertible and Income Securities Fund Inc.

Annual Report — December 31, 2017

(Y)our Portfolio Management Team



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To Our Shareholders,

For the year ended December 31, 2017, the net asset value (“NAV”) total return of The Gabelli Convertible and Income Securities Fund Inc. was 14.6%, compared with a total return of 3.9% for the Bloomberg Barclays Government/Credit Bond Index. The total return for the Fund’s publicly traded shares was 37.5%. The Fund’s NAV per share was \$5.57, while the price of the publicly traded shares closed at \$5.90 on the New York Stock Exchange (“NYSE”). See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2017.

Comparative Results

Average Annual Returns through December 31, 2017 (a) (Unaudited)					Since Inception (07/03/89)
	1 Year	5 Year	10 Year	15 Year	
Gabelli Convertible and Income Securities Fund					
NAV Total Return (b)	14.59%	8.33%	5.21%	6.31%	6.83%
Investment Total Return (c)	37.53	11.02	6.31	6.51	6.39(d)
Standard & Poor’s (“S&P”) 500 Index	21.83	15.79	8.50	9.92	10.10(e)
Bloomberg Barclays Government/Credit Bond Index	3.91	2.12	4.04	4.16	N/A(f)
Lipper Convertible Securities Fund Average	12.12	8.73	5.93	7.78	8.16(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 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 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 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.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2017:

The Gabelli Convertible and Income Securities Fund Inc.

Financial Services	15.2%	Cable and Satellite	1.7%
Health Care	14.2%	Wireless Communications	1.5%
U.S. Government Obligations	9.5%	Entertainment	1.3%
Computer Software and Services	9.3%	Business Services	1.3%
Energy and Utilities	6.7%	Metals and Mining	1.1%
Semiconductors	6.0%	Food and Beverage	1.0%
Real Estate Investment Trusts	3.4%	Hotels and Gaming	1.0%
Diversified Industrial	3.3%	Retail	0.7%
Electronics	3.3%	Broadcasting	0.6%
Communications Equipment	3.1%	Automotive: Parts and Accessories	0.5%
Aerospace	3.1%	Computer Hardware	0.4%
Consumer Services	2.8%	Equipment and Supplies	0.3%
Telecommunications	2.4%	Specialty Chemicals	0.1%
Building and Construction	2.4%		<u>100.0%</u>
Consumer Products	1.9%		
Transportation	1.9%		

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, 2017

Principal Amount		Cost	Market Value	Principal Amount		Cost	Market Value
	Convertible Corporate Bonds — 51.3%						
\$ 1,500,000	Aerospace — 3.1%			\$ 1,000,000	PROS Holdings Inc.,		
	Aerojet Rocketdyne Holdings Inc.,			907,000	2.000%, 06/01/47(a)	\$ 888,548	\$ 910,000
	2.250%, 12/15/23	\$ 1,540,321	\$ 2,072,813		RealPage Inc.,		
1,013,000	Kaman Corp.,				1.500%, 11/15/22(a)	931,884	1,126,947
	3.250%, 05/01/24(a)	1,020,845	1,131,394			6,939,604	8,645,269
		2,561,166	3,204,207		Consumer Products — 0.6%		
	Broadcasting — 0.6%			600,000	GoPro Inc.,		
588,000	Liberty Media Corp.-Liberty Formula One,				3.500%, 04/15/22(a)	600,000	584,625
	1.000%, 01/30/23(a)	617,310	659,295		Consumer Services — 2.8%		
	Building and Construction — 0.8%			1,000,000	Carriage Services Inc.,		
200,000	Ascent Capital Group Inc.,				2.750%, 03/15/21	1,082,065	1,250,625
	4.000%, 07/15/20	191,612	158,875	1,500,000	Extra Space Storage LP,		
725,000	Layne Christensen Co.,				3.125%, 10/01/35(a)	1,597,072	1,683,750
	4.250%, 11/15/18	722,107	708,234			2,679,137	2,934,375
		913,719	867,109		Diversified Industrial — 1.8%		
	Business Services — 1.3%			600,000	Chart Industries Inc.,		
315,000	Bristow Group Inc.,				1.000%, 11/15/24(a)	602,447	630,375
	4.500%, 06/01/23	325,060	348,272	356,000	Team Inc.,		
594,000	Square Inc.,				5.000%, 08/01/23(a)	347,862	361,563
	0.375%, 03/01/22(a)	601,339	971,561	500,000	TimkenSteel Corp.,		
		926,399	1,319,833		6.000%, 06/01/21	508,129	750,000
	Cable and Satellite — 1.7%			100,000	Trinity Industries Inc., Sub.		
1,600,000	DISH Network Corp.,				Deb.,		
	3.375%, 08/15/26	1,644,682	1,745,000		3.875%, 06/01/36	74,887	157,937
	Communications Equipment — 3.1%					1,533,325	1,899,875
1,500,000	InterDigital, Inc.,				Electronics — 3.3%		
	1.500%, 03/01/20	1,453,191	1,792,500	800,000	Intel Corp., Sub. Deb.,		
1,294,000	Lumentum Holdings Inc.,				3.250%, 08/01/39	1,127,863	1,778,504
	0.250%, 03/15/24(a)	1,291,787	1,441,193	1,500,000	Knowles Corp.,		
		2,744,978	3,233,693		3.250%, 11/01/21	1,574,972	1,670,625
	Computer Software and Services — 8.4%					2,702,835	3,449,129
1,500,000	CSG Systems International Inc.,				Energy and Utilities — 3.3%		
	4.250%, 03/15/36	1,527,149	1,638,750	1,016,000	Newpark Resources Inc.,		
584,000	Ctrip.com International Ltd.,				4.000%, 12/01/21(a)	1,091,284	1,212,215
	1.250%, 09/15/22	576,081	597,870	2,500,000	SunPower Corp.,		
593,000	HubSpot Inc.,				4.000%, 01/15/23	2,196,396	2,139,063
	0.250%, 06/01/22(a)	593,616	683,803			3,287,680	3,351,278
216,000	IAC FinanceCo. Inc.,				Entertainment — 1.3%		
	0.875%, 10/01/22(a)	222,967	228,690	1,000,000	World Wrestling Entertainment Inc.,		
600,000	MercadoLibre Inc.,				3.375%, 12/15/23(a)	1,034,934	1,382,500
	2.250%, 07/01/19	619,886	1,504,125		Financial Services — 2.1%		
565,000	Nice Systems Inc.,			500,000	Blackhawk Network Holdings Inc.,		
	1.250%, 01/15/24(a)	589,414	698,834		1.500%, 01/15/22	506,982	510,313
1,000,000	Proofpoint Inc.,			988,000	Encore Capital Group Inc.,		
	0.750%, 06/15/20	990,059	1,256,250		3.250%, 03/15/22(a)	960,479	1,105,943

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.
Schedule of Investments (Continued) — December 31, 2017

Principal Amount		Cost	Market Value	Principal Amount		Cost	Market Value
	CONVERTIBLE CORPORATE BONDS (Continued)			\$ 1,500,000	Atlas Air Worldwide Holdings Inc.,		
\$ 344,000	Financial Services (Continued)				2.250%, 06/01/22	\$ 1,486,473	\$ 1,727,813
	LendingTree Inc.,					<u>1,573,473</u>	<u>1,817,858</u>
	0.625%, 06/01/22(a)	\$ 350,398	\$ 593,830				
		<u>1,817,859</u>	<u>2,210,086</u>				
	Health Care — 8.2%				TOTAL CONVERTIBLE CORPORATE BONDS	45,279,473	53,130,967
500,000	Bayer Capital Corp.BV,						
	5.625%, 11/22/19(a)	546,455	675,699				
1,083,000	Intercept Pharmaceuticals Inc.,			Shares	CONVERTIBLE PREFERRED STOCKS — 1.8%		
	3.250%, 07/01/23	1,099,200	866,400		Real Estate Investment Trusts — 1.2%		
500,000	Invacare Corp.,			20,000	Welltower Inc.,		
	4.500%, 06/01/22(a)	504,306	628,750		6.500%, Ser. I	1,193,400	1,197,400
1,000,000	Molina Healthcare Inc.,			12,000	Telecommunications — 0.6%		
	1.625%, 08/15/44	1,039,492	1,375,625		Cincinnati Bell Inc.,		
608,000	Neurocrine Biosciences Inc.,				6.750%, Ser. B	288,687	612,000
	2.250%, 05/15/24(a)	631,779	777,860	100	Iridium Communications Inc.,		
750,000	NuVasive Inc.,				7.000%	8,902	12,781
	2.250%, 03/15/21	764,364	883,125			<u>297,589</u>	<u>624,781</u>
1,000,000	Pacira Pharmaceuticals Inc.,				TOTAL CONVERTIBLE PREFERRED STOCKS	1,490,989	1,822,181
	2.375%, 04/01/22(a)	1,039,796	1,050,000				
600,000	Teladoc Inc.,				MANDATORY CONVERTIBLE SECURITIES (b) — 12.6%		
	3.000%, 12/15/22(a)	615,276	677,625		Building and Construction — 1.3%		
1,000,000	Teligent Inc.,			10,638	Stanley Black & Decker Inc.,		
	3.750%, 12/15/19	956,165	878,125		5.375%, 05/15/20	1,113,788	1,305,815
1,000,000	Vitamin Shoppe Inc.,				Computer Software and Services — 0.6%		
	2.250%, 12/01/20	989,844	640,000		MTS Systems Corp.,		
		<u>8,186,677</u>	<u>8,453,209</u>		8.750%, 07/01/19	507,605	598,600
	Metals and Mining — 1.1%				Diversified Industrial — 1.1%		
1,000,000	RTI International Metals Inc.,			5,000	Rexnord Corp.,		
	1.625%, 10/15/19	969,820	1,146,250		5.750%, Ser. A, 11/15/19	1,020,300	1,173,237
	Semiconductors — 6.0%				Energy and Utilities — 2.1%		
500,000	Advanced Micro Devices Inc.,			300	El Paso Energy Capital Trust I,		
	2.125%, 09/01/26	514,332	752,187		4.750%, 03/31/28	11,460	14,443
1,000,000	Cypress Semiconductor Corp.,			20,100	Hess Corp.,		
	4.500%, 01/15/22	1,053,018	1,315,000		8.000%, 02/01/19	1,166,334	1,196,264
1,000,000	Inphi Corp.,			16,000	NextEra Energy Inc.,		
	1.125%, 12/01/20	1,100,084	1,163,125		6.123%, 09/01/19	915,114	899,200
1,000,000	Micron Technology Inc.,					<u>2,092,908</u>	<u>2,109,907</u>
	3.000%, 11/15/43	719,111	1,446,875		Financial Services — 2.8%		
94,000	Silicon Laboratories Inc.,			15,000	Alibaba - Mandatory Exchange Trust,		
	1.375%, 03/01/22(a)	94,000	108,629		5.750%, 06/03/19(a)	1,500,000	2,923,275
1,000,000	Teradyne Inc.,						
	1.250%, 12/15/23	1,065,330	1,441,560				
		<u>4,545,875</u>	<u>6,227,376</u>				
	Transportation — 1.8%						
87,000	Air Transport Services Group Inc.,						
	1.125%, 10/15/24(a)	87,000	90,045				

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.
Schedule of Investments (Continued) — December 31, 2017

Shares	Cost	Market Value	Shares	Cost	Market Value
MANDATORY CONVERTIBLE SECURITIES (b) (Continued)			Equipment and Supplies — 0.3%		
Health Care — 2.3%			Mueller Industries Inc. \$ 219,131 \$ 283,440		
1,250	Allergan plc, 5.500%, Ser. A, 03/01/18	\$ 1,136,067 \$ 732,813	8,000		
22,646	Becton Dickinson and Co., 6.125%, 05/01/20	1,199,932 1,311,203	4,800	American Express Co.	424,180 476,688
1,000	Teva Pharmaceutical Industries Ltd., 7.000%, 12/15/18	899,052 354,820	7,000	American International Group Inc.	301,746 417,060
		<u>3,235,051</u> <u>2,398,836</u>	5,000	Bank of America Corp.	133,704 147,600
Real Estate Investment Trusts — 2.2%			10,000	Citigroup Inc.	551,600 744,100
15,000	American Tower Corp., 5.500%, 02/15/18	1,522,914 1,886,250	6,000	JPMorgan Chase & Co.	232,651 641,640
327	Crown Castle International Corp., 6.875%, Ser. A, 08/01/20	338,700 369,731	8,000	Julius Baer Group Ltd.	235,030 489,302
		<u>1,861,614</u> <u>2,255,981</u>	16,000	Kinnevik AB, Cl. A	418,589 558,033
Telecommunications — 0.2%			5,000	Morgan Stanley	156,260 262,350
20,845	Frontier Communications Corp., 11.125%, Ser. A, 06/29/18 ...	1,489,305 225,543	13,000	State Street Corp.	601,481 1,268,930
TOTAL MANDATORY CONVERTIBLE SECURITIES..			26,000	The Bank of New York Mellon Corp.	703,379 1,400,360
		<u>12,820,571</u> <u>12,991,194</u>	17,000	The PNC Financial Services Group Inc.	955,082 2,452,930
COMMON STOCKS — 24.8%			29,000	Wells Fargo & Co.	917,631 1,759,430
Automotive: Parts and Accessories — 0.5%			126,125	Wright Investors' Service Holdings Inc.†	315,313 65,585
5,000	Genuine Parts Co.	288,877 475,050			<u>5,946,646</u> <u>10,684,008</u>
Building and Construction — 0.3%			Food and Beverage — 1.0%		
5,500	Herc Holdings Inc.†	179,478 344,355	100,000	Parmalat SpA	279,857 371,952
Computer Hardware — 0.4%			2,020	Pernod Ricard SA	170,831 319,806
3,000	International Business Machines Corp.	259,712 460,260	2,500	Remy Cointreau SA	193,594 346,455
Computer Software and Services — 0.3%					<u>644,282</u> <u>1,038,213</u>
5,000	BroadSoft Inc.†	273,825 274,500	Health Care — 3.7%		
Consumer Products — 1.3%			8,000	Bristol-Myers Squibb Co.	495,229 490,240
35,000	Swedish Match AB	695,784 1,378,991	6,000	Eli Lilly & Co.	258,105 506,760
Diversified Industrial — 0.4%			1,000,000	Elite Pharmaceuticals Inc.†	115,596 91,960
24,000	General Electric Co.	397,029 418,800	8,000	Exactech Inc.†	334,385 395,600
Energy and Utilities — 1.3%			2,500	Johnson & Johnson	260,125 349,300
1,000	Chevron Corp.	57,120 125,190	7,200	Merck & Co. Inc.	239,531 405,144
1,500	Exxon Mobil Corp.	88,688 125,460	5,000	Pfizer Inc.	156,748 181,100
4,500	Royal Dutch Shell plc, Cl. A, ADR	281,312 300,195	44,000	Roche Holding AG, ADR	987,079 1,389,520
28,000	Severn Trent plc.	747,482 817,325			<u>2,846,798</u> <u>3,809,624</u>
1,000,000	Texas Competitive Electric Holdings Co. LLC, Escrow†(c)	0 0	Hotels and Gaming — 1.0%		
		<u>1,174,602</u> <u>1,368,170</u>	14,800	Ryman Hospitality Properties Inc.	588,777 1,021,496
			Retail — 0.7%		
			1,000	Costco Wholesale Corp.	42,698 186,120
			6,800	CVS Health Corp.	640,805 493,000
					<u>683,503</u> <u>679,120</u>
			Specialty Chemicals — 0.1%		
			400	International Flavors & Fragrances Inc.	44,039 61,044
			Telecommunications — 1.6%		
			1,600	Swisscom AG	594,885 851,352

See accompanying notes to financial statements.

**The Gabelli Convertible and Income Securities Fund Inc.
Schedule of Investments (Continued) — December 31, 2017**

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>	<u>Principal Amount</u>		<u>Cost</u>	<u>Market Value</u>
	COMMON STOCKS (Continued)				U.S. GOVERNMENT OBLIGATIONS — 9.5%		
	Telecommunications (Continued)			\$ 9,903,000	U.S. Treasury Bills,		
16,000	Verizon Communications Inc....	\$ 675,634	\$ 846,880		1.057% to 1.542%††,		
		<u>1,270,519</u>	<u>1,698,232</u>		01/11/18 to 06/28/18	\$ 9,865,840	\$ 9,865,723
	Transportation — 0.1%			TOTAL INVESTMENTS — 100.0%		<u>\$ 86,105,956</u>	103,457,570
1,000	GATX Corp.	33,964	62,160	Other Assets and Liabilities (Net)			(12,425)
	Wireless Communications — 1.5%			PREFERRED STOCK			
22,566	T-Mobile US Inc.†	953,116	1,433,167	(965,548 preferred shares outstanding)			<u>(24,138,700)</u>
4,000	Turkcell Iletisim Hizmetleri A/S,			NET ASSETS — COMMON STOCK			
	ADR	43,760	40,800	(14,228,119 common shares outstanding)		\$ 79,306,445	
2,500	United States Cellular Corp.† ...	98,444	94,075	NET ASSET VALUE PER COMMON SHARE			
		<u>1,095,320</u>	<u>1,568,042</u>	(\$79,306,445 ÷ 14,228,119 shares outstanding)		\$	<u>5.57</u>
	TOTAL COMMON STOCKS	<u>16,642,286</u>	<u>25,625,505</u>				
	RIGHTS — 0.0%			(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, 2017, the market value of Rule 144A securities amounted to \$22,338,401 or 21.59% of total investments.			
	Retail — 0.0%			(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.			
40,000	Safeway Casa Ley, CVR†	6,797	21,400	(c) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.			
40,000	Safeway PDC, CVR†	0	600	† Non-income producing security.			
	TOTAL RIGHTS	<u>6,797</u>	<u>22,000</u>	†† Represents annualized yield at date of purchase.			
				ADR American Depositary Receipt			
				CVR Contingent Value Right			

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.

Statement of Assets and Liabilities December 31, 2017

Assets:	
Investments, at value (cost \$86,105,956)	\$103,457,570
Cash	2,110
Deposit at brokers	50
Interest receivable	298,976
Dividends receivable	126,438
Deferred offering expense	12,880
Prepaid expenses	940
Total Assets	<u>103,898,964</u>
Liabilities:	
Distributions payable	20,116
Payable for investment advisory fees	308,865
Payable for payroll expenses	36,945
Payable for accounting fees	3,750
Payable for legal and audit fees	37,672
Payable for shareholder communications expenses	31,247
Other accrued expenses	15,224
Total Liabilities	<u>453,819</u>
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	<u>\$ 79,306,445</u>
Net Assets Attributable to Common Shareholders Consist of:	
Paid-in capital	\$ 62,259,145
Accumulated distributions in excess of net investment income	(398,049)
Accumulated net realized gains on investments, securities sold short, and foreign currency transactions	94,877
Net unrealized appreciation on investments	17,351,614
Net unrealized depreciation on foreign currency translations	(1,142)
Net Assets	<u>\$ 79,306,445</u>
Net Asset Value per Common Share:	
(\$79,306,445 ÷ 14,228,119 shares outstanding at \$0.001 par value; 998,000,000 shares authorized)	<u>\$5.57</u>

Statement of Operations For the Year Ended December 31, 2017

Investment Income:	
Dividends (net of foreign withholding taxes of \$40,663)	\$ 1,594,132
Interest	1,154,297
Other Income*	147
Total Investment Income	<u>2,748,576</u>
Expenses:	
Investment advisory fees	1,022,071
Payroll expenses	82,580
Shareholder communications expenses	80,903
Directors' fees	71,758
Legal and audit fees	52,621
Shelf registration expense	51,440
Accounting fees	45,000
Shareholder services fees	43,604
Custodian fees	14,035
Interest expense	689
Miscellaneous expenses	69,666
Total Expenses	<u>1,534,367</u>
Less:	
Expenses paid indirectly by broker (See Note 3) ..	(621)
Net Expenses	<u>1,533,746</u>
Net Investment Income	<u>1,214,830</u>
Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, and Foreign Currency:	
Net realized gain on investments	7,202,164
Net realized gain on securities sold short	85,412
Net realized loss on foreign currency transactions	(119)
Net realized gain on investments, securities sold short, and foreign currency transactions	<u>7,287,457</u>
Net change in unrealized appreciation/depreciation: on investments	3,594,877
on foreign currency translations	<u>3,671</u>
Net change in unrealized appreciation/depreciation on investments and foreign currency translations ..	<u>3,598,548</u>
Net Realized and Unrealized Gain/(Loss) on Investments, Securities Sold Short, and Foreign Currency	
	<u>10,886,005</u>
Net Increase in Net Assets Resulting from Operations	<u>12,100,835</u>
Total Distributions to Preferred Stock Shareholders	(1,448,322)
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations	<u>\$10,652,513</u>

* The Fund received a reimbursement of custody expenses paid in prior years.

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.

Statement of Changes in Net Assets Attributable to Common Shareholders

	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
Operations:		
Net investment income.....	\$ 1,214,830	\$ 1,715,072
Net realized gain on investments, securities sold short, and foreign currency transactions	7,287,457	6,112,141
Net change in unrealized appreciation/depreciation on investments, securities sold short, and foreign currency translations	<u>3,598,548</u>	<u>(611,245)</u>
Net Increase in Net Assets Resulting from Operations.....	<u>12,100,835</u>	<u>7,215,968</u>
Distributions to Preferred Shareholders:		
Net investment income.....	(366,522)	(380,363)
Net realized gain	<u>(1,081,800)</u>	<u>(1,071,983)</u>
Total Distributions to Preferred Shareholders	<u>(1,448,322)</u>	<u>(1,452,346)</u>
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations.....	<u>10,652,513</u>	<u>5,763,622</u>
Distributions to Common Shareholders:		
Net investment income.....	(1,714,322)	(1,489,628)
Net realized gain	(5,052,737)	(4,198,244)
Return of capital	—	(84,722)
Total Distributions to Common Shareholders	<u>(6,767,059)</u>	<u>(5,772,594)</u>
Fund Share Transactions:		
Net increase in net assets from common shares issued upon reinvestment of distributions.....	<u>827,168</u>	—
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders	<u>4,712,622</u>	<u>(8,972)</u>
Net Assets Attributable to Common Shareholders:		
Beginning of year	<u>74,593,823</u>	<u>74,602,795</u>
End of year (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$79,306,445</u>	<u>\$74,593,823</u>

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.

Financial Highlights

Selected data for a common share outstanding throughout each year:

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Operating Performance:					
Net asset value, beginning of year	\$ 5.30	\$ 5.30	\$ 6.09	\$ 6.49	\$ 5.62
Net investment income	0.09	0.12	0.07	0.07	0.09
Net realized and unrealized gain/(loss) on investments, securities sold short, swap contracts, and foreign currency transactions	0.77	0.39	(0.28)	0.14	1.37
Total from investment operations	0.86	0.51	(0.21)	0.21	1.46
Distributions to Preferred Shareholders: (a)					
Net investment income	(0.03)	(0.03)	(0.01)	(0.03)	(0.03)
Net realized gain	(0.08)	(0.07)	(0.09)	(0.07)	(0.08)
Total distributions to preferred shareholders	(0.11)	(0.10)	(0.10)	(0.10)	(0.11)
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations					
	0.75	0.41	(0.31)	0.11	1.35
Distributions to Common Shareholders:					
Net investment income	(0.12)	(0.10)	(0.05)	(0.08)	(0.09)
Net realized gain	(0.36)	(0.30)	(0.32)	(0.19)	(0.31)
Return of capital	—	(0.01)	(0.11)	(0.24)	(0.08)
Total distributions to common shareholders	(0.48)	(0.41)	(0.48)	(0.51)	(0.48)
Fund Share Transactions:					
Decrease in net asset value from common share transactions	—	—	(0.00)(b)	(0.00)(b)	(0.00)(b)
Net Asset Value Attributable to Common Shareholders, End of Year	\$ 5.57	\$ 5.30	\$ 5.30	\$ 6.09	\$ 6.49
NAV total return †	14.59%	8.34%	(5.39)%	1.75%	24.83%
Market value, end of year	\$ 5.90	\$ 4.69	\$ 4.78	\$ 6.08	\$ 6.16
Investment total return ††	37.53%	6.97%	(14.18)%	7.07%	24.73%

See accompanying notes to financial statements.

The Gabelli Convertible and Income Securities Fund Inc.

Financial Highlights (Continued)

Selected data for a common share outstanding throughout each year:

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Ratios to Average net assets and Supplemental Data:					
Net assets including liquidation value of preferred shares, end of year (in 000's)	\$103,445	\$98,733	\$98,742	\$109,219	\$113,795
Net assets attributable to common shares, end of year (in 000's)	\$ 79,306	\$74,594	\$74,603	\$ 85,080	\$ 89,656
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions	1.56%	2.37%	1.19%	1.05%	1.43%
Ratio of operating expenses to average net assets attributable to common shares before fees waived	1.96%(c)	1.95%(c)(d)(e)	1.88%(c)(d)	1.90%	1.80%
Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any	1.96%(c)	1.95%(c)(d)(e)	1.59%(c)(d)	1.62%	1.80%
Ratio of operating expenses to average net assets including liquidation value of preferred shares before fees waived	1.50%(c)	1.46%(c)(d)(e)	1.46%(c)(d)	1.49%	1.40%
Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction, if any	1.50%(c)	1.46%(c)(d)(e)	1.23%(c)(d)	1.27%	1.40%
Portfolio turnover rate	27%	71%	24%	22%	35%
Cumulative Preferred Stock:					
6.000% Series B Preferred					
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 (f)	\$ 26.45	\$ 26.52	\$ 25.81	\$ 25.44	\$ 25.30
Asset coverage per share	\$ 107.14	\$102.26	\$102.26	\$ 113.12	\$ 117.85
Asset Coverage	429%	409%	409%	452%	471%

- † Based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend date.
- †† Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.
- (a) Calculated based on average common shares outstanding on the record dates throughout the years.
- (b) Amount represents less than \$0.005 per share.
- (c) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2017, 2016, and 2015, there was no impact on the expense ratios.
- (d) The Fund incurred dividend expenses on securities sold short. If this expense had not been incurred, the expense ratios for the year ended December 31, 2015 would have been 1.87% attributable to common shares before fees waived, 1.57% attributable to common shares net of advisory fee reduction, 1.44% including liquidation value of preferred shares before fees waived, and 1.22% including liquidation value of preferred shares net of advisory fee reduction. For the year ended December 31, 2016, the impact was minimal.
- (e) During the year ended December 31, 2016, the Fund received a one time reimbursement of custody expenses paid in prior years. Had such reimbursement been included in this period, the expenses ratios would have been 1.69% attributable to common shares before fees waived, 1.69% attributable to common shares net of advisory fee reduction, 1.26% including liquidation value of preferred shares before fees waived, and 1.26% including liquidation value of preferred shares net of advisory fee reduction.
- (f) Based on weekly prices.

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. At a special meeting of shareholders held on February 17, 1995, the Board of Directors (the “Board”) voted to approve the conversion of the Fund to closed-end status, effective March 31, 1995.

2. Significant Accounting Policies. 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 financial statements. 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 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.

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

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 by inputs used to value the Fund's investments as of December 31, 2017 is as follows:

	Valuation Inputs			Total Market Value at 12/31/17
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Convertible Corporate Bonds (a)	—	\$53,130,967	—	\$ 53,130,967
Convertible Preferred Stocks:				
Real Estate Investment Trusts	\$ 1,197,400	—	—	1,197,400
Telecommunications	612,000	12,781	—	624,781
Total Convertible Preferred Stocks	1,809,400	12,781	—	1,822,181
Mandatory Convertible Securities:				
Computer Software and Services	—	598,600	—	598,600
Diversified Industrial	—	1,173,237	—	1,173,237
Energy and Utilities	2,095,464	14,443	—	2,109,907
Financial Services	—	2,923,275	—	2,923,275
Real Estate Investment Trusts	1,886,250	369,731	—	2,255,981
Other Industries (a)	3,930,194	—	—	3,930,194
Total Mandatory Convertible Securities	7,911,908	5,079,286	—	12,991,194
Common Stocks:				
Energy and Utilities	1,368,170	—	\$ 0	1,368,170
Other Industries (a)	24,257,335	—	—	24,257,335
Total Common Stock	25,625,505	—	0	25,625,505
Rights (a)	—	22,000	—	22,000
U.S. Government Obligations	—	9,865,723	—	9,865,723
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$35,346,813	\$68,110,757	\$ 0	\$103,457,570

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

During the year ended December 31, 2017, the Fund had transfers from Level 1 to Level 2 of \$3,823,038 or 5.13% of net assets as of December 31, 2016. Transfers from Level 1 to Level 2 are due to decreases in market activity, e.g. frequency of trades, which resulted in a decrease in available market inputs to determine the prices. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

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

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 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.

Collateral requirements differ by type of derivative. Collateral requirements are set by the broker or exchange clearing house for exchange traded derivatives, while collateral terms are contract specific for derivatives traded over-the-counter. Securities pledged to cover obligations of the Fund under derivative contracts are noted in

The Gabelli Convertible and Income Securities Fund Inc.

Notes to Financial Statements (Continued)

the Schedule of Investments. Cash collateral, if any, pledged for the same purpose will be reported separately in the Statement of Assets and Liabilities.

The Fund's policy with respect to offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the master agreement does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the Fund and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

The Fund's derivative contracts held at December 31, 2017, 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.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be received or paid on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon receipt or payment of a periodic payment or termination of swap agreements. During the year ended December 31, 2017, the Fund held no investments in equity contract for difference swap agreements.

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 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

The Gabelli Convertible and Income Securities Fund Inc.

Notes to Financial Statements (Continued)

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 December 31, 2017, there were no short sales outstanding.

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.

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

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

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 December 31, 2017, the Fund did not hold restricted securities.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

Custodian Fee Credits. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as “Custodian fee credits.”

Distributions to Shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to adjustments on investments in convertible bonds. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2017, reclassifications were made to decrease accumulated distributions in excess of net investment income by \$651,208 and decrease accumulated net realized gains on investments and foreign currency transactions by \$599,769, with an offsetting adjustment to paid-in capital.

Distributions to shareholders of the Fund’s 6.000% Series B Cumulative Preferred Stock (“Series B Preferred”) are recorded on a daily basis.

The Fund declares and pays quarterly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. This may restrict the Fund’s ability to pass through to shareholders all of its net realized long term capital gains as a Capital Gain Dividend and may cause such gains to be treated as ordinary income, subject to the maximum federal income tax rate. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board will continue to monitor the Fund’s distribution level, taking into

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

consideration the Fund's NAV and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time.

The tax character of distributions paid during the years ended December 31, 2017 and 2016 was as follows:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Common	Preferred	Common	Preferred
Distributions paid from:				
Ordinary income (inclusive of short term capital gains)	\$2,040,846	\$ 436,793	\$1,489,628	\$ 380,363
Net long term capital gains.....	4,726,213	1,011,529	4,198,244	1,071,983
Return of capital.....	—	—	84,722	—
Total distributions paid	<u>\$6,767,059</u>	<u>\$1,448,322</u>	<u>\$5,772,594</u>	<u>\$1,452,346</u>

Provision for Income Taxes. 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 "Code"). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2017, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed ordinary income	\$ 256,116
Undistributed long term capital gains	353,913
Net unrealized appreciation on investments and foreign currency translations ...	<u>16,437,271</u>
Total.....	<u>\$17,047,300</u>

At December 31, 2017, the temporary differences between book basis and tax basis net unrealized appreciation on investments were primarily due to deferral of losses from wash sales for tax purposes, bond conversion premium adjustments, basis adjustments in partnerships and hybrid securities, and contingent payment debt instruments income accrual.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2017:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Investments	\$87,019,158	\$20,995,267	\$(4,556,855)	\$16,438,412

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. During the year ended December 31, 2017, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2017, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

The Gabelli Convertible and Income Securities Fund Inc.

Notes to Financial Statements (Continued)

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the “Advisory Agreement”) with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, equal on an annual basis to 1.00% of the value of the Fund’s average daily net assets including the liquidation value of preferred stock. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund’s portfolio and oversees the administration of all aspects of the Fund’s business and affairs.

The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Series B Preferred if the total return of the NAV of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate on the Series B Preferred for the year. The Fund’s total return on the NAV of the common shares is monitored on a monthly basis to assess whether the total return on the NAV of the common shares exceeds the stated dividend rate of the Series B Preferred for the period. For the year ended December 31, 2017, the Fund’s total return on the NAV of the common shares exceeded the stated dividend rate of the Series B Preferred. Thus, advisory fees with respect to the liquidation value of the Preferred assets were accrued on the Series B Preferred.

During the year ended December 31, 2017, the Fund paid \$6,965 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the year ended December 31, 2017, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$621.

The cost of calculating the Fund’s NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the year ended December 31, 2017, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund’s NAV.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser). During the year ended December 31, 2017, the Fund paid or accrued \$82,580 in payroll expenses in the Statement of Operations.

The Fund pays each Director who is not considered an affiliated person an annual retainer of \$3,000 plus \$750 for each Board meeting attended. Each Director is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended, the Audit Committee Chairman receives an annual fee of \$3,000, the Nominating Committee Chairman receives an annual fee of \$2,000, and the Lead Director receives an annual fee of \$1,000. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2017, other than short term securities and U.S. Government obligations, aggregated \$26,072,139 and \$37,561,785, respectively.

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

5. Capital. The charter permits the Fund to issue 998,000,000 shares of common stock (par value \$0.001). The Board has authorized the repurchase of up to 500,000 common shares on the open market when the shares are trading at a discount of 10% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the years ended December 31, 2017 and 2016, the Fund did not repurchase any shares of its common stock in the open market.

There were no transactions in common stock for the year ended December 31, 2016. For the year ended December 31, 2017 transactions in common stock were as follows:

	<u>Year Ended</u> <u>December 31, 2017</u>	
	<u>Shares</u>	<u>Amount</u>
Net increase from common shares issued upon reinvestment of distributions	148,619	\$827,168

The Fund's Articles of Incorporation authorize the issuance of up to 1,995,000 shares of \$0.001 par value Preferred Stock. The Preferred Stock is senior to the common stock and results in the financial leveraging of the common stock. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Preferred Stock are cumulative. The Fund is required by the 1940 Act and by the Fund's Articles Supplementary to meet certain asset coverage tests with respect to the Preferred Stock. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Series B Preferred at a redemption price of \$25.00 per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund's assets may vary in a manner unrelated to the fixed and variable rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

On March 18, 2003, the Fund received net proceeds of \$23,994,241 after underwriting discounts of \$787,500 and offering expenses of \$218,259 from the public offering of 1,000,000 shares of Series B Preferred. The Fund, at its option, may redeem the Series B Preferred in whole or in part at the redemption price at any time. The Board has authorized the repurchase on the open market at prices less than the \$25 liquidation value of the Series B Preferred. During the years ended December 31, 2017 and 2016, the Fund did not repurchase any shares of Series B Preferred. At December 31, 2017, 965,548 shares of Series B Preferred were outstanding and accrued dividends amounted to \$20,116.

The holders of Preferred Stock generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common stock as a single class. The holders of Preferred Stock voting together as a single class also have the right currently to elect two Directors and, under certain circumstances, are entitled to elect a majority of the Board. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred stock, voting as a single class, will be required to approve any plan of reorganization adversely affecting the preferred stock, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding preferred stock and a majority (as defined in the

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

1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

6. Convertible Securities Concentration. 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.

7. Indemnifications. The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

8. Subsequent Events. Management has evaluated the impact on the Fund of subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

The Gabelli Convertible and Income Securities Fund Inc. Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
The Gabelli Convertible and Income Securities Fund Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Convertible and Income Securities Fund Inc. (the “Fund”) as of December 31, 2017, the related statement of operations for the year ended December 31, 2017, the statement of changes in net assets attributable to common shareholders for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2017 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2017, the results of its operations for the year then ended, the changes in its net assets attributable to common shareholders for each of the two years in the period ended December 31, 2017 and the financial highlights for each of the five years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 27, 2018

We have served as the auditor of one or more investment companies in Gabelli/GAMCO Fund Complex since 1986.

The Gabelli Convertible and Income Securities Fund Inc. Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors. Information pertaining to the Directors and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Directors and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Convertible and Income Securities Fund Inc. at One Corporate Center, Rye, NY 10580-1422.

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director³</u>
INTERESTED DIRECTORS⁴:				
Mario J. Gabelli, CFA Chairman and Chief Investment Officer Age: 75	Since 1989**	32	Chairman, Chief Executive Officer, and Chief Investment Officer— Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer— Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/ Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
Thomas H. Dinsmore, CFA Director Age: 64	Since 2016**	1	Portfolio Manager for Gabelli Funds, LLC; Former Chairman and Chief Executive Officer of the Bancroft Fund Ltd. and the Ellsworth Growth and Income Fund Ltd. (1996-2015); Member of the Executive Committee of the Closed-End Fund Association	—
INDEPENDENT DIRECTORS⁵:				
E. Val Cerutti Director Age: 78	Since 1989*	7	Chief Executive Officer of Cerutti Consultants, Inc.	Director of The LGL Group, Inc. (diversified manufacturing) (1990-2009)
Anthony J. Colavita⁶ Director Age: 82	Since 1989***	28	President of the law firm of Anthony J. Colavita, P.C.	—
Vincent D. Enright Director Age: 74	Since 2016***	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corp. (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) (2008-2014); Director of The LGL Group, Inc. (diversified manufacturing) (2011-2014)
Leslie F. Foley Director Age: 49	Since 2017*	9	Attorney; Serves on the Boards of the Addison Gallery of American Art at Phillips Academy Andover, National Humanities Center, and Greenwich Country Day School; Vice President, Global Ethics & Compliance and Associate General Counsel for News Corporation (2008-2010)	—
Daniel D. Harding Director Age: 65	Since 2016**	3	Managing General Partner of the Global Equity Income Fund (private investment fund); Director of TRC (private asset management); General Partner of Latitude Capital Partners, LLC (private investment); Director of Legg Mason Investment Counsel, LLC and Chair of Investment Committee (2010-2012)	Director of Morristown Medical Center; Atlantic Health Systems; Ocean Reef Community Foundation; and Ocean Reef Medical Center Foundation

**The Gabelli Convertible and Income Securities Fund Inc.
Additional Fund Information (Continued) (Unaudited)**

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Director</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Director³</u>
Kuni Nakamura Director Age: 49	Since 2016*	33	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	—
Werner J. Roeder⁶ Director Age: 77	Since 2001*	23	Retired physician; Former Vice President of Medical Affairs (Medical Director) of New York Presbyterian/Lawrence Hospital (1999-2014)	—
Anthonie C. van Ekris Director Age: 83	Since 1992***	22	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)	—
Salvatore J. Zizza Director Age: 72	Since 1991***	30	President of Zizza & Associates Corp. (private holding company); Chairman of Harbor Diversified, Inc. (pharmaceuticals); Chairman of BAM (semiconductor and aerospace manufacturing); Chairman of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Vice Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals)

The Gabelli Convertible and Income Securities Fund Inc. Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President Age: 66	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008
John C. Ball Treasurer Age: 41	Since 2017	Treasurer of all the registered investment companies within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
Agnes Mullady Vice President Age: 59	Since 2006	Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
Andrea R. Mango Secretary and Vice President Age: 45	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013
Richard J. Walz Chief Compliance Officer Age: 58	Since 2013	Chief Compliance Officer of all of the registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013
Laurissa M. Martire Vice President and Ombudsman Age: 41	Since 2004	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President (since 2016) and Assistant Vice President (2003-2016) of GAMCO Investors, Inc.

¹ Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

² The Fund's Board of Directors is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:

* Term expires at the Fund's 2018 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

** Term expires at the Fund's 2019 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

*** Term expires at the Fund's 2020 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

For officers, includes time served in prior positions with the Fund. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

³ This column includes directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act, and other noteworthy directorships.

⁴ "Interested person" of the Fund, as defined in the 1940 Act. Messrs. Gabelli and Dinsmore are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC, which acts as the Fund's investment adviser.

⁵ Directors who are not interested persons are considered "Independent" Directors.

⁶ This Director is elected solely by and represents the stockholders of the preferred stock issued by this Fund.

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.
INCOME TAX INFORMATION (Unaudited)
December 31, 2017

Cash Dividends and Distributions

	Payable Date	Record Date	Ordinary Investment Income	Long Term Capital Gains	Total Amount Paid Per Share	Dividend Reinvestment Price
Common Shares						
	03/24/17	03/17/17	\$0.03620	\$0.08380	\$0.12000	\$4.97780
	06/23/17	06/16/17	0.03620	0.08380	0.12000	5.23950
	09/22/17	09/15/17	0.03620	0.08380	0.12000	5.57000
	12/15/17	12/08/17	0.03620	0.08380	0.12000	5.59000
			\$0.14480	\$0.33520	\$0.48000	
6.000% Series B Cumulative Preferred Stock						
	03/27/17	03/20/17	\$0.11310	\$0.26190	\$0.37500	
	06/26/17	06/19/17	0.11310	0.26190	0.37500	
	09/26/17	09/19/17	0.11310	0.26190	0.37500	
	12/26/17	12/18/17	0.11310	0.26190	0.37500	
			\$0.45240	\$1.04760	\$1.50000	

A Form 1099-DIV has been mailed to all shareholders of record for the distributions mentioned above, setting forth specific amounts to be included in the 2017 tax returns. Ordinary income distributions include net investment income and net realized short term capital gains, if any. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV. The long term gain distributions for the year ended December 31, 2017 were \$5,737,742 or the maximum allowable.

Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Government Securities Income

The Fund paid to common and 6.000% Series B Cumulative Preferred shareholders ordinary income dividends of \$0.1448 and \$0.4524 per share, respectively, in 2017. For the year ended December 31, 2017, 50.18% of the ordinary dividend qualified for the dividends received deduction available to corporations, 59.80% of the ordinary income distribution was qualified dividend income, 32.91% of the ordinary income distribution was qualified interest income, and 100% of ordinary income distribution was qualified short term capital gain. The percentage of ordinary income dividends paid by the Fund during 2017 derived from U.S. Treasury securities was 1.01%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2017. The percentage of U.S. Treasury securities held as of December 31, 2017 was 9.54%.

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.
INCOME TAX INFORMATION (Unaudited) (Continued)
December 31, 2017

Historical Distribution Summary

	Investment Income(a)	Short Term Capital Gains(a)	Long Term Capital Gains	Return of Capital(b)	Total Distributions	Adjustment to Cost Basis(c)
Common Shares						
2017	\$0.12160	\$0.02320	\$0.33520	—	\$0.48000	—
2016	0.10490	—	0.28430	\$0.02080	0.41000	\$0.02080
2015	0.05456	0.11576	0.19872	0.11096	0.48000	0.11096
2014	0.04693	0.04547	0.17693	0.24067	0.51000	0.24067
2013	0.09120	0.31320	—	0.07560	0.48000	0.07560
2012	0.05040	0.03880	—	0.39080	0.48000	0.39080
2011	0.04210	0.01850	—	0.41940	0.48000	0.41940
2010	0.05040	—	—	0.41960	0.47000	0.41960
2009	0.08543	—	—	0.33457	0.42000	0.33457
2008	0.11672	0.00460	0.00796	0.67072	0.80000	0.67072
6.000% Series B Cumulative Preferred Stock						
2017	\$0.37960	\$0.07280	\$1.04760	—	\$1.50000	—
2016	0.40400	—	1.09600	—	1.50000	—
2015	0.22180	0.47048	0.80772	—	1.50000	—
2014	0.26144	0.25316	0.98540	—	1.50000	—
2013	0.33800	1.16200	—	—	1.50000	—
2012	0.84560	0.65440	—	—	1.50000	—
2011	1.04200	0.45800	—	—	1.50000	—
2010	1.50000	—	—	—	1.50000	—
2009	1.50000	—	—	—	1.50000	—
2008	1.35400	0.05360	0.09240	—	1.50000	—

(a) Taxable as ordinary income for Federal tax purposes.

(b) Non-taxable.

(c) Decrease in cost basis.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

James A. Dinsmore, CFA, joined Gabelli Funds, LLC in 2015. He currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dinsmore received a BA in Economics from Cornell University and an MBA degree from Rutgers University.

Thomas H. Dinsmore, CFA, joined Gabelli Funds, LLC in 2015. He currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. From 1996 to 2015, Mr. Dinsmore was Chairman and CEO of Dinsmore Capital Management; CEO and Portfolio Manager of Bancroft Fund Ltd; and CEO, Portfolio Manager, and co-founder of Ellsworth Growth and Income Fund Ltd. He received a B.S. in Economics from the Wharton School of Business and an M.A. degree in Economics from Fairleigh Dickinson University.

Jane D. O’Keeffe joined Gabelli Funds, LLC in 2015. She currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. From 1996 to 2015, Ms. O’Keeffe was President and Director of Dinsmore Capital Management where she was also a Portfolio Manager of Bancroft Fund Ltd. and Ellsworth Growth and Income Fund Ltd. Prior to joining Dinsmore Capital Management, Ms. O’Keeffe held positions of increasing responsibilities at IDS Progressive Fund, Soros Fund Management Company, Simms Capital Management, and Fiduciary Trust International. She earned a BA from the University of New Hampshire and attended the Lubin Graduate School of Business at Pace University.

We have separated the portfolio managers’ commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers’ commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading “Convertible Securities Funds,” in Monday’s The Wall Street Journal. It is also listed in Barron’s Mutual Funds/Closed-End Funds section under the heading “Convertible Securities Funds.”

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

The NASDAQ symbol for the Net Asset Value is “XGCVX.”

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund’s shares are trading at a discount of 10% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.

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DIRECTORS

Mario J. Gabelli, CFA
Chairman and
Chief Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group, Inc.

E. Val Cerutti
Chief Executive Officer,
Cerutti Consultants, Inc.

Anthony J. Colavita
President,
Anthony J. Colavita, P.C.

Thomas H. Dinsmore, CFA
Portfolio Manager,
Gabelli Funds LLC

Vincent D. Enright
Former Senior Vice President
and Chief Financial Officer,
KeySpan Corp.

Leslie F. Foley
Attorney

Daniel D. Harding, CFA
Managing General Director,
Global Equity Income Fund

Kuni Nakamura
President,
Advanced Polymer, Inc.

Werner J. Roeder, MD
Former Medical Director,
Lawrence Hospital

Anthonie C. van Ekris
Chairman,
BALMAC International, Inc.

Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

OFFICERS

Bruce N. Alpert
President

John C. Ball
Treasurer

Agnes Mullady
Vice President

Andrea R. Mango
Secretary & Vice President

Richard J. Walz
Chief Compliance Officer

Laurissa M. Martire
Vice President & Ombudsman

INVESTMENT ADVISER

Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

CUSTODIAN

State Street Bank and Trust
Company

COUNSEL

Skadden, Arps, Slate, Meagher &
Flom LLP

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.



GABELLI
FUNDS

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.

GCV

Annual Report
December 31, 2017