

GABELLI CONVERTIBLE & INCOME SECURITIES FUND INC

Form N-Q

May 30, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-05715

The Gabelli Convertible and Income Securities Fund Inc.

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: **December 31**

Date of reporting period: **March 31, 2012**

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments.

The Schedule(s) of Investments is attached herewith.

The Gabelli Convertible and Income Securities Fund Inc.

First Quarter Report March 31, 2012

Mario J. Gabelli, CFA

To Our Shareholders,

For the quarter ended March 31, 2012, the net asset value (NAV) total return of The Gabelli Convertible and Income Securities Fund Inc. was 7.7%, compared with a total return of (0.1)% for the Barclays Capital Government/Credit Bond Index. The total return for the Fund's publicly traded shares was 17.9%. On March 31, 2012, the Fund's NAV per share was \$5.78, while the price of the publicly traded shares closed at \$5.90 on the New York Stock Exchange (NYSE).

Enclosed is the schedule of investments as of March 31, 2012.

Comparative Results

Average Annual Returns through March 31, 2012 (a) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	Since Inception (07/03/89)
Gabelli Convertible and Income Securities Fund					
NAV Total Return (b)	7.68%	2.11%	1.85%	4.11%	6.57%
Investment Total Return (c)	17.85	(1.52)	0.45	2.89	5.57(d)
Standard & Poor's 500 Index	12.59	8.54	2.01	4.12	9.09(e)
Barclays Capital Government/Credit Bond Index	(0.07)	8.40	6.19	5.86	N/A(f)
Lipper Convertible Securities Fund Average	8.97	(1.88)	3.74	5.96	8.20(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. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Standard & Poor's 500 Index is an unmanaged indicator of stock market performance. The Barclays Capital Government/Credit Bond Index is an unmanaged market value weighted index that tracks the total return performance of fixed rate, publicly placed, dollar denominated obligations. The Lipper Convertible Securities Fund Average reflects the average performance of open-end mutual funds classified in this particular category. Dividends and interest income are considered reinvested. You cannot invest directly in an index.
- (b) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date, and adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$10.00.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$11.25.
- (d) The Fund converted to closed-end status on March 31, 1995 and had no operating history on the NYSE prior to that date.
- (e) From June 30, 1989, the date closest to the Fund's inception for which data is available.
- (f) The Barclays Capital Government/Credit Bond Index inception date is January 29, 1999.

The Gabelli Convertible and Income Securities Fund Inc.

Schedule of Investments March 31, 2012 (Unaudited)

Principal		Market
<u>Amount</u>		<u>Value</u>
	CONVERTIBLE CORPORATE BONDS 20.9%	
	Aerospace 1.9%	
\$ 1,850,000	GenCorp Inc., Sub. Deb. Cv., 4.063%, 12/31/39	\$ 1,979,500
	Automotive 0.7%	
600,000	Navistar International Corp., Sub. Deb. Cv., 3.000%, 10/15/14	664,500
	Broadcasting 0.3%	
200,000	Sirius XM Radio Inc., Sub. Deb. Cv., 7.000%, 12/01/14(a)	296,250
	Building and Construction 0.7%	
	Lennar Corp., Cv.,	
400,000	2.000%, 12/01/20(a)	470,000
200,000	2.750%, 12/15/20(a)	280,500
		750,500
	Cable and Satellite 0.0%	
400,000	Adelphia Communications Corp., Sub. Deb. Cv., 3.250%, 05/01/21 (b)	0
	Computer Hardware 3.9%	
4,000,000	SanDisk Corp., Cv., 1.000%, 05/15/13	4,010,000
	Consumer Products 0.1%	
250,000	Eastman Kodak Co., Cv., 7.000%, 04/01/17	75,625
	Diversified Industrial 5.4%	
3,500,000	Griffon Corp., Sub. Deb. Cv., 4.000%, 01/15/17(a)	3,570,000
1,400,000	Roper Industries Inc., Sub. Deb. Cv.(STEP), 0.000%, 01/15/34	1,737,750
50,000	Textron Inc., Ser. TXT, Cv., 4.500%, 05/01/13	107,313
100,000	Trinity Industries Inc., Sub. Deb. Cv., 3.875%, 06/01/36	109,500
		5,524,563
	Electronics 0.1%	
100,000	Intel Corp., Sub. Deb. Cv., 3.250%, 08/01/39	141,125

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Energy and Utilities 0.3%		
248,000	UniSource Energy Corp., Cv., 4.500%, 03/01/35(a)	265,670
Entertainment 0.1%		
50,000	Take-Two Interactive Software Inc., Cv., 4.375%, 06/01/14	77,500
100,000	THQ Inc., Cv., 5.000%, 08/15/14	49,375
		126,875
Principal		Market
Amount		Value
Environmental Services 0.4%		
\$350,000	Covanta Holding Corp., Cv., 3.250%, 06/01/14	\$ 403,813
Financial Services 1.6%		
1,500,000	Janus Capital Group Inc., Cv., 3.250%, 07/15/14	1,601,250
Health Care 0.3%		
100,000	Chemed Corp., Cv., 1.875%, 05/15/14	102,625
250,000	Wright Medical Group Inc., Cv., 2.625%, 12/01/14	225,938
		328,563
Hotels and Gaming 1.3%		
900,000	Gaylord Entertainment Co., Cv., 3.750%, 10/01/14(a)	1,158,750
100,000	MGM Resorts International, Cv., 4.250%, 04/15/15	106,125
100,000	Morgans Hotel Group Co., Sub. Deb. Cv., 2.375%, 10/15/14	86,750
		1,351,625
Metals and Mining 0.2%		
100,000	Alcoa Inc., Cv., 5.250%, 03/15/14	167,125
Retail 0.7%		
60,000	Costco Wholesale Corp., Sub. Deb. Cv., Zero Coupon, 08/19/17	124,050
630,000	Spartan Stores Inc., Cv., 3.375%, 05/15/27	611,100
		735,150
Wireless Communications 2.9%		
3,000,000	NII Holdings Inc., Cv., 3.125%, 06/15/12	3,018,750

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TOTAL CONVERTIBLE CORPORATE BONDS	21,440,884
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Shares

CONVERTIBLE PREFERRED STOCKS 1.7%		
Business Services 0.0%		
20,000	Key3Media Group Inc. (STEP), 5.500% Cv. Pfd., Ser. B (b)	117
Communications Equipment 0.3%		
400	Lucent Technologies Capital Trust I, 7.750% Cv. Pfd.	325,000
Energy and Utilities 0.3%		
6,000	AES Trust III, 6.750% Cv. Pfd.	299,340

See accompanying notes to schedule of investments.

The Gabelli Convertible and Income Securities Fund Inc.

Schedule of Investments (Continued) March 31, 2012 (Unaudited)

<u>Shares</u>		<u>Market Value</u>
CONVERTIBLE PREFERRED STOCKS (Continued)		
Energy and Utilities (Continued)		
300	El Paso Energy Capital Trust I, 4.750% Cv. Pfd.	\$ 13,830
5	Whiting Petroleum Corp., 6.250% Cv. Pfd.	1,347
		314,517
Health Care 0.0%		
100	Elite Pharmaceuticals Inc., \$2.32 Cv. Pfd., Ser. C (b)(c)	61,333
Telecommunications 0.6%		
14,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	581,280
Transportation 0.5%		
2,500	GATX Corp., \$2.50 Cv. Pfd., Ser. A (b)	503,750
TOTAL CONVERTIBLE PREFERRED STOCKS		1,785,997
COMMON STOCKS 59.3%		
Aerospace 8.3%		
30,000	Goodrich Corp.	3,763,200
800	Rockwell Automation Inc.	63,760
365,000	Rolls-Royce Holdings plc	4,740,563
		8,567,523
Automotive: Parts and Accessories 1.7%		
27,000	Genuine Parts Co.	1,694,250
Cable and Satellite 0.1%		
493,409	Adelphia Recovery Trust (b)	0
2,000	Rogers Communications Inc., Cl. B	79,400
		79,400
Communications Equipment 0.3%		
22,000	Corning Inc.	309,760
Computer Hardware 1.4%		
7,000	International Business Machines Corp.	1,460,550

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Computer Software and Services 0.9%		
11,000	Diebold Inc.	423,720
17,000	Microsoft Corp.	548,250
		971,970

Consumer Products 1.8%		
40,000	Swedish Match AB	1,592,551
3,500	The Procter & Gamble Co.	235,235
		1,827,786

Diversified Industrial 3.1%		
5,000	Crane Co.	242,500
95,000	General Electric Co.	1,906,650
		Market

Shares		Value
355,000	National Patent Development Corp.	\$ 1,057,900
		3,207,050

Energy and Utilities 9.9%		
4,000	Anadarko Petroleum Corp.	313,360
6,000	BP plc, ADR	270,000
1,500	CH Energy Group Inc.	100,095
7,000	Chevron Corp.	750,680
4,500	ConocoPhillips	342,045
6,000	CONSOL Energy Inc.	204,600
3,000	Devon Energy Corp.	213,360
17,000	El Paso Corp.	502,350
15,000	Exxon Mobil Corp.	1,300,950
55,000	GenOn Energy Inc.	114,400
1,200,000	GenOn Energy Inc., Escrow (b)	0
38,000	Great Plains Energy Inc.	770,260
5,000	Halliburton Co.	165,950
9,000	Hess Corp.	530,550
20,000	National Fuel Gas Co.	962,400
21,000	NextEra Energy Inc.	1,282,680
7,500	Northeast Utilities	278,400
10,000	Progress Energy Inc.	531,100
16,000	Royal Dutch Shell plc, Cl. A, ADR	1,122,080
12,000	SJW Corp.	289,440
3,886	UniSource Energy Corp.	142,111
		10,186,811

Equipment and Supplies 0.1%		
3,000	Mueller Industries Inc.	136,350

Financial Services 11.3%		
44,000	AllianceBernstein Holding LP	686,840
34,000	American Express Co.	1,967,240
1,000	Deutsche Bank AG	49,790
6,000	GAM Holding AG	87,404
4,000	HSBC Holdings plc, ADR	177,560
11,000	JPMorgan Chase & Co.	505,780
13,000	Julius Baer Group Ltd.	524,781
5,000	M&T Bank Corp.	434,400
7,500	Marsh & McLennan Companies Inc.	245,925

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15,000	Morgan Stanley	294,600
18,000	Northern Trust Corp.	854,100
21,000	PNC Financial Services Group Inc.	1,354,290
12,000	Royal Bank of Canada	696,600
7,000	State Street Corp.	318,500
48,000	The Bank of New York Mellon Corp.	1,158,240
65,000	Wells Fargo & Co.	2,219,100
		11,575,150
	Food and Beverage 4.1%	
8,000	Dr Pepper Snapple Group Inc.	321,680
2,000	General Mills Inc.	78,900
7,021	Kraft Foods Inc., Cl. A	266,868
400,000	Parmalat SpA	999,213

See accompanying notes to schedule of investments.

The Gabelli Convertible and Income Securities Fund Inc.**Schedule of Investments (Continued) March 31, 2012 (Unaudited)**

<u>Shares</u>		<u>Market Value</u>
	COMMON STOCKS (Continued)	
	Food and Beverage (Continued)	
1,020	Pernod-Ricard SA	\$ 106,654
1,500	Post Holdings Inc.	49,395
2,500	Ralcorp Holdings Inc.	185,225
30,000	The Coca-Cola Co.	2,220,300
		4,228,235
	Health Care 9.3%	
5,000	Abbott Laboratories	306,450
20,000	Becton, Dickinson and Co.	1,553,000
4,500	Covidien plc	246,060
38,000	Eli Lilly & Co.	1,530,260
336,926	Elite Pharmaceuticals Inc.	29,986
20,000	Johnson & Johnson	1,319,200
18,000	Merck & Co. Inc.	691,200
65,000	Pfizer Inc.	1,472,900
27,000	Roche Holding AG, ADR	1,178,280
10,000	UnitedHealth Group Inc.	589,400
7,000	Zoll Medical Corp.	648,410
		9,565,146
	Insurance 0.7%	
13,000	Harleysville Group Inc.	750,100
	Retail 2.4%	
37,000	CVS Caremark Corp.	1,657,600
5,000	Walgreen Co.	167,450
10,000	Wal-Mart Stores Inc.	612,000
		2,437,050
	Specialty Chemicals 0.6%	
10,000	International Flavors & Fragrances Inc.	586,000
	Telecommunications 2.9%	
10,000	BCE Inc.	400,600
5,000	Belgacom SA	160,745
3,000	Philippine Long Distance Telephone Co., ADR	186,570
2,500	Swisscom AG	1,010,579
18,000	Telekom Austria AG	209,627
27,000	Verizon Communications Inc.	1,032,210
		3,000,331
	Transportation 0.3%	

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Aggregate tax cost \$ 92,647,165

Gross unrealized appreciation \$ 14,843,734
 Gross unrealized depreciation (4,691,907)

Net unrealized appreciation/depreciation \$ 10,151,827

Notional Amount		Termination Date	Unrealized Depreciation
EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS			
\$ 625,806	Rolls-Royce Holdings plc(f)	06/27/12	\$ (9,142)
(47,500 Shares)			

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt

See accompanying notes to schedule of investments.

The Gabelli Convertible and Income Securities Fund Inc.

Schedule of Investments (Continued) March 31, 2012 (Unaudited)

from registration, normally to qualified institutional buyers. At March 31, 2012, the market value of Rule 144A securities amounted to \$6,041,630 or 5.88% of total investments.

- (b) Security fair valued under procedures established by the Board of Directors. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At March 31, 2012, the market value of fair valued securities amounted to \$595,803 or 0.58% of total investments.
- (c) At March 31, 2012, the Fund held investments in restricted and illiquid securities amounting to \$61,476 or 0.06% of total investments, which were valued under methods approved by the Board of Directors as follows:

Acquisition Shares	Issuer	Acquisition Date	Acquisition Cost	03/31/12 Carrying Value Per Unit
100	Elite Pharmaceuticals Inc., \$2.32 Cv. Pfd., Ser. C	04/25/07	\$ 91,465	\$ 613.3300
74,333	Elite Pharmaceuticals Inc., Warrants expire 04/24/12	04/25/07	8,535	0.0019

- (d) Illiquid security.
- (e) At March 31, 2012, \$1,000,000 of the principal amount was pledged as collateral for the equity contract for difference swap agreement.
- (f) At March 31, 2012, the Fund had entered into an equity contract for difference swap agreement with The Goldman Sachs Group, Inc. Non-income producing security. Represents annualized yield at date of purchase.

ADR American Depositary Receipt
 CVR Contingent Value Right
 GDR Global Depositary Receipt
 STEP Step coupon security. The rate disclosed is that in effect at March 31, 2012.

See accompanying notes to schedule of investments.

The Gabelli Convertible and Income Securities Fund Inc.

Notes to Schedule of Investments (Unaudited)

The Fund's schedule of investments is prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP), which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities