

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

TCW CONVERTIBLE SECURITIES FUND INC  
Form N-CSR  
August 20, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-4980

TCW CONVERTIBLE SECURITIES FUND, INC.  
(Exact name of registrant as specified in charter)

865 SOUTH FIGUEROA STREET, SUITE 1800, LOS ANGELES, CA 90017  
(Address of principal executive offices)

PHILIP K. HOLL, ESQ.  
SECRETARY  
865 SOUTH FIGUEROA STREET, SUITE 1800  
LOS ANGELES, CA 90017  
(Name and address of agent for service)

Registrant's telephone number, including area code: (213) 244-0000

Date of fiscal year end: December 31

Date of reporting period: June 30, 2003

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. Section 3507.

[TCW LOGO]-Registered Trademark-  
TCW CONVERTIBLE  
SECURITIES FUND, INC.

-----  
DIRECTORS AND OFFICERS  
Ernest O. Ellison  
CHAIRMAN

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

Samuel P. Bell  
DIRECTOR  
Richard W. Call  
DIRECTOR  
Matthew K. Fong  
DIRECTOR  
John A. Gavin  
DIRECTOR  
Patrick C. Haden  
DIRECTOR  
Charles A. Parker  
DIRECTOR  
Robert G. Sims  
DIRECTOR

Alvin R. Albe, Jr.  
PRESIDENT AND CHIEF  
EXECUTIVE OFFICER  
Thomas D. Lyon  
SENIOR VICE PRESIDENT  
Thomas E. Larkin, Jr.  
SENIOR VICE PRESIDENT  
Hilary G.D. Lord  
SENIOR VICE PRESIDENT  
AND ASSISTANT SECRETARY  
Philip K. Holl  
SECRETARY AND  
ASSOCIATE GENERAL COUNSEL  
Michael E. Cahill  
GENERAL COUNSEL AND  
ASSISTANT SECRETARY  
David S. DeVito  
TREASURER AND CHIEF  
FINANCIAL OFFICER  
George N. Winn  
ASSISTANT TREASURER

---

SHAREHOLDER INFORMATION  
INVESTMENT ADVISER  
TCW Investment Management Company  
865 South Figueroa Street  
Los Angeles, California 90017

---

TRANSFER AGENT, DIVIDEND REINVESTMENT  
AND DISBURSING AGENT AND REGISTRAR  
The Bank of New York  
Church Street Station  
P.O. Box #11002  
New York, New York 10277-0770

---

CUSTODIAN  
Investors Bank & Trust Company  
200 Clarendon Street  
Boston, Massachusetts 02116

---

INDEPENDENT AUDITORS  
Deloitte & Touche LLP  
350 South Grand Avenue  
Los Angeles, California 90071

---

LEGAL COUNSEL

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

Dechert  
1775 Eye Street N.W.  
Washington DC, 20006

-----  
TCW Convertible  
Securities Fund, Inc.  
-----  
-----

SEMI-ANNUAL REPORT

June 30, 2003

[TCW LOGO]-Registered Trademark-

-----  
[TCW LOGO]  
TCW CONVERTIBLE SECURITIES FUND, INC.  
The President's Letter  
-----

DEAR SHAREHOLDER:

Early in the second quarter we saw a quick resolution of the war in Iraq, a pacification of the crisis with North Korea, a drop in energy prices and President Bush lay the groundwork for higher than expected tax relief for equity investors. These factors resulted in the stock market having the best quarter since the fourth quarter of 1998. During this second quarter, the Fund outpaced the CSFB benchmark by more than 100 basis points ("bps") largely due to the Fund's investments in the Pharmaceutical, Media and Financial Services industries.

PERFORMANCE OF THE FUND'S SHARES

For the six months ended June 30, 2003, the TCW Convertible Securities Fund, Inc., (the "Fund") return on Net Asset Value (NAV) was 13.2%. The Fund's shareholders realized a return of 17.4% from an increase in the market price of the Fund from \$4.16 on December 31, 2002, to \$4.74 on June 30, 2003 (with dividends reinvested). The total distribution for the period was \$0.14. The Fund's market price per share on June 30, 2003 represents a discount of 6.88% to the Fund's NAV of \$5.09.

FUND STRATEGY AND OUTLOOK

For the second quarter of 2003 the Fund's NAV return was 12.0% (1.1% for the first quarter) outpacing the CSFB benchmark, which returned 10.6%, by more than 100 bps. Performance was largely due to investments in the Pharmaceutical, Media and Financial Services industries. The economic news was mixed in the second quarter. The economy experienced, on one hand, higher jobless claims, lower mortgage rates, an ISM manufacturing index hovering just below 50 (contracting) and weaker overall retail sales, but it also showed very positive indications for ISM non-manufacturing and higher auto sales. Economic data has started to show more material improvements in the late second and early third quarters.

The Federal Reserve Board (the "Fed") cut the Federal Funds rate an additional 25 basis points--making this the twelfth cut in the last two and a half years--and they still maintain an easing bias, making it clear to the investment community that the Fed is determined to create an interest rate environment which fosters economic growth. Clearly they are becoming more aggressive with their approach to monetary policy by discussing "non-conventional" ways to stimulate the economy. The President's fiscal package was better than the market anticipated, providing greater growth forecasts for

## Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

third quarter of 2003. The past quarter saw a strong rally in the bond market, which started to fizzle late in the quarter. The 10-year Treasury made a 45-year low, giving the mortgage market another shot in the arm from an already elevated level. Mortgage refinancing has reached record highs and could result in potential cash-outs of over \$100 billion in 2003 to homeowners. Spreads on investment grade corporate bonds have tightened by 40 basis points, signaling an improved economic recovery scenario. The strength of the equity markets has added over \$2 trillion of wealth to the economy since the middle of March. With interest rates at 40-year lows combined with a cut in the capital gains rate to 15%, it appears money is moving from low yielding fixed

1

-----  
[TCW LOGO]

TCW CONVERTIBLE SECURITIES FUND, INC.  
The President's Letter (continued)  
-----

income securities to equities, especially with improved prospects for taxation on dividend and capital gains.

Convertible new issuance in the second quarter surpassed even the most optimistic expectations. 113 new deals with proceeds totaling \$54.3 billion were priced during the quarter. The onslaught of deals was accompanied with "irrationally exuberant" pricing for a majority of the deals, though that has been correcting rapidly for the last month. The new issues priced approximately 2% cheap in June, up from 0.4% rich in May.

NORMAN BARKER, JR.

During the first half of 2003, one of the Fund's directors, Norman Barker, Jr., announced his retirement from the board. Norm has served the Fund and its shareholders since the Fund's inception in 1987. On behalf of the Fund and its shareholders, we thank him for his exemplary service and wish him well in his future endeavors.

### DIVIDEND REINVESTMENT PLAN

Shareholders who wish to add to their investment may do so through the Dividend Reinvestment Plan (the "Plan"). Under the Plan, your dividend is used to purchase shares on the open market whenever shares and the related sales commission are selling below the Fund's Net Asset Value per share. If the market price, including commission, is selling above the Net Asset Value, you will receive shares at a price equal to the higher of the Net Asset Value per share on the payment date or 95% of the closing market price on the payment date.

To enroll in the Plan, if your shares are registered in your name, write to The Bank of New York, Church Street Station, P.O. Box #11002, New York, New York 10277-0770 or call their toll free number (800) 524-4458. If your shares are held by a brokerage firm, please call your broker. If, however, you need assistance, please call our investor relations department at (877) TCW-MKTS (829-6587). As always, we would be pleased to accommodate your investment needs.

Sincerely,

/s/ Ernest O. Ellison  
Ernest O. Ellison  
Chairman

/s/ Alvin R. Albe Jr.  
Alvin R. Albe Jr.  
President & Chief  
Executive Officer

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

-----  
 [TCW LOGO]  
 TCW CONVERTIBLE SECURITIES FUND, INC.  
 Schedule of Investments (Unaudited)  
 June 30, 2003  
 -----

Principal Amount -----		Market Value -----
	FIXED INCOME SECURITIES	
	BANKING & FINANCIAL SERVICES (4.9% OF NET ASSETS)	
\$ 3,310,000	Bear Stearns Co., Inc., Exchangeable Fifth Third Bancorp, 0.25%, due 05/12/10.....	\$ 3,607,238
6,165,000	E*TRADE Group, Inc., 6.75%, due 05/15/08.....	6,577,254
2,620,000	Silicon Valley Bancshares, (144A), 0%, due 06/15/08.....	2,454,626*
	Total Banking & Financial Services.....	12,639,118
	BEVERAGES, FOOD & TOBACCO (0.9%)	
3,300,000	General Mills, Inc., (144A), 0%, due 10/28/22.....	2,355,375*
	COMMERCIAL SERVICES (2.8%)	
2,650,000	Ikon Office Solutions, (144A), 5%, due 05/01/07.....	2,650,000*
4,445,000	Quest Diagnostics, Inc., 1.75%, due 11/30/21.....	4,589,462
	Total Commercial Services.....	7,239,462
	COMMUNICATIONS (3.2%)	
3,115,000	Converse Technology, Inc., (144A), 0%, due 05/15/23.....	3,348,625*
4,565,000	EchoStar Communications Corp., 5.75%, due 05/15/08.....	4,856,019+
	Total Communications.....	8,204,644
	COMPUTER SERVICES (4.0%)	
4,235,000	Micron Technology, Inc., (144A), 2.5%, due 02/01/10.....	5,103,175*+
4,915,000	Morgan Stanley Dean Witter & Co., Exchangeable Cisco Systems, Inc., 0.25%, due 05/15/10.....	5,182,253
	Total Computer Services.....	10,285,428
Principal Amount -----		Market Value -----
	COMPUTER SOFTWARE (5.5%)	
\$ 5,185,000	Affiliated Computer Services, Inc., 3.5%,	

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

	due 02/15/06.....	\$ 6,131,262+
4,905,000	First Data Corp., 2%, due 03/01/08.....	5,493,600
4,145,000	International Game Technology, (144A), 0%, due 01/29/33.....	2,683,887*
	Total Computer Software.....	14,308,749
	ELECTRONICS (4.6%)	
6,135,000	ASM Lithography Holding N.V., (144A), 5.75%, due 10/15/06.....	6,242,362*
2,290,000	Lattice Semiconductor Corp., (144A), 0%, due 07/01/10.....	2,215,575*+
3,665,000	PMC-Sierra, Inc., (144A), 3.75%, due 08/15/06.....	3,435,937*
	Total Electronics.....	11,893,874
	ENTERTAINMENT & LEISURE (2.1%)	
5,385,000	Morgan Stanley Dean Witter & Co., Exchangeable The Walt Disney Co., 0.25%, due 12/30/08.....	5,518,952
	HEALTHCARE (2.0%)	
8,830,000	Universal Health Services, Inc., 0.426%, due 06/23/20.....	5,231,775+
	HEAVY MACHINERY (0.3%)	
735,000	Briggs & Stratton Corp., 5%, due 05/15/06.....	847,087
	INDUSTRIAL-DIVERSIFIED (4.3%)	
3,565,000	Tyco International Group SA, (144A), 2.75%, due 01/15/18.....	3,859,112*
6,560,000	Tyco International Group SA, (144A), 3.125%, due 01/15/23.....	7,232,400*+
	Total Industrial--Diversified.....	11,091,512
	INSURANCE (1.2%)	
3,300,000	Swiss RE America Holding, (144A), 3.25%, due 11/21/21.....	3,097,875*
	MEDIA-BROADCASTING & PUBLISHING (1.6%)	
5,535,000	Liberty Media Corp., 3.5%, due 01/15/31.....	4,192,762

+ Security partially or fully lent (Note 3).

\* Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2003, the value of these securities amounted to \$70,519,394 or 27.2% of net assets. SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

-----  
 [TCW LOGO]  
 TCW CONVERTIBLE SECURITIES FUND, INC.  
 Schedule of Investments (Unaudited) (continued)  
 June 30, 2003  
 -----

Principal

Market

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

Amount		Value
-----		-----
	MEDICAL SUPPLIES (2.9%)	
\$ 7,000,000	Alza Corp., Exchangeable Johnson & Johnson, Inc., 0%, due 07/28/20.....	\$ 5,013,750
2,460,000	Medtronic, Inc., 1.25%, due 09/15/21.....	2,564,550
	Total Medical Supplies.....	7,578,300
	OIL & GAS (3.0%)	
2,580,000	McMoRan Exploration Co., (144A), 6%, due 07/02/08.....	2,580,000*
4,680,000	Pride International, Inc., (144A), 3.25%, due 05/01/33.....	5,148,000*+
	Total Oil & Gas.....	7,728,000
	PHARMACEUTICALS (8.6%)	
6,540,000	Amgen, Inc., 0%, due 03/01/32.....	5,166,600
2,650,000	Axcan Pharma, Inc., (144A), 4.25%, due 04/15/08.....	3,123,688*
2,597,500	Cell Therapeutic, Inc., (144A), 4%, due 07/01/10.....	2,467,625*
2,255,000	Charles River Laboratories International, Inc., 3.5%, due 02/01/22.....	2,446,675
535,000	Guilford Pharmaceuticals, Inc., (144A), 5%, due 07/01/08.....	518,950*+
1,795,000	ICOS Corp., (144A), 2%, due 07/01/23.....	1,624,475*+
2,795,000	Teva Pharmaceutical Industries, Ltd., 0.75%, due 08/15/21.....	3,850,113+
2,250,000	Teva Pharmaceutical Industries, Ltd., (144A), 0.375%, due 11/15/22.....	3,166,875*
	Total Pharmaceuticals.....	22,365,001
	RETAIL (2.0%)	
2,990,000	Costco Companies, Inc., 0%, due 08/19/17.....	2,507,863
1,975,000	Gap, Inc., 5.75%, due 03/15/09.....	2,666,250
	Total Retail.....	5,174,113
	TELECOMMUNICATIONS (2.0%)	
4,620,000	Telefonos de Mexico, S.A. de C.V., 4.25%, due 06/15/04.....	5,191,725
	Principal Amount	Market Value
-----		-----
	TRANSPORTATION (4.5%)	
\$ 9,975,000	Carnival Corp., 0%, due 10/24/21.....	\$ 6,384,000
1,210,000	Northwest Airlines Corp., (144A), 6.625%, due 05/15/23.....	1,293,188*
3,855,000	United Parcel Service, Inc., 1.75%, due 09/27/07.....	3,883,913+
	Total Transportation.....	11,561,101
	TOTAL FIXED INCOME SECURITIES (COST: \$148,449,552) (60.4%).....	156,504,853

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

Number of  
Shares

-----		
Number of Shares		
-----		
CONVERTIBLE PREFERRED STOCK		
AEROSPACE/DEFENSE (1.9%)		
85,150	Raytheon, Inc., Class B, \$4.125.....	4,853,550+
-----		
AUTOMOTIVE (3.5%)		
209,200	Ford Motor Co. Capital Trust II, \$3.25.....	9,126,350
-----		
BANKING & FINANCIAL SERVICES (3.5%)		
76,700	Household International, Inc., Exchangeable HSBC Holdings PLC, \$2.219.....	2,710,578
29,900	State Street Corp., \$13.50.....	6,261,060
-----		
	Total Banking & Financial Services.....	8,971,638
-----		
COMMERCIAL SERVICES (3.9%)		
162,050	Cendant Corp., \$3.875.....	7,331,142+
25,805	Xerox Corp., \$6.25.....	2,705,654
-----		
	Total Commercial Services.....	10,036,796
-----		
COMPUTER SERVICES (2.0%)		
314,390	Goldman Sachs Group, Inc., Exchangeable AOL Time Warner, Inc., \$0.916.....	5,088,402
-----		
COMPUTER SOFTWARE (1.0%)		
113,700	Electronic Data Systems Corp., \$3.813.....	2,515,612
-----		

+ Security partially or fully lent (Note 3).

\* Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2003, the value of these securities amounted to \$70,519,394 or 27.2% of net assets. SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

4

-----  
[TCW LOGO]  
TCW CONVERTIBLE SECURITIES FUND, INC.  
Schedule of Investments (Unaudited) (continued)  
June 30, 2003  
-----

Number of  
Shares

Market  
Value

-----		
Number of Shares		
-----		
ELECTRIC UTILITIES (2.9%)		
176,100	Sempra Energy, \$2.125.....	\$ 4,864,762



Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

78,700	TXU Corp., \$4.0625.....	2,724,987+
	Total Electric Utilities.....	7,589,749
	HEALTHCARE (2.1%)	
23,300	Express Scripts, Inc., \$4.83.....	2,717,362
52,900	Omnicare Inc., \$2.00.....	2,849,988
	Total Healthcare.....	5,567,350
	INSURANCE (7.7%)	
145,700	Chubb Corp., \$1.75.....	3,853,765+
49,100	Hartford Financial Services Group, Inc., \$3.50....	2,688,225
154,600	Phoenix Companies, Inc., Exchangeable Hilb, Rogal and Hamilton Co., \$2.667.....	5,526,950
59,150	The St. Paul Companies, Inc., \$4.50.....	4,146,415
150,150	Travelers Property Casualty Corp., Class A, \$1.125.....	3,710,207
	Total Insurance.....	19,925,562
	MEDIA-BROADCASTING & PUBLISHING (6.3%)	
136,400	Equity Securities Trust, Exchangeable Cablevision Systems Corp. \$1.406.....	3,256,550
103,100	Equity Securities Trust, Exchangeable Cablevision Systems Corp., \$2.343.....	2,448,625
166,500	Goldman Sachs Group, Inc., Exchangeable Clear Channel Communications, Inc., \$3.096.....	6,610,883
2,050	Radio One, Inc., \$65.00.....	2,129,438+
1,825	Radio One, Inc., (144A), \$65.00.....	1,895,719*
	Total Media--Broadcasting & Publishing.....	16,341,215
	OIL & GAS (0.9%)	
48,000	Unocal Corp. \$3.125.....	2,406,000
	PAPER & FOREST PRODUCTS (1.0%)	
64,150	Boise Cascade Corp., \$3.75.....	2,646,188+
Number of Shares		Market Value
-----		-----
	TELECOMMUNICATIONS (2.1%)	
111,300	Alltel Corp., \$3.875.....	\$ 5,565,000
	TRANSPORTATION (0.6%)	
1,435,000	Alaska Air Group, Inc., (144A), \$35.275.....	1,592,850*
	TOTAL CONVERTIBLE PREFERRED STOCK (COST: \$93,849,744) (39.4%).....	102,226,262
		-----
Principal Amount		
-----		
	SHORT-TERM INVESTMENTS	
\$ 2,147,978	American Express Centurion Bank, 1.26%, due 07/07/03.....	2,147,978**

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

801,032	Bank of Montreal, 1.15%, due 07/09/03.....	801,033**
2,147,978	Bank of Nova Scotia, 1.03%, due 07/08/03.....	2,147,978**
6,980,930	Bank of Nova Scotia, 1.05%, due 08/29/03.....	6,980,930**
2,147,978	Bank of Nova Scotia, 1.16%, due 07/09/03.....	2,147,978**
9,236,307	BlackRock Tempcash Fund, 1.101%, due 07/01/03.....	9,236,307**
5,369,946	Canadian Imperial Bank of Commerce, 1.535%, due 11/04/03.....	5,369,946**
536,995	Comerica Bank, 1.073%, due 11/19/03.....	536,995**
2,147,978	Credit Agricole Indosuez, 0.94%, due 07/01/03.....	2,147,978**
2,147,978	Credit Agricole Indosuez, 1.05%, due 08/26/03.....	2,147,978**
1,610,984	Den Danske Bank, 1.04%, due 07/24/03.....	1,610,984**
1,073,989	Merrill Lynch & Co., Inc., 1.615%, due 11/26/03.....	1,073,989**
413,621	Merrill Lynch Premier Institutional Fund, 1.045%, due 07/01/03.....	413,621**
8,914,110	Merrimac Cash Fund (Premium Class), 1.052%, due 07/01/03.....	8,914,110**

+ Security partially or fully lent (Note 3).

\* Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2003, the value of these securities amounted to \$70,519,394 or 27.2% of net assets.

\*\* Represents investments of security lending collateral (Note 3).

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

5

-----  
[TCW LOGO]

TCW CONVERTIBLE SECURITIES FUND, INC.

Schedule of Investments (Unaudited) (continued)

June 30, 2003  
-----

Principal Amount		Market Value
-----		-----
\$ 3,758,962	Royal Bank of Canada, 1.3%, due 07/01/03.....	\$ 3,758,962**
751,792	Royal Bank of Scotland, 1.125%, due 07/01/03.....	751,793**
5,447,139	Investors Bank & Trust Depository Reserve, 0.75%, due 07/01/03.....	5,447,139
		-----
	TOTAL SHORT-TERM INVESTMENTS (COST: \$55,635,699) (21.4%).....	55,635,699
		-----
	TOTAL INVESTMENTS (COST: \$297,934,995) (121.2%).....	314,366,814
	LIABILITIES IN EXCESS OF OTHER ASSETS (-21.2%)....	(55,088,751)
		-----
	NET ASSETS (100.0%).....	\$259,278,063
		=====

\*\* Represents investments of security lending collateral (Note 3).

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

6

-----  
 [TCW LOGO]

TCW CONVERTIBLE SECURITIES FUND, INC.  
 Statement of Assets and Liabilities (Unaudited)  
 June 30, 2003  
 -----

ASSETS:

Investments, at Value (Cost: \$297,934,995).....	\$314,366,814
Interest and Dividends Receivable.....	1,140,219
	-----
Total Assets.....	315,507,033
	-----

LIABILITIES:

Distributions Payable.....	3,059,117
Payables for Securities Purchased.....	2,580,000
Payables Upon Return of Securities Loaned.....	50,188,560
Accrued Investment Advisory Fees.....	130,561
Other Accrued Expenses.....	270,732
	-----
Total Liabilities.....	56,228,970
	-----

NET ASSETS.....	\$259,278,063
	=====

Net Assets were comprised of:

Common Stock, par value \$0.01 per share, (75,000,000 shares authorized, 50,985,279 shares issued and outstanding).....	\$ 509,853
Paid-in Capital.....	371,085,380
Undistributed Net Realized (Loss) on Investments.....	(123,312,113)
Net Unrealized Appreciation of Investments.....	16,431,819
(Overdistributed) Net Investment Income.....	(5,436,876)
	-----

NET ASSETS.....	\$259,278,063
	=====

NET ASSET VALUE PER SHARE.....	\$ 5.09
	=====

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

7

-----  
 [TCW LOGO]

TCW CONVERTIBLE SECURITIES FUND, INC.  
 Statement of Operations (Unaudited)  
 Six Months Ended June 30, 2003  
 -----

INVESTMENT INCOME:

Interest (including security lending fees of \$30,805).....	\$ 2,607,894
Dividends (net of foreign withholding of taxes of \$88).....	4,480,192
	-----
Total Investment Income.....	7,088,086
	-----

EXPENSES:

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

Investment Advisory Fees.....	743,523
Accounting Fees.....	35,504
Administration Fees.....	48,989
Audit and Tax Service Fees.....	17,773
Transfer Agent Fees.....	34,213
Custodian Fees.....	7,942
Directors' Fees & Expenses.....	49,712
Proxy Costs.....	53,107
Listing Fees.....	29,592
Insurance Costs.....	4,141
Legal Fees.....	37,016
Printing and Distribution Costs.....	13,619
Miscellaneous.....	13,820
	-----
Total Expenses.....	1,088,951
	-----
Net Investment Income.....	5,999,135
	-----
NET REALIZED (LOSS) AND CHANGE IN UNREALIZED APPRECIATION OF INVESTMENTS:	
Net Realized (Loss) on Investments.....	(19,737,291)
Change in Unrealized Appreciation of Investments.....	43,861,871
	-----
Net Realized (Loss) and Change in Unrealized Appreciation of Investments.....	24,124,580
	-----
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ 30,123,715
	=====

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

8

-----  
[TCW LOGO]  
TCW CONVERTIBLE SECURITIES FUND, INC.  
Statements of Changes in Net Assets  
-----

	Six Months Ended June 30, 2003 (Unaudited)	Year Ended December 31, 2002
	-----	-----
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Net Investment Income.....	\$ 5,999,135	\$ 16,033,572
Net Realized (Loss) on Investments.....	(19,737,291)	(61,476,304)
Change in Unrealized Appreciation (Depreciation) of Investments.....	43,861,871	(24,066,081)
	-----	-----
Increase (Decrease) in Net Assets Resulting from Operations.....	30,123,715	(69,508,813)
	-----	-----
Distributions to Shareholders:		
From Net Investment Income.....	(7,134,253)	(16,033,572)
Return of Capital.....	--	(20,060,607)
	-----	-----
Total Distributions to Shareholders.....	(7,134,253)	(36,094,179)

## Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

Capital Share Transactions:		
Shares Issued in Reinvestment of Dividends (46,104 for the six months ended June 30, 2003 and 293,492 for the year ended December 31, 2002).....	215,306	2,098,841
Increase in Net Assets Resulting from Net Capital Share Transactions.....	215,306	2,098,841
Total Increase (Decrease) in Net Assets.....	23,204,768	(103,504,151)
NET ASSETS:		
Beginning of Period.....	236,073,295	339,577,446
End of Period.....	\$259,278,063	\$ 236,073,295

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

9

-----  
 [TCW LOGO]  
 TCW CONVERTIBLE SECURITIES FUND, INC.  
 Notes to Financial Statements (Unaudited)  
 -----

NOTE 1--SIGNIFICANT ACCOUNTING POLICIES:

TCW Convertible Securities Fund, Inc. (the "Fund") was incorporated in Maryland on January 13, 1987 as a diversified, closed-end investment management company and is registered under the Investment Company Act of 1940, as amended. The Fund commenced operations on March 5, 1987. The Fund's investment objective is to seek a total investment return, comprised of current income and capital appreciation through investment principally in convertible securities. In accordance with the requirements of Rule 35d-1 under the 1940 Act, the Fund will invest, under normal market conditions, at least 80% of its net assets, plus any borrowings for investment purposes in convertible securities. The 80% investment policy described above is non-fundamental and may be changed by the Board of Directors to become effective upon at least 60 days' notice to shareholders.

The preparation of the accompanying financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The following is a summary of the significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America.

**SECURITY VALUATION:** Securities traded on national exchanges are valued at the last reported sales price or the mean of the current bid and asked prices if there are no sales in the trading period. Other securities which are traded on the over-the-counter market are valued at the mean of the current bid and asked prices. Short-term debt securities with maturities of 60 days or less at the time of purchase are valued at amortized cost. Other short-term debt securities are valued on a mark-to-market basis until such time as they reach a remaining maturity of 60 days, where upon they will be valued at amortized value using their value of the 61st day prior to maturity.

## Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

SECURITY TRANSACTIONS AND RELATED INVESTMENT INCOME: Security transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date, while interest income is recorded on the accrual basis. Discounts and premiums on securities purchased are recognized as interest income and expense, respectively, using a constant yield-to-maturity method. Realized gains and losses on investments are recorded on the basis of identified cost.

DISTRIBUTIONS: The Fund intends to distribute its investment company taxable income quarterly and to distribute any net realized capital gains at least annually, to the extent required for U.S. federal income tax purposes. The Board of Directors also may, in its discretion, choose to pay distributions in excess of net investment income and net realized capital gains, though it is not required to do so.

Income and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of

10

-----  
[TCW LOGO]

TCW CONVERTIBLE SECURITIES FUND, INC.

Notes to Financial Statements (Unaudited) (continued)  
-----

America. These differences may be primarily due to differing treatments for losses deferred due to wash sales and spillover distributions. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to paid-in-capital and may affect net investment income per share.

REPURCHASE AGREEMENTS: The Fund may invest in repurchase agreements secured by U.S. Government Securities. A repurchase agreement arises when the Fund purchases a security and simultaneously agrees to resell it to the seller at an agreed upon future date. The Fund requires the seller to maintain the value of the securities, marked to market daily, at not less than the repurchase price. If the seller defaults on its repurchase obligation, the Fund could suffer delays, collection expenses and losses to the extent that the proceeds from the sale of the collateral are less than the repurchase price. The Fund did not enter into any repurchase agreements for the six months ended June 30, 2003.

### NOTE 2--FEDERAL INCOME TAXES:

It is the policy of the Fund to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and distribute all of its net taxable income, including any net realized gains on investments, to its shareholders. Therefore, no federal income tax provision is required.

For the six months ended June 30, 2003, the Fund recognized on a tax basis a net realized loss of \$19,770,531 on security transactions.

At June 30, 2003, net unrealized appreciation for federal income tax purposes is comprised of the following components:

Appreciated securities.....	\$ 20,236,225
Depreciated securities.....	(3,904,106)
	-----
Net unrealized (depreciation).....	\$ 16,332,119

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

Cost of securities for federal income tax purposes..... \$298,034,695

NOTE 3--INVESTMENT ADVISORY AND SERVICE FEES:

TCW Investment Management Company (the "Advisor") is the investment advisor of the Fund. As compensation for the services rendered, facilities provided, and expenses borne, the Advisor is paid a monthly fee by the Fund computed at the annual rate of 0.75% of the first \$100 million of the Fund's average net assets and 0.50% of the Fund's average net assets in excess of \$100 million.

NOTE 4--PURCHASES AND SALES OF SECURITIES:

For the six months ended June 30, 2003, purchases and sales or maturities of investment securities (excluding short-term investments) aggregated \$158,442,228 and \$159,015,285, respectively. There were no purchases or sales of U.S. Government securities for the six months ended June 30, 2003.

NOTE 5--SECURITY LENDING:

During the six months ended June 30, 2003, the Fund lent securities to brokers. The brokers provided collateral, which must be maintained at

[TCW LOGO]  
TCW CONVERTIBLE SECURITIES FUND, INC.  
Notes to Financial Statements (Unaudited) (continued)

not less than 100% of the value of the loaned securities, to secure the obligation. At June 30, 2003, the cash received from the borrowing broker was invested in short-term investments valued at \$50,188,560 which is 102.9% of the value of the loaned securities.

NOTE 6--DIRECTORS' FEES:

Directors who are not affiliated with the Advisor received, as a group, aggregate fees and expenses of \$49,712 from the Fund for the six months ended June 30, 2003. Certain officers and/ or directors of the Fund are also officers and/or directors of the Advisor.

NOTE 7--RESTRICTED SECURITIES:

The Funds are permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. There are no restricted securities (excluding 144A issues) at June 30, 2003.

NOTE 8--REPORT OF ANNUAL MEETING OF SHAREHOLDERS:

The Annual Meeting of Shareholders of the Fund was held on July 16, 2003. At the meeting, the following matters were submitted to a shareholder vote and approved by a vote of a majority of the Fund's outstanding shares; (i) the election of Ernest O. Ellison, Samuel P. Bell, Richard W. Call, Matthew K. Fong, John A. Gavin, Patrick C. Haden, Charles A. Parker and Robert G. Sims as Directors to serve until the next annual meeting of the Fund's shareholders and until their successors are elected and qualify (each Director received

## Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

46,243,475 affirmative votes, votes exceptions 421,338 and votes withheld 1,547,620); and (ii) the ratification of the selection of Deloitte & Touche LLP as independent auditors of the Fund for the fiscal year ending December 31, 2003 (votes for 47,258,220; votes against 515,367 and abstentions 438,846). 50,985,279 shares were outstanding on the record date of this meeting and 48,212,433 shares entitled to vote were present in person or by proxy at the meeting.

12

-----  
[TCW LOGO]

TCW CONVERTIBLE SECURITIES FUND, INC.  
Financial Highlights  
-----

	SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED)	----- 2002 -----	YEAR ENDED DECEMBER ----- 2001 -----	2000 -----
Net Asset Value Per Share, Beginning of Period.....	\$ 4.63	\$ 6.70	\$ 8.48	\$ 11.32
Income from Operations:				
Net Investment Income (5).....	0.12	0.32	0.38	0.35
Impact to Capital for Shares Issued...	--	--	(0.01)	--
Impact to Capital for Shares Repurchased.....	--	--	--	0.02
Net Realized and Unrealized Gains (Losses) on Securities.....	0.48	(1.68)	(1.31)	(0.80)
Total from Investment Operations.....	0.60	(1.36)	(0.94)	(0.43)
Less Distributions:				
Distributions from Net Investment Income.....	(0.14)	(0.32)	(0.60)	(0.35)
Distributions from Net Realized Gain.....	--	--	--	(2.06)
Distributions from Paid-in-Capital....	--	(0.39)	(0.24)	--
Total Distributions.....	(0.14)	(0.71)	(0.84)	(2.41)
Net Asset Value Per Share, End of Period.....	\$ 5.09	\$ 4.63	\$ 6.70	\$ 8.48
Market Value Per Share, End of Period...	\$ 4.74	\$ 4.16	\$ 8.55	\$ 10.38
Total Investment Return (1).....	17.37% (4)	(45.11)%	(9.27)%	34.95%
Net Asset Value Total Return (2).....	13.15% (4)	(20.75)%	(10.89)%	(4.79)%
RATIOS/SUPPLEMENTAL DATA:				
Net Assets, End of Period (in thousands).....	\$259,278	\$236,073	\$339,577	\$352,555
Ratio of Expenses to Average Net Assets.....	0.89% (3)	0.83%	0.75%	0.69%
Ratio of Net Investment Income to Average Net Assets.....	4.92% (3)	5.82%	5.16%	2.88%



## Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

Portfolio Turnover Rate.....	65.85% (4)	75.04%	129.57%	159.44%
------------------------------	------------	--------	---------	---------

- (1) Based on market value per share, adjusted for reinvestment of distributions.
- (2) Based on net asset value per share, adjusted for reinvestment of distributions.
- (3) Annualized.
- (4) For the six months ended June 30, 2003 and not indicative of a full year's operating results.
- (5) Computed using average shares outstanding throughout the period.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

13

[TCW LOGO]-Registered Trademark-

- ITEM 1. REPORT TO STOCKHOLDERS.  
[Filed Herewith]
- ITEM 2. CODE OF ETHICS. Not applicable.
- ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT. Not applicable.
- ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES. Not applicable.
- ITEM 5-6. [RESERVED]
- ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES. Not applicable.
- ITEM 8. [RESERVED]
- ITEM 9. CONTROLS AND PROCEDURES.
- (a) The Chief Executive Officer and Chief Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in rule 30a-2(c) under the Investment Company Act of 1940) provide reasonable assurances that material information relating to the registrant is made known to them by the appropriate persons, based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this report.
  - (b) There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation described above, including any corrective actions with regard to significant deficiencies and material weaknesses.
- ITEM 10. EXHIBITS.
- (a) Not applicable.
  - (b) EX-99.CERT - Section 302 Certifications (filed herewith).  
EX-99.906CERT - Section 906 Certification (filed herewith).

Edgar Filing: TCW CONVERTIBLE SECURITIES FUND INC - Form N-CSR

SIGNATURES

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

(Registrant) TCW Convertible Securities Fund, Inc.

By (Signature and Title) /s/ Alvin R. Albe, Jr.

-----  
Alvin R. Albe, Jr.  
Chief Executive Officer

Date August 19, 2003

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

By (Signature and Title) /s/ Alvin R. Albe, Jr.

-----  
Alvin R. Albe, Jr.  
Chief Executive Officer

Date August 19, 2003

By (Signature and Title) /s/ David S. DeVito

-----  
David S. DeVito  
Chief Financial Officer

Date August 19, 2003