# The Gabelli Convertible and Income Securities Fund Inc.

Shareholder Commentary – March 31, 2018

**Y(our) Portfolio Management Team**

Thomas Dinsmore, CFA   Jane O'Keeffe   James Dinsmore, CFA

**To Our Shareholders,**

For the quarter ended March 31, 2018, the net asset value ("NAV") total return of the Gabelli Convertible and Income Securities Fund Inc. (the "Fund") was 1.2%, compared with a total return of (1.6)% for the Bloomberg Barclays Government/Credit Bond Index. The total return for the Fund's publicly traded shares was 1.6%. The Fund's NAV per share was $5.52, while the price of the publicly traded shares closed at $5.87 on the New York Stock Exchange ("NYSE").

## Comparative Results

**Average Annual Returns through March 31, 2018 (a)**

| | Quarter | 1 Year | 5 Year | 10 Year | 15 Year | Since Inception (07/03/89) |
|---|---|---|---|---|---|---|
| **Gabelli Convertible and Income Securities Fund** | | | | | | |
| **NAV Total Return (b)** | 1.19% | 10.12% | 6.26% | 5.95% | 6.24% | 6.82% |
| **Investment Total Return (c)** | 1.63 | 30.37 | 7.84 | 6.74 | 5.76 | 6.39(d) |
| Standard & Poor's ("S&P") 500 Index | (0.76) | 13.99 | 13.31 | 9.49 | 10.10 | 9.98(e) |
| Bloomberg Barclays Government/Credit Bond Index | (1.61) | 1.33 | 1.82 | 3.62 | 3.94 | N/A(f) |
| Lipper Convertible Securities Fund Average | 1.98 | 9.54 | 7.69 | 6.82 | 7.83 | 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. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.* The 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 is available.

(f) The Bloomberg Barclays Government/Credit Bond Index inception date is January 29, 1999.-

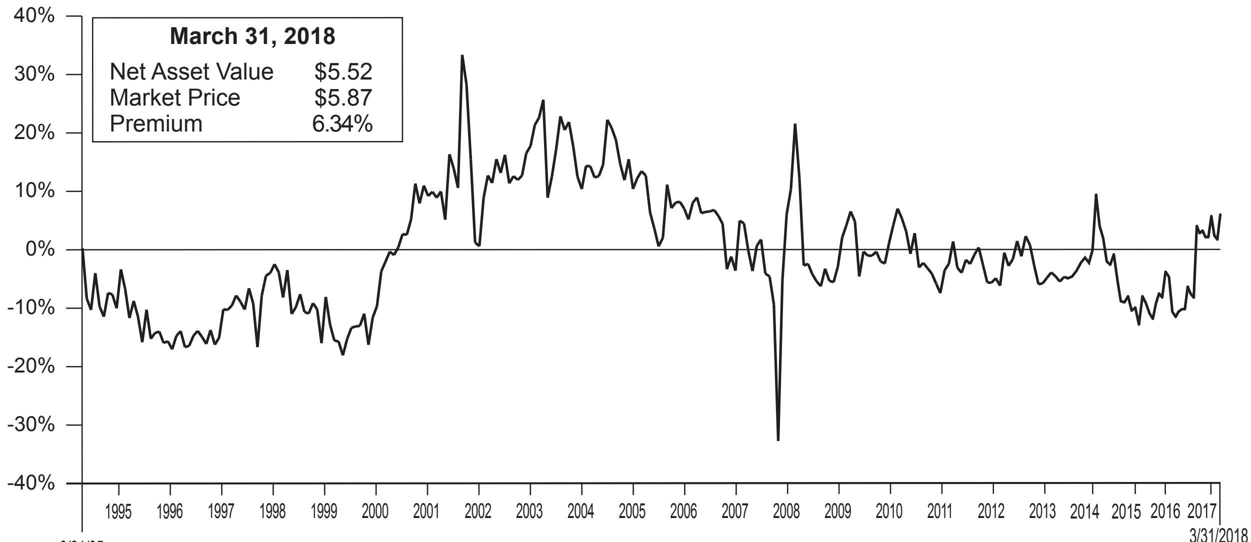
## Premium / Discount Discussion

As a refresher for our shareholders, the price of a closed-end fund is determined in the open market by willing buyers and sellers. Shares of the Fund trade on the NYSE and may trade at a premium to (higher than) net asset value (the market value of the Fund's underlying portfolio and other assets less any liabilities) or a discount to (lower than) net asset value.

Ideally, the Fund's market price will generally track the NAV. However, the Fund's premium or discount to NAV may vary over time. Over the Fund's twenty-two year history as a closed-end fund, the range fluctuated from a 34% premium within August 2002 to a 32% discount within October 2008. On March 31, 2018, the market price of the Fund was at a 6.3% premium to its NAV.

The Fund's long term investment goal is to seek a high level of total return through a combination of current income and capital appreciation. We believe that our securities selection process adds to the investment equation. We have a successful history of investment, providing shareholders average annual returns of 6.8% since inception. However, it is important to remember that "Mr. Market" is a pendulum that swings both ways.

**PREMIUM/DISCOUNT SINCE CONVERSION TO A CLOSED-END FUND**




*Data points as of each month end.*

## Our Objective

Our mandate is to preserve and enhance our shareholders' wealth through a conservative and disciplined approach to investing in equity securities, including convertible securities. Our goal is to generate profitable returns in strong markets and protect principal in weak markets by taking advantage of the unique characteristics of convertible securities.

Our Fund is managed with a goal of achieving a 600 – 800 basis point spread above longer dated Treasuries, which we hope to generate over the long term. Of course, there are no guarantees.

**Convertible Securities are "Hybrids"**

It is important to understand our stock selection discipline, because price movement in the underlying equity will generally have the greatest impact on convertible securities pricing. The convertible securities market consists of bonds, debentures, corporate notes, preferred stocks, and warrants or other similar securities, which may be converted into or exchanged for a prescribed amount of common stock or other equity security of the same or a different issuer within a particular period of time, at a specified price or formula.

Converts are "hybrid" securities that combine the capital appreciation potential of equities with the higher yield of fixed income instruments. Our strategy incorporates the purchase of convertible securities that are trading at a premium (above parity) with the common stock, but which generally provide a higher yield, and, over time, capital appreciation. We also will seek out "busted" converts, where the underlying common stock has dropped significantly and the values of both the conversion privilege and the convert are down. Such securities will provide both high yields and long term capital appreciation potential.

## Commentary

Convertible securities began 2018 by outperforming U.S. corporate bonds, U.S. government bonds, and the S&P 500 Index in the first quarter. During this quarter, financial markets saw the return of volatility as stocks moved strongly both up and down, while the Federal Reserve Board continues to reduce its balance sheet and raise its interest rate target. The hybrid nature of convertible securities and their favored position in the capital structure of the issuers may have balanced this increase in volatility and helped the performance of these instruments.

The return of volatility appears to come from political and global trade uncertainty, issues that may remain with us for a while. Even so, we are not pessimistic. Consumer confidence appears to be strong, and the economic effects of the tax changes enacted last year should help U.S. stocks return to an upward track, as corporate profits are expected to grow.

The Barclays U.S. Convertibles Index was up 2.4% for the quarter. This compares to losses of -1.3% for 5-7 year U.S. Treasury bonds, -2.3% for U.S. investment grade corporate bonds, -0.9% for U.S. high yield bonds, and -0.8% for the S&P 500 Index. The Barclays Global Convertible Index was up 2.3% in U.S. dollars, with the strongest performance coming from Japanese issues. Among U.S. convertible issues, the Technology and the Industrial sectors added to returns for the quarter. Investment grade issues outperformed intermediate grade and junk issues, and large capitalization issuers outperformed small capitalization and mid- capitalization issuers, in that order.

The U.S. convertible market ended the year with more than 450 issues, about $218 billion in value. New issuance expanded in the first quarter of 2018 with 35 new issues, raising $12.4 billion. This compares favorably with last year's 99 new convertible issues, raising $37.4 billion. We believe economic conditions, the lower corporate tax rate, and limitations on the deductibility of interest will provide economic incentives for companies to consider issuing convertible bonds, with their characteristically lower coupons, to meet their capital needs.

We continue to see convertibles as an attractive, lower volatility way to invest in the stock market. Their average current yield is 2.79%. The duration of 2.88 years (a measure of interest rate sensitivity) should help relieve pressure from rising rates in 2018, as we expect the Fed to continue its measured increases. Because of their relatively high delta of 67.3 (a measure of equity sensitivity), we expect convertibles to continue to move with the stock market in 2018. The yield and short duration of this asset class should provide support on the downside, should stock prices fall.

**Conclusion**

The Gabelli Convertible and Income Fund has performed well, along with the overall convertible market. At quarter's end, the weighted average current yield for the Fund's portfolio was 2.58%, and the median premium was 20.2%. The current portfolio has 52.2% of its assets invested in convertible bonds, 22.3% invested in domestic common stocks, and 5% in foreign common stocks. Mandatory convertible preferred and convertible preferred shares make up 10.9% and 1.7% of our holdings, respectively. Equity alternative investments make up approximately 54.2%, total return issues are 31.3%, and fixed income alternatives are 6.5% of the portfolio.

We are focused on total return for our shareholders, and we feel that convertibles offer a good opportunity for asymmetric returns, allowing us to participate in a rising stock market while offering some downside protection.

**Let's Talk Investments**

The following are specifics on selected security holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the convertible bond prices are listed in points, the convertible preferred shares are listed in United States dollars (USD) and the underlying share prices are listed first in USD and second in the local currency, where applicable, and are presented as of March 31,2018.

*Apptio Inc. (Cv. Bond, 0.875%, 4/1/2023)*, headquartered in Bellevue, Washington, is a software-as-a-service company focused on Technology Business Management. Their cloud based software is designed to help IT departments run more efficiently, with greater cost transparency and better tools for analysis and optimization of vendor relationships and technology investment. As the world moves to a hybrid cloud infrastructure, Apptio's software will be an integral part of the management of IT departments. The company's recurring revenue, solid balance sheet, and large growth potential make a compelling combination, and this convertible offers us a way to invest in the transition to a hybrid cloud infrastructure with little downside.

*Cheniere Energy Inc. (Cv. Bond, 4.25%, 3/15/2045)*, based in Houston, Texas, owns and operates the Sabine Pass LNG receiving terminal, the Creole Trail Pipeline and, through subsidiaries, operates the Sabine Pass LNG terminal, which includes four operating trains with one more under construction. It is developing another liquefaction facility in Corpus Christi, Texas, and is also engaged in the LNG and natural gas marketing business. This bond has a high yield of 5.48% and a yield to maturity of 5.93% with a high premium to conversion value, which makes it less sensitive to stock price movements.

*Coupa Software Inc. (Cv. Bond, 0.375%, 1/15/2023)*, headquartered in San Mateo, California, is a software-as-a-service provider of business spend management. Coupa's platform provides a suite of solutions for optimizing procurement, invoicing, expense management, budgeting, sourcing, inventory, and contracts, among other potential cost centers for businesses. Coupa's customers use the software to become more efficient and to find cost savings in nearly any aspect of their businesses by channeling their spending through the system. As more customers sign on, Coupa's products should become better at identifying potential costs and ways to avoid them, building a strong knowledge base of ways to efficiently do business. We believe this is a very sticky solution, as companies will be unlikely to turn their back on cost savings, particularly if we were to see a recession in the coming years. This convertible is a way for us to gain exposure to this attractive recurring revenue business, which we believe may see substantial cash flow growth through maturity.

*Neurocrine Biosciences Inc. (Cv. Bond, 2.25%, 5/15/2024)* is a biotech company based in San Diego, California. The company developed Ingrezza, which is currently marketed for Tardive dyskinesia and is in trials for other indications. Most recently, NBIX has announced a third quarter date for FDA review of Elagolix, which they have developed for treatment of uterine fibroids and endometriosis. This drug will be marketed by AbbVie, with NBIX receiving a significant royalty. These convertible bonds are a good way to participate in the upside of the underlying equity, while offering a current yield. The stock does not pay a dividend.

*TimkenSteel Corp. (Cv. Bond, 6.00%, 6/1/2021)*, based in Canton, Ohio, manufactures alloy steel and carbon steel products that tend to be specialized in nature, specifically bar quality steel and seamless mechanical tube. Its products are used in engines, transmissions, and drivelines, mining and construction, drilling, energy and other equipment, including bearings. U.S. onshore energy production is a key growth market. The company was spun off from Timken Bearings in 2014, but remains a major supplier to the bearings company. TimkenSteel is the only U.S. producer capable of producing wide diameter bar and seamless mechanical tube through an integrated production process (i.e., without a forging step). Recently announced steel tariffs have the potential to improve volumes, utilization, and pricing for many grades of steel, depending on the final details. Also, if tariffs are ultimately diluted, TimkenSteel, with a sub-$1 billion total capitalization, is one of the few standalone steel properties in North America that could be acquired by a domestic or international steel producer. The TimkenSteel bond has high equity sensitivity and a high yield.

*Welltower Inc. (Convertible Pfd., 6.50%, 04/16/2166)*, headquartered in Toledo, Ohio, is a real estate investment trust that develops premier healthcare infrastructure catering to seniors. Working with partners such as Sunrise Senior Living and Silverado memory care, the company develops senior assisted and independent living communities, post-acute care and outpatient facilities, and health and wellness infrastructure designed to support innovative, connected healthcare systems. The most recent project will provide the first senior assisted living and memory care complex in midtown Manhattan. This convertible preferred offers a good yield while participating with appreciation with the underlying stock as the company continues to expand its high quality portfolio.

April 23, 2018

**Top Ten Holdings**
**March 31, 2018**

| | |
|---|---|
| PNC Financial Services Group Inc. | Interdigital Inc., 1.50%, 03/01/2020 |
| Alibaba Mandatory Exchangeable Trust, Cv., 5.75%, 06/01/2019 | Atlas Air Worldwide Holdings Inc., 2.25%, 06/01/2022 |
| Sunpower Corp., Cv., 4.00%, 01/15/2023 | Extra Space Storage LP, 3.125%, 10/01/2035 |
| Aerojet Rocketdyne Holdings Inc., 2.25%, 12/15/2023 | CSG Systems international Inc., 4.25%, 03/15/2036 |
| American Tower Corp., 5.50%, 02/15/2018 | Lumentum Holdings Inc., 0.25%, 038/15/2024 |

**Note:** The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager's Shareholder Commentary represents the opinions of the individual Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Manager and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed. Beneficial ownership of shares held in the Fund by Mr. Gabelli and various entities he is deemed to control are disclosed in the Fund's annual proxy statement.

**8% Distribution Policy for Common Stockholders**

The Board of Directors of the Fund (the "Board") has reaffirmed the continuation of the Fund's 8% distribution policy. Pursuant to its distribution policy, the Fund paid a $0.12 per share cash distribution on March 22, 2018 to common stockholders of record on March 15, 2018.

The Fund intends to pay a quarterly distribution of an amount determined each quarter by the Board. Under the Fund's current distribution policy, the Fund intends to pay a minimum annual distribution of 8% of the average net asset value of the Fund within a calendar year or an amount sufficient to satisfy the minimum distribution requirements of the Internal Revenue Code, whichever is greater. The average net asset value of the Fund is based on the average net asset values as of the last day of the four preceding calendar quarters during the year.

Each quarter, the Board reviews the amount of any potential distribution from the income, capital gain, or capital available. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's net asset value and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time. The distribution rate should not be considered the dividend yield or total return on an investment in the Fund.

If the Fund does not generate sufficient earnings (dividends and interest income and realized net capital gain) equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund's earnings would be deemed a return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is generally not taxable and is treated as a reduction in the shareholder's cost basis. Despite the challenges of the extra recordkeeping, a distribution that incorporates a return of capital serves as a smoothing mechanism resulting in a more stable and consistent cash flow available to shareholders.

Long term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the accounting records of the Fund currently available, the current distribution paid to common shareholders in 2018 would include approximately 11% from net investment income and 89% from net capital gains on a book basis. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2018 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

**6.00% Series B Cumulative Preferred Stock**

The Fund's 6.00% Series B Cumulative Preferred Stock paid a $0.375 per share cash distribution on March 26, 2018, to preferred shareholders of record on March 19, 2018. The Series B Preferred Shares, which trade on the NYSE under the symbol "GCV Pr B", are rated "A1" by Moody's Investors Service and have an annual dividend rate of $1.50 per share. The Series B Preferred Shares were issued on March 18, 2003, at $25.00 per share and pay distributions quarterly. After five years of call protection, the Series B Preferred Shares became callable at any time at the liquidation value of $25.00 per share plus accrued dividends. The next distribution is scheduled for June 2018. The Fund is authorized to purchase its Series B Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of $25.00 per share. In total through March 31, 2018, the Fund has repurchased and retired 34,452 Series B Preferred Shares in the open market under this share repurchase authorization. The Fund did not repurchase any Series B Preferred Shares during the first quarter of 2018.

Long term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Based on the accounting records of the Fund currently available, the current distribution paid to preferred shareholders represents approximately 11% from net investment income and 89% from net capital gains on a book basis. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2018 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

**Tax Treatment of Distributions to Common and Preferred Shareholders**

All or part of the distributions may be treated as long term capital gain or qualified dividend income (or a combination of both) for individuals, each subject to the maximum federal income tax rate, which is currently 20% in taxable accounts for individuals. In addition, certain U.S. shareholders who are individuals, estates, or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surcharge on their "net investment income," which includes dividends received from the Fund and capital gains from the sale or other disposition of shares of the Fund.

**www.gabelli.com**

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Closed-End Funds and Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at closedend@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

**e-delivery**

We are pleased to offer electronic delivery of Gabelli fund documents. Shareholders of our closed-end funds can now elect to receive e-mail announcements regarding available materials, including shareholder commentaries and Fund reports. For more information or to register for e-delivery, please visit our website at www.gabelli.com.

# AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

## Enrollment in the Plan

It is the policy of The Gabelli Convertible and Income Securities Fund Inc. (the "Fund") to automatically reinvest dividends payable to common shareholders. As a "registered" shareholder you automatically become a participant in the Fund's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Fund to credit shares of common stock to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their stock certificates to Computershare Trust Company, N.A. ("Computershare") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request in writing to:

The Gabelli Convertible and Income Securities Fund Inc.
c/o Computershare
P.O. Box 505000
Louisville, KY 40233

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the Fund's records. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan, may contact Computershare at (800) 336-6983.

If your shares are held in the name of a broker, bank, or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in "street name" at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of common stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund's common stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of common stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund's common stock. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange ("NYSE") trading day, the next trading day. If the net asset value of the common stock at the time of valuation exceeds the market price of the common stock, participants will receive shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy common stock in the open market, or on the NYSE or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common stock exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

**Voluntary Cash Purchase Plan**

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Fund. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Fund's shares at the then current market price. Shareholders may send an amount from $250 to $10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates $0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 505000, Louisville, KY 40233 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

*Shareholders wishing to liquidate shares held at Computershare* must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address, and account number. The cost to liquidate shares is $2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

For more information regarding the Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Fund.

The Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by Computershare on at least 90 days written notice to participants in the Plan.

**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 the Board of Directors 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.

**Thomas Dinsmore, CFA,** joined Gabelli Funds LLC in 2015. He currently serves as 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 has a B.S. in Economics from the Wharton School of Business, and an M.A. in Economics from Fairleigh Dickinson University.

**Jane 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. In 1980, Ms. O'Keeffe began as an assistant to the portfolio manager of IDS Progressive Fund. From 1983 through March 1986, she had research and portfolio management responsibilities at Soros Fund Management Company. In 1986, she was a portfolio manager and research analyst at Simms Capital Management until she joined Fiduciary Trust International in 1988 where she became a Vice President and Portfolio Manager for individuals, endowments, and foundations. She has a B.A. from the University of New Hampshire and attended the Lubin Graduate School of Business at Pace University.

**James Dinsmore, CFA,** joined Gabelli Funds LLC in 2015. He currently serves as 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 from Rutgers 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 per share 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 shares of its common stock 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 shares of its preferred stock in the open market when the preferred shares are trading at a discount to the liquidation value.

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GABELLI FUNDS

# THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.

## GCV

*Shareholder Commentary*
*March 31, 2018*