THE GABELLI

CONVERTIBLE AND INCOME SECURITIES FUND INC.

Shareholder Commentary
September 30, 2005

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.

Our cover icon represents the underpinnings of Gabelli. The Teton mountains in Wyoming represent what we believe in in America — that creativity, ingenuity, hard work and a global uniqueness provide enduring values. They also stand out in an increasingly complex, interconnected and interdependent economic world.

Investment Objective:

The Gabelli Convertible and Income Securities Fund Inc. is a diversified, closed-end management investment company whose primary objective is to seek a high level of total return through a combination of current income and capital appreciation.

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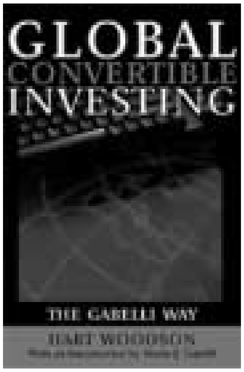


From the Gabelli Press:

Global Convertible Investing: The Gabelli Way

by Hart Woodson

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.

To Our Shareholders,

Convertible stocks and bonds are hybrid securities. Because they can be converted into common stock, performance will be impacted by the dominant trend in the equity markets. However, due to their significantly higher yield, performance is also influenced by the direction of the bond market. In the third quarter of 2005, stocks made good progress as favorable economic news and ongoing strength in corporate earnings prevailed in the tug-of-war with rising energy prices and two more Federal Reserve interest rate increases. On a net asset value basis, the Gabelli Convertible and Income Securities Fund was up 3.97% during the third quarter of 2005. The Fund's market price declined 2.71% during the quarter, closing on September 30, 2005 at $9.46, which represents a 15.37% premium to its net asset value of $8.20 on September 30, 2005.

Comparative Results

Average Annual Returns through September 30, 2005 (a)

	Quarter	Year to Date	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (7/3/89)
Gabelli Convertible & Income Securities Fund								
NAV Return (b)	**3.97%**	**6.01%**	**10.56%**	**10.24%**	**4.31%**	**6.02%**	**7.68%**	**7.62%**
Investment Return (c)	**(2.71)**	**9.30**	**3.19**	**5.26**	**8.97**	**8.28**	**N/A(d)**	**7.87(d)**
S&P 500 Index	3.60	2.77	12.25	16.71	(1.49)	9.49	12.00	11.06
Lipper Convertible Securities Fund Average	4.82	2.13	9.29	14.49	2.19	8.43	11.05	9.75

(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 figures for periods less than one year are not annualized. Investors should consider the investment objectives, risks and expenses of the Fund carefully before investing****. The S&P 500 Index is an unmanaged indicator of stock market performance. The Lipper Average reflects the average performance of open-end mutual funds in this particular category. Dividends are considered reinvested.*

(b) Total returns and average annual returns reflect changes in net asset value ("NAV"), reinvestment of distributions at NAV on the ex-dividend date, adjustments for rights offerings, and are net of expenses. Since inception return is based on an initial net asset value of $10.00.

(c) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange, reinvestment of distributions on the payable date, 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 New York Stock Exchange prior to that date.

We have separated the portfolio manager's 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 manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

Premium / Discount Discussion

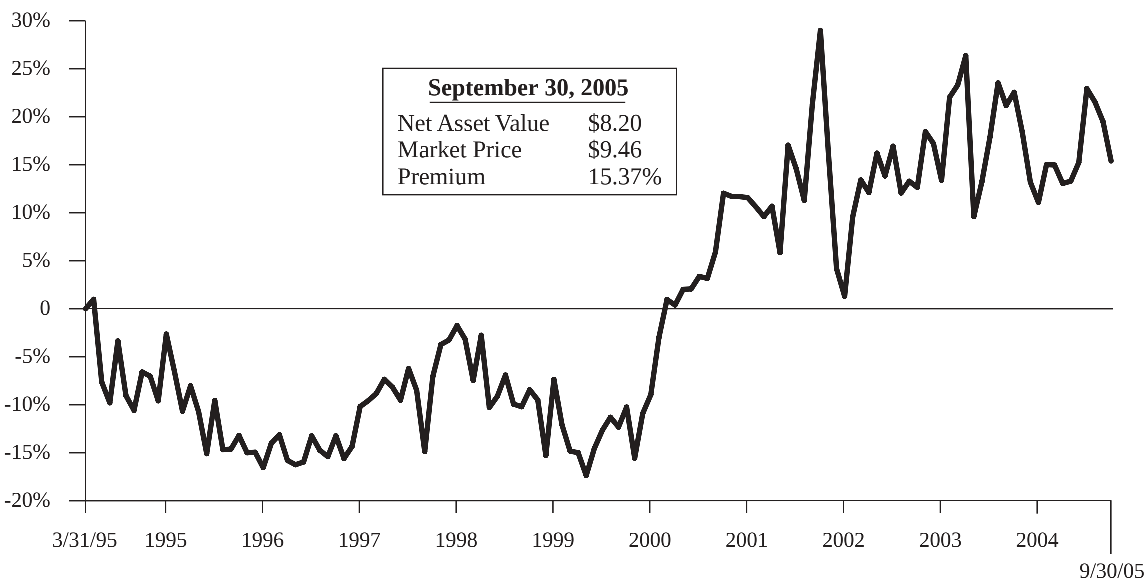
As a refresher to our shareholders, the price of a closed-end fund is determined in the open market by willing buyers and sellers. Shares of the Fund trade on the New York Stock Exchange and may trade at a premium to (higher than) net asset value (NAV) (the market value of the Fund's underlying portfolio less any liabilities and expenses) or a discount to (lower than) net asset value. Of the 650 closed-end funds that are publicly traded in the U.S., approximately 26% currently trade at premiums to NAV versus 15% five years ago and 13% ten years ago.

Ideally, the Fund's market price will generally track the NAV. The Fund's premium or discount to NAV fluctuates over time. Over our Fund's 10-year history as a closed-end fund, the range fluctuated from a 31% premium in August 2002 to a 17% discount in April 2000. Beginning in early 2001, the market price of the Fund exceeded the NAV and this premium continues today. Currently, the Fund trades at a 15.37% premium to its NAV.

"Mr. Market" often provides opportunities to invest at a discount. The Fund has undertaken various initiatives to narrow the discount when appropriate through distribution policies, share repurchase programs and use of leverage.

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 7.62% since inception. However, it is important to remember that "Mr. Market" is a pendulum that swings both ways. **As the market moves away from momentum investing and back to basics, we believe that an excessive premium for the Fund is not likely to be sustainable.**

PREMIUM/DISCOUNT SINCE CONVERSION TO A CLOSED-END FUND



Our Objective

Our mandate is to preserve and enhance our shareholders' wealth through a conservative and disciplined approach to convertible securities investing. 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 long-term Treasury yields. We hope to generate these returns over the long term. This is the type of performance that our Fund has been recognized for and we anticipate will continue in the future. 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 will also 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.

Convertible Market Overview

During the third quarter, US convertibles, as measured by the Merrill Lynch All Convertible Index, gained +4.2%. The equities underlying the index rose by +6.7%. This ratio, which is known as the "delta" in options pricing parlance, implies a price responsiveness of the convertible market to a change in the underlying stock price of about 62%, all else being equal. This was higher than expected because the theoretical delta of the convertible market is currently around 55%. Firmer equity markets and tighter credit spreads favored convertibles while higher interest rates were a drag on performance.

Last quarter, convertibles outpaced the S&P 500 (+3.6%) and the Dow Jones Industrial Average (Dow), which gained +3.4%, but lagged the Nasdaq Composite (+4.6%), and the Russell 2000 (+4.7%). Year to date, these four equity indices returned +2.77%, -0.34%, -1.09%, and +3.44%, respectively, while convertibles have advanced by +0.55%. Meanwhile, in the bond market, the AA1 rated Merrill Lynch Government/Corporate Bond Index fell –0.94% during the quarter as the yield on the ten-year US Treasury note rose by 41 basis points to 4.33%. This index has gained +1.91% year to date. Speculative grade bonds, as measured by the B1 rated Merrill Lynch US High Yield Master II Index, rose a modest +0.92% in the quarter and +2.06% year to date as high yield credit spreads tightened as investors' risk appetite returned following General Motors credit downgrade in May. After ending the second quarter at 385 basis points, the spread on this index closed at 354 basis points in September, down 31 basis points. This, together with better underlying stock performance, caused speculative grade convertibles to outperform those of investment grade companies (+4.5% versus +2.8%), but they remain behind year to date (-0.21% versus +0.31%).

Equity market volatility, as measured by the Chicago Board Options Exchange (CBOE) VIX Index, remained flat at around 12% despite a brief spike caused by hurricane disruptions. The theoretical value of a convertible portfolio is positively correlated to a rise in volatility. Volatility has been declining as companies have been using their excess cash to repay debt and remunerate shareholders in the form of higher dividends (or stock repurchases) rather than increasing capital spending or making acquisitions. This behavior, which is cyclical, reflects economic uncertainties. Going forward, we expect a modest increase in equity market volatility spurred on by the Federal Reserve's interest rate hikes and an increase in M&A activity as companies seek top line growth through acquisitions.

The size of the domestic convertible market was basically flat over the quarter at $261 billion as higher secondary market prices were offset by negative net new issuance. The U.S. market accounts for 51% of the $512 billion global market. Convertible new issuance remains dormant because of low equity market volatility, competition from the straight bond market with its tight credit spreads, and recent changes in accounting rules. Year to date, total new issue activity has been just $22 billion, which is well below last year's uninspiring pace of $34 billion. This year is now on pace to become the worse year for new issuance since 1995. New issue activity peaked in 2001 at $106 billion. Total redemptions year to date have been $46 billion resulting in negative net new issuance of $24 billion.

The domestic convertible market is composed of 39% speculative grade credits, 39% investment grade credits, and 22% non-rated credits. The average conversion premium in the convertible market fell from 39% to 34% as equity prices rose, while the current return declined slightly to 3.1% and credit quality remained unchanged at BB+. Average new issue pricing terms deteriorated slightly for investors over the quarter. In September, the average new issue pricing terms were a coupon of 3.8% and a conversion premium of 27% versus 4.1% and 23%, respectively, in June.

COMMENTARY

The Economy: Consumer Fatigue

The consumer is finally fatigued. Several factors are at work here. First, the unprecedented home refinancing boom, which put an estimated $180 billion in consumers' pockets last year, is incrementally over and the money spent. Today, the incremental cost of servicing the debt from home equity lines of credit and adjustable rate mortgages has increased substantially as the Federal Reserve has raised, and continues to raise, short-term interest rates. Compounding this are increasingly expensive gasoline prices, which eat into consumers' discretionary income. The additional $500 the average driver will be spending this year is $500 not spent in a store. Finally, as we enter winter, expensive home heating oil and natural gas will pinch most consumers.

As these factors play out, we could see some air leak out of the housing bubble. In 1999, $11.1 trillion of consumers' wealth was in real estate, while direct equities investments accounted for $12.3 trillion. At the end of 2004, housing approximated $19 trillion and equities were just over $10 trillion. The surge in housing prices over the last five years has largely been fueled by low mortgage rates, looser lending standards and an increase in speculative real estate investing. As mortgage rates move higher, banks and mortgage companies tighten their lending standards as mortgage lending becomes less profitable, and speculators begin curtailing their purchases of real estate, leading to a potential cooling of what Alan Greenspan termed the "froth" in the housing market. The immediate impact would be a cooling off of the housing sector, one of the economy's strongest areas. Perhaps more importantly, in a world in which a man's house in no longer just his castle, but his Fort Knox store of wealth as well, lower housing prices could whittle away at consumer confidence and spending.

Consumer activity represents approximately two-thirds of Gross Domestic Product (GDP). However, this tends to understate consumers' influence on the economy, because a slackening in their spending generally foreshadows a reduction in business investment and capital spending as well. So, our conclusion is that if and as the consumer reins in, spending will be crimped, and economic growth could slow in the first quarter of 2006. However, higher employment and rising wages could offset this.

Stormy Weather

Hurricanes Katrina and Rita have further muddied the economic waters. These two devastating storms damaged critical Gulf Coast energy infrastructure (offshore drilling platforms, pipelines, and refineries), and put additional upward pressure on energy prices. Katrina also temporarily shut down the Port of New Orleans, the U.S.' busiest port, impacting the price of commodities ranging from grain to steel. The federal government's cost for emergency management activities and the rebuilding of New Orleans and its smaller Gulf Coast neighbors is estimated at more than $100 billion. The tab for Rita will increase this figure, further bloating a federal budget deficit already strained by the cost of Iraq and the war on terrorism. In late September, investors' hopes that the Fed might signal the end of rising short-term rates were dashed when it instituted another 25 basis point rate hike and indicated it would likely continue to tighten at "a measured pace".

Impressive corporate earnings growth and increased merger and acquisition activity have been the primary supports for the equity markets this year. We expect M&A activity to remain relatively strong as financially robust companies continue to take advantage of publicly traded business bargains. However, we see corporate earnings growth continuing to slacken as we go into 2006 as a decelerating economy restrains corporations' top line growth, and profit margins are squeezed by higher energy, commodities, and labor costs in the year ahead. In addition, while we expect the U.S. trade deficit to cause the dollar to weaken in the future, our currency has strengthened considerably this year. Since more than one-third of S&P 500 companies' earnings are derived from international operations, projected earnings will be curtailed.

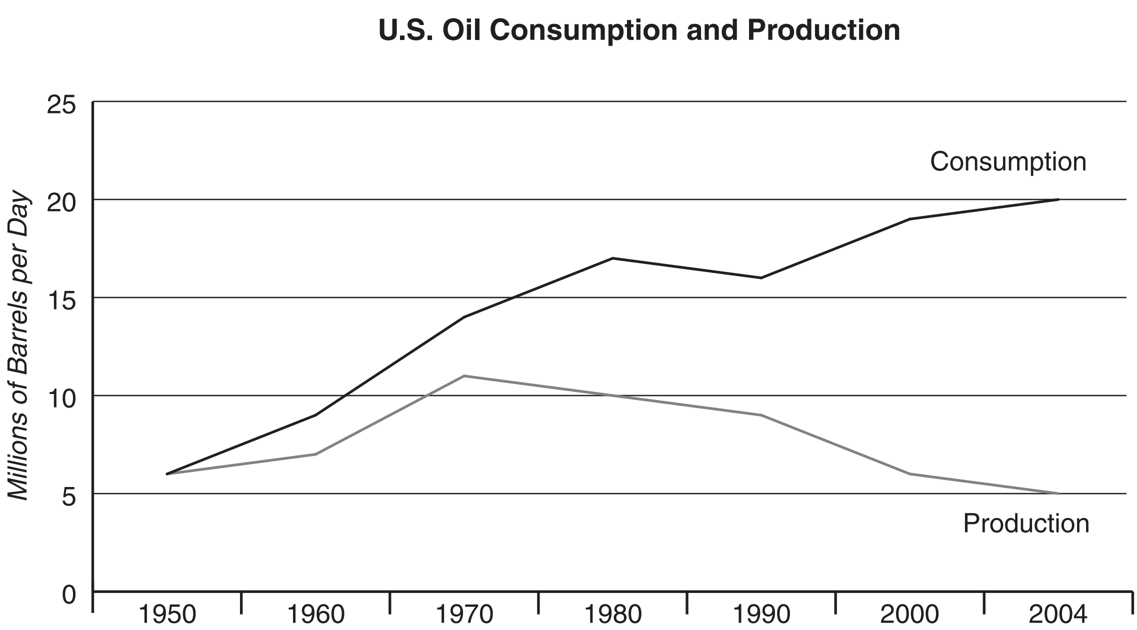
Currently, equity valuations appear reasonable relative to earnings in what is still a low interest rate environment. However, as earnings falter and market interest rates move higher, valuations will be strained.

Our conclusion is that stocks may be vulnerable to a short-term correction and more traditional volatility. We remind shareholders that while corrections are always painful, they substantially increase the number of true stock market bargains, building a more solid foundation for future gains. Put another way, taking a step back is what makes the next two steps forward possible. Whenever we anticipate the stock market to stumble, we like to remind investors that over the 79 years of recorded market history, stocks have produced 10.4% average annualized returns compared to 5.5% for bonds and 3.7% for Treasury Bills.

Looking farther ahead, we feel more constructive. We think energy prices will stimulate significant developments to find alternative sources of energy. Stable energy prices should help to re-energize the consumer and provide ballast for the economy. Katrina and Rita will transition from being economic drags to being stimulants, as money is spent on reconstruction along the Gulf Coast. By mid-year 2006, the Fed should be done raising interest rates, taking pressure off the economy and improving investor sentiment. Corporate America is in exceptionally good shape with record levels of cash and squeaky-clean balance sheets. With all this financial muscle, corporations will start to grow through internal investment and acquisitions. Tax policies remain quite favorable to capital markets. The market should begin anticipating these favorable developments ahead of the fact.

Energy and a New "Manhattan Project"

U.S. energy production has been shrinking while oil consumption has risen at double-digit rates.



The addition of China and India to the roster of rapidly-developing economies has meant an increase in energy demand worldwide, while conventional oil reserves are not growing. Due to the growing global supply/demand imbalance, the free market is “discovering” oil. Sources of oil that were previously too costly are now profitable thanks to its rising market cost. As Alan Greenspan noted in a speech this month, “seismic imaging and advanced drilling techniques are facilitating the discovery of promising new reservoirs [while]…new technologies to more fully exploit existing conventional oil reserves will emerge in the years ahead”.

One example of this is the oil sands of Canada. Their riches lie in bitumen or heavy oil, a thick and tar-like hydrocarbon mixed in with sand, water and clay. It is excavated by strip-mining large volumes of sand. Processing plants add hot water and chemicals to the sand to create slurries; bitumen floats to the surface while sand settles out.

Traditionally a high-cost endeavor, mining for bitumen has become much more feasible, with the cost of producing a barrel of oil now roughly $10. Oil sands now account for approximately 33% of Canada’s total oil production. By 2015, it will account for more than 70%. Canada’s oil reserves are now estimated at 180 billion barrels, 95% of which is oil sands.

But more sources of oil aren’t the only answer. What the U.S. needs is an intense focus to reduce its dependency on oil.

In the 1940s, it was the Manhattan Project that led to the discovery, building, and use of a nuclear weapon in less than six years. In 1957, the Soviet launch of Sputnik I led to the creation of NASA the following year; and when Yuri Gagarin became the first man to orbit the earth in 1961, the U.S. responded just 8 years later by landing men on the moon – and bringing them back again.

This is the sort of concentrated, rapid-pace focus needed now to reduce American dependence on oil. This has many facets – reducing American dependence on foreign oil, improving auto, truck and airplane fuel efficiency, developing alternative sources of energy and other fuel-conservation efforts.

Water: The Petroleum of the Next Century

Like oil, water is a finite resource that over time will increase in value as the gap between supply and demand narrows. Today, the annual investment in water (water treatment and transmission infrastructure, products, and services) is $87 billion in the U.S. and $365 billion globally. In a recent survey conducted by the U.S. Environmental Protection Agency (EPA), water utilities estimated that over the next 20 years $277 billion would have to be spent to rebuild the infrastructure required to maintain current clean water standards. A nearly equal amount of capital will need to be invested in wastewater treatment facilities built with EPA grants in the 1970s, which are now nearing the end of their useful lives. So, in the U.S. alone we should see significant increases in investment spending across the water space during the next two decades.

We expect even more rapid growth in water investments in developing nations. In the U.S., 11% of water consumption is residential, 59% industrial, and 30% agricultural. In developing nations the mix is 8% residential, 10% industrial, and 82% agricultural. Third World industrialization will cause industrial water consumption to skyrocket in the same way that consumption of oil has exploded in China and India over the last several years. Most newly industrialized nations do not yet have environmental standards. Consequently, as industrial usage increases, supply will contract as water is polluted. Thankfully, nations such as China and Saudi Arabia have become more conscious of the environmental impact of industrialization and are beginning to put regulations in place that should eventually alleviate this problem. As a result, this will also demand a significant increase in investments in water treatment and purification systems.

What’s Good for General Motors is Good for the Rest of America – 1955

What’s Bad for General Motors is Good for the Rest of America – 2005

Exactly 50 years ago, executives from General Motors were called in to testify before the U.S. Senate to explain how GM had become the largest corporation in the world. When asked “Wouldn’t America be better off if General Motors reduced the price of a Chevrolet substantially to make it more affordable for the working man?”, GM executives responded that if they reduced the price of a Chevy as much as they could, they would run their competitors out of business.

GM had enough control over the auto market in 1955 that it was at risk of being broken up into three corporations and forced to dispose of its acquired parts supplier Delphi. But the company successfully argued to the Senate that the U.S. needed the economies of scale GM provided. Charlie Wilson, then chairman of General Motors, summed up his company’s philosophy and hubris in his famous comment: “What’s good for General Motors is good for the rest of America.”

Today, GM’s share of the domestic market has shrunk from well over 50% to 25%. The bankruptcy filing of its (spun-out) main parts supplier, Delphi, could leave GM with $6 billion in pension liabilities, hamper its product launches and crimp productivity. Though this filing is “bad” for GM – it is “good for the rest of America”. Delphi’s bankruptcy will compel the U.S. to address the issue of entitlements – pension and particularly healthcare – which have been crippling the competitiveness of companies here (healthcare costs alone represent over $1,500 per GM vehicle). Second, as companies are forced to look elsewhere to reduce costs, more manufacturing will migrate overseas towards lower labor rates, making U.S. companies more competitive and helping the consumer to get quality products at lower cost. It will also put renewed focus on making America competitive again through productivity enhancing tools, re-energizing of processes and, regrettably, through wage rates more comparable to those in growing new global labor centers. These issues will need to be addressed at both the local and federal level, taking into consideration both the direct (wages) and indirect (health and pension benefits) cost of U.S. labor.

Taxes

As Benjamin Franklin said: “In this world nothing is certain but death and taxes”. There is an initiative in place to review the tax structure of our country. President Bush’s tax overhaul panel recently came up with several suggestions, including a streamlined income tax and a progressive consumption tax for individuals. It also is looking at reducing the top corporate tax rate from 35% to 32%, expensing all capital spending rather than depreciating it over time, eliminating taxation on active overseas businesses and ending the corporate interest deduction.

While this was the first salvo in what will be a prolonged period of discussion and negotiation, we will be carefully monitoring the progress of this initiative and its impact on companies and consumers.

Energy, Part II

In the third quarter, utility stocks reacted favorably to the passage of the Energy Policy Act of 2005, the first comprehensive energy legislation to be passed in more than a decade. President Bush signed the bill into law in early August.

For U.S. utilities, the most important feature is the repeal of the 1935 Public Utility Holding Company Act, known as PUHCA. Repeal of PUHCA removes a number of rules that restricted utility mergers and acquisitions in the U.S. Without these restrictions, the number of potential merger partners for each U.S. utility is now much greater.

Overall, we believe that repeal of PUHCA will result in a large increase in utility merger activity in the U.S. We have tried to anticipate this trend by investing in the shares of utility stocks that we believe will become takeover targets for the larger utility companies.

Investment Scorecard

The Energy sector, which represents 7.8% of the convertible market's total capitalization, was the best performing industry group out of twelve during the quarter. The sector was up +17.8% and contributed +1.39% to overall attribution. The Materials sector, which accounts for 4.3% of the convertible market, also produced strong returns. Materials were up 16.1% and contributed +0.69% to overall performance. Utilities performed well gaining +5.52%, but because they only represent 4.3% of the market, their influence was limited at just +0.23%. Other positive sectors included Healthcare (+5.1%), Technology (+4.23%), Industrials (+3.06%), Financials (+2.49%), Media (+2.26%), and Telecommunications (+1.78%). These segments represent 17.5%, 17.2%, 6.8%, 18.5%, 6.1%, and 3.0% of the convertible market and contributed to performance by +0.89% +0.73%, +0.21%, +0.46%, +0.14%, +0.05%, respectively. Year to date, only four sectors have shown positive returns: Energy, Materials, Utilities, and Healthcare. Lagging sectors during the quarter included Transportation (–6.85%), Consumer Staples (–3.38%), and Consumer Discretionary (–2.05%). These sectors represent 1.4%, 1.0%, and 12.1% of the convertible market and diminished performance by –0.10%, –0.03%, and –0.25%, respectively.

Let's Talk Converts

The following are security specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher security 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.

Agere Systems Inc. (AGR) (Sub. Deb. Cv., 6.50%, 12/15/09), based in Allentown, PA, is a worldwide manufacturer and designer of integrated circuits for the high-density storage, multi-service networking, wireless data, and personal computer connectivity markets. The company's two operating segments include Consumer Enterprise and Telecommunications. The Consumer Enterprise segment provides chips for hard disk drives, data-enabled mobile phones, and networking applications, as well as modem and computer products. The Telecommunications segment focuses on the telecommunications network equipment market and provides chips for wireless and wireline infrastructure. Agere's key customers include hard disk drive manufacturers, mobile phones, communications systems, and personal computers.

Church & Dwight Co. Inc. (CHD) (Cv., 5.25%, 08/15/33) manufactures and markets consumer and specialty products, such as baking soda, laundry detergent, deodorizers and cleaners. Its oldest and most recognizable brand name is Arm & Hammer. In 2001, the company formed a joint venture with Kelso & Company and purchased the consumer products business of Carter-Wallace, Inc., which products such as Trojan condoms, Nair depilatories and First Response pregnancy test kits. On June 1, 2004 Church & Dwight purchased Kelso's stake in the joint venture for $254 million. Church & Dwight announced on July 2, 2004 an agreement to invest $30 million in a new company formed by Kelso & Company, which will acquire Del Laboratories Inc. Under this agreement, Church & Dwight will be receiving certain rights with respect to the Orajel brand. Church & Dwight plans to continue to grow through brand building, new product introductions, and expansion into underdeveloped channels and international markets.

Conseco Inc. (CNO) (Cv., 3.50%, 09/30/35) is a Fortune 500, Carmel, Indiana based company and a major provider of supplemental health insurance, life insurance and annuities. In 2003 it emerged from bankruptcy, one of the biggest in U.S. history, as a financially stable company totally focused on the insurance business. In 2005, as part of its growth plan, the Conseco introduced several new products including The Conseco Patriot, a flexible premium indexed annuity, the True Level Choice 5, a short-term multi-year guarantee fixed annuity, and a Worksite Universal Life product as well as the AssetBuilder and AssetBuilder Plus life insurance products. Conseco also entered into an agreement with AmeriLife to jointly develop a series of life, health and annuity insurance products and to offer Conseco products through AmeriLife's affiliated distribution channels. In addition to strengthening its top line performance, Conseco is devoted on creating operational efficiencies, reducing debt costs, and improving its balance sheet.

Costco (COST) (Cv., Zero Coupon, 08/19/17) operates 433 membership warehouses that sell a wide variety of high quality, nationally branded and selected private label merchandise at low prices to businesses and individuals. The company has over 16 million individual "Gold Star" members and over 5 million business members, with extremely high membership renewal rates of about 86% per year. The company makes excellent use of its selling space, with sales per square foot of well over $800, and carefully selects its new locations. Continued expansion of the company's store base, strong comparable store sales and attraction of new members should drive earnings growth for the company for the next several years.

GenCorp Inc. (GY) (Sub. Deb. Cv., 5.75%, 04/15/07) is a leading manufacturer of propulsion systems for the aerospace and defense markets and owns 7,000 acres of real estate in Sacramento, California. GY's strategy is to zone the land for residential development to maximize its value. Recently GY filed an application to rezone a 2,700-acre project (Rio Del Oro) near the city of Rancho Cordova. The company will receive an Environmental Impact Report that outlines, what impact, if any, the rezoning will have on the environment. Following the release of the report, GY and the city of Rancho Cordova will have an opportunity to make changes to the plan before the report is open for public comments. After a 6-12 months period of public discussions, a final decision will be made on the Rio del Oro entitlement. After the rezoning is approved, we think GY will sell part of this property to monetize the value.

Kaman Corp. (KAMNA) (Sub. Deb. Cv., 6.00%, 03/15/12) has three business segments: aerospace & defense, industrial distribution and music instrument distribution. Cash flow from the thriving distribution businesses are funding a transformation of the defense business away from helicopter programs into aircraft components. The diamond in the rough is the ball bearings division called Kamatics which is benefiting from the newest generation of passenger aircraft design. The Kaman family has agreed to exchange their super-voting shares for regular single vote shares. The new simplified structure will make it easier for any company interested in purchasing all or some of Kaman's business units to come forward.

Robbins & Myers Inc. (RBN) (Sub. Deb. Cv., 8.00%, 01/31/08) is an international manufacturer of industrial mixing equipment, glass-lined vessels, industrial pumps and corrosion resistant products serving the process industries such as specialty chemicals, pharmaceuticals, water treatment, oil and gas, food and beverage. Robbins & Myers is an attractive company in a consolidating industry. More than half of Robbins & Myers revenues are in the pharmaceutical market, primarily from Romaco products for packaging, printing and the processing of pharmaceutical materials. Industry overcapacity, economic downturn in Europe and price reductions have caused Romaco's profits to substantially decline in the last three years. As a result, RBN has put Romaco up for sale. A sale would be a positive event for the company. It would eliminate the low margin business from RBN and the proceeds could be used to reduce debt or for acquisitions.

Rogers Communications Inc. (RG) (Sub. Deb. Cv., 2.00%, 11/26/05) is the only company in North America able to offer consumers the "Quadruple Play" of video, high-speed data and fixed and wireless telephony through an owned plant. The company, founded and controlled by telecom pioneer Ted Rogers, is Canada's largest cable and wireless company. Rogers also has a substantial media business that operates forty-six radio stations, two broadcast networks, five cable channels, sixty-five magazines and the Toronto Blue Jays baseball club. The company has consummated several deals in the last year, including the purchase of wireless competitor Microcell Telecommunications, wireline company Call-Net Enterprises and the purchase of the 49% of Rogers Wireless it did not own. These deals, combined with significant operational improvements, have positioned the company to grow cash flow in the mid-teens for the next several years.

Standard Motor Products Inc. (SMP) (Sub. Deb. Cv., 6.75%, 07/15/09) based in Long Island City, NY, manufactures and distributes engine management and temperature control replacement parts for the automotive aftermarket industry. The engine management segment produces ignition and emission parts, including ignition wires, battery cables, and fuel system parts. The temperature control segment manufactures and remanufactures air conditioning compressors, power window accessories, and windshield washer systems.

8% Distribution Policy for Common Stockholders

The Board of Directors has reaffirmed the Fund's 8% Distribution Policy. Pursuant to the 8% Distribution Policy, the Fund paid a $0.20 per share cash distribution on September 26, 2005. Under the Fund's Distribution Policy, the Fund pays a minimum annual distribution of 8% of the average net asset value of the Fund. The Fund's current quarterly distribution level for 2005 is set at $0.20 per share in each of the first three quarters of the year. The Fund pays an adjusting distribution in the fourth quarter of an amount sufficient to pay 8% of the average net asset value of the Fund, as of the last day of the four preceding calendar quarters, or to satisfy the minimum distribution requirements of the Internal Revenue Code, whichever is greater. Each quarter, the Board of Directors will review the amount of any potential distribution and the income, capital gain or paid-in capital available. The Fund's Distribution Policy is subject to modification by the Board at any time.

If the Fund does not generate earnings from dividends and interest received and net realized capital gains 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 investment income and net realized capital gains would be deemed a non-taxable return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is not taxable and is treated as a reduction in the shareholder's cost basis. However, despite the challenges of the extra record keeping, a distribution that is occasionally supplemented with a return of capital serves as a smoothing mechanism resulting in a more stable and consistent cash flow available to shareholders. For a closed-end fund with a distribution policy, a return of capital becomes progressively less likely with the passage of time because in later years it is more likely that long-term capital gains can be realized and therefore become available for distribution. A portion of the distribution may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum Federal income tax rate, which is currently 15% in taxable accounts for individuals. Long-term capital gains, qualified dividend income, ordinary income and non-taxable return of capital, if any, will be allocated on a pro-rata basis to all distributions for the year. The final determination of the source of all distributions in 2005 will be made after year-end. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2005 distributions in early 2006 via Form 1099-DIV.

Common Stock Repurchase Plan

On May 16, 1995, the Board of Directors voted to authorize the repurchase of its common shares in the open market, from time to time, when such shares are trading at a discount of 10% or more from the NAV of the common shares. In total, through September 30, 2005, the Fund has repurchased 305,200 shares in the open market under this share repurchase plan. Of the total 500,000 shares authorized for repurchase, 194,800 shares currently remain available for repurchase. Since the Fund continues to trade at a premium to net asset value, the Fund did not repurchase shares in the open market under this share repurchase plan during the third quarter of 2005.

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 September 26, 2005. The Series B Preferred Shares, which trade on the New York Stock Exchange under the symbol "GCV Pr B" are rated "Aaa" by Moody's Investors Services 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. The next distribution is scheduled for December 2005.

Series C Auction Rate Cumulative Preferred Stock

The dividend rates for the Series C Auction Rate Cumulative Preferred Stock ranged from 2.85% to 3.81% during the third quarter of 2005. Dividend rates for the Series C Preferred Shares are cumulative at a rate that may be reset every seven days based on the results of an auction. The Series C Preferred Shares do not trade on an exchange. The Series C Preferred Shares are rated "Aaa" by Moody's Investors Service and "AAA" by Fitch Ratings. The Fund issued 1,000 Series C Preferred Shares on March 18, 2003 at $25,000 per share.

The Board of Directors shares the Investment Adviser's view that the issuance of the Preferred Stock is designed to benefit the common shareholders. The Fund expects that, following investment of the Preferred Stock proceeds, it will be able to earn in excess of the dividend rate on the Preferred Stock and thereby create additional value for its common shareholders.

It should be noted that the Investment Adviser does not receive a management fee on the incremental assets attributable to the Preferred Stock unless the total return of the net asset value of the common stock during the year, including distributions and advisory fee subject to potential reduction for that year, exceeds the stated dividend rate of the Preferred Stock, including the net cost to the Fund of any associated interest rate swap agreement the Fund may enter into to protect against short-term interest rate increases. The Investment Adviser believes this fee arrangement is in the best interests of all shareholders.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli 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.

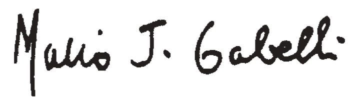
You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings and mutual fund prices and performance.

In Conclusion

After the first three quarters of 2005, the leading equity indices are slightly up or slightly down. Due to consumer fatigue, the short-term outlook for the economy and stock market does not appear as bright as it had earlier in the year. During challenging market environments, our value oriented investment discipline has helped shelter our shareholders.

We believe convertibles, with their lower equity volatility and interest rate sensitivity, offer investors an attractive investment opportunity. Our objective is to own great businesses selling at a discount to their intrinsic value with a catalyst in place to unlock that value. We thank you for your continued support of our efforts.

Sincerely,



Mario J. Gabelli, CFA
Portfolio Manager and
Chief Investment Officer

October 31, 2005

NOTE: The views expressed in this report reflect those of the portfolio manager only through the end of the period stated in this report. The manager's views are subject to change at any time based on market and other conditions.

Portfolio Manager Compensation

Mr. Gabelli's incentive-based, variable compensation structure and dollar amount have been fully disclosed each year since April of 2000 in the annual proxy statement for GAMCO Investors, Inc. (NYSE:GBL). Mr. Gabelli receives no base salary, no annual bonus and no stock options.

As founder and portfolio manager of the Gabelli Convertible and Income Securities Fund Inc., Mr. Gabelli received $305,419 in calendar year 2004. For the Fund's first twelve months of operation starting in July 1989, Mr. Gabelli received less than $125,000. As beneficial owner, he had $10,352,560 invested in the Gabelli Convertible and Income Securities Fund Inc. as of 09/30/05, which includes the holdings of Gabelli Securities Inc., a GBL subsidiary, and GGCP, Inc., GBL's parent holding company.

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC. AND YOUR PERSONAL PRIVACY

Who are we?

The Gabelli Convertible and Income Securities Fund Inc. (the "Fund") is a closed-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which are affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly-held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

What kind of non-public information do we collect about you if you become a Gabelli customer?

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us.* This would include information about the shares that you buy or sell, it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone, other than our affiliates, our service providers who need to know such information and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its web site, *www.sec.gov*.

What do we do to protect your personal information?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

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

Directors

Mario J. Gabelli, CFA
Chairman & Chief Executive Officer,
GAMCO Investors, Inc.

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

Anthony J. Colavita
Attorney-at-Law,
Anthony J. Colavita, P.C.

Dugald A. Fletcher
President, Fletcher & Company, Inc.

Karl Otto Pöhl
Former President, Deutsche Bundesbank

Anthony R. Pustorino
Certified Public Accountant,
Professor Emeritus, Pace University

Werner J. Roeder, MD
Medical Director,
Lawrence Hospital

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

Salvatore J. Zizza
Chairman, Hallmark Electrical Supplies Corp.

Officers

Bruce N. Alpert
President & Treasurer

Peter D. Goldstein
Chief Compliance Officer

Laurissa M. Martire
Vice President & Ombudsman

James E. McKee
Secretary

A. Hartswell Woodson, III
Associate Portfolio Manager

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 Ltd.

Stock Exchange Listing

	Common	6.00% Preferred
NYSE–Symbol:	GCV	GCV PrB
Shares Outstanding:	11,936,552	990,800

The Net Asset Value appears in the Publicly Traded Funds column, under the heading “Convertible Securities Funds,” in Sunday’s The New York Times and 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 may be obtained each day by calling (914) 921-5071.

For general information about the Gabelli Funds, call **800-GABELLI** (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds’ Internet homepage at: **www.gabelli.com** or e-mail us at: closedend@gabelli.com

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Convertible and Income Securities Fund may from time to time purchase shares of its common stock in the open market when the Convertible and Income Securities Fund shares are trading at a discount of 10% or more from the net asset value of the shares. The Convertible and Income Securities Fund may also, from time to time, purchase shares of its Cumulative Preferred Stock in the open market when the shares are trading at a discount to the Liquidation Value of $25.00.

THE GABELLI CONVERTIBLE AND
INCOME SECURITIES FUND INC.
One Corporate Center
Rye, NY 10580-1422
(914) 921-5070
www.gabelli.com

Shareholder Commentary
September 30, 2005

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.

The Gabelli Convertible and Income Securities Fund Inc.

Third Quarter Report
September 30, 2005

To Our Shareholders,

During the third quarter of 2005, the Gabelli Convertible and Income Securities Fund's (Fund) total return was up 3.97% on a net asset value (NAV) basis while the Standard & Poor's (S&P) 500 Index rose 3.60% and the Lipper Convertible Securities Fund Average gained 4.82%. The Fund's market price on September 30, 2005 was $9.46, which equated to a 15.37% premium to its NAV of $8.20 at the end of the quarter. The Fund's market price, adjusted for distributions, declined 2.71% during the third quarter of 2005.

Enclosed is the investment portfolio as of September 30, 2005.

Comparative Results

Average Annual Returns through September 30, 2005 (a)

	Quarter	Year to Date	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception (7/3/89)
Gabelli Conv. & Inc. Sec. Fund NAV Return (b)	**3.97%**	**6.01%**	**10.56%**	**10.24%**	**4.31%**	**6.02%**	**7.68%**	**7.62%**
Gabelli Conv. & Inc. Sec. Fund Inv. Return (c)	**(2.71)**	**9.30**	**3.19**	**5.26**	**8.97**	**8.28**	**N/A(d)**	**5.02 (d)**
S&P 500 Index	3.60	2.77	12.25	16.71	(1.49)	9.49	12.00	10.06
Lipper Convertible Securities Fund Average	4.82	2.13	9.29	14.49	2.19	8.43	11.05	9.75

(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. Distributions are considered reinvested. Performance returns for periods 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 consider the investment objectives, risks and charges and expenses of the Fund carefully before investing****. The S&P 500 Index is an unmanaged indicator of stock market performance, while the Lipper Average reflects the average performance of open-end mutual funds classified in this particular category.*

(b) *Total returns and average annual returns reflect changes in NAV and reinvestment of distributions at NAV on the ex-dividend date and adjustments for rights offerings, and are net of expenses. Since Inception return based on initial net asset value of $10.00.*

(c) *Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange and reinvestment of distributions. Since Inception return 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 New York Stock Exchange prior to that date.*

We have separated the portfolio manager's 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 manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.
SCHEDULE OF INVESTMENTS
September 30, 2005 (Unaudited)

Principal Amount		Market Value*
	CONVERTIBLE CORPORATE BONDS — 39.0%	
	Aerospace — 3.0%	
$ 830,000	GenCorp Inc., Sub. Deb. Cv., 5.750%, 04/15/07	$ 911,962
3,692,000	Kaman Corp., Sub. Deb. Cv., 6.000%, 03/15/12	3,535,090
		4,447,052
	Automotive: Parts and Accessories — 6.2%	
3,000,000	Pep Boys - Manny, Moe & Jack, Cv., 4.250%, 06/01/07	2,925,000
6,900,000	Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09	6,141,000
		9,066,000
	Broadcasting — 4.3%	
	Sinclair Broadcast Group Inc., Sub. Deb. Cv.,	
5,000,000	6.000%, 09/15/12	4,400,000
2,200,000	4.875%, 07/15/18	1,977,250
		6,377,250
	Business Services — 5.1%	
900,000	BBN Corp., Sub. Deb. Cv., 6.000%, 04/01/12† (a)(c)	0
3,000,000	Franklin Resources Inc., Cv., Zero Coupon, 05/11/31	2,373,750
1,200,000	Navistar Financial Corp., Sub. Deb. Cv., 4.750%, 04/01/09	1,146,000
	Trans-Lux Corp., Sub. Deb. Cv.,	
2,600,000	8.250%, 03/01/12	2,551,250
1,500,000	7.500%, 12/01/06	1,496,250
		7,567,250
	Cable — 0.6%	
400,000	Adelphia Communications Corp., Sub. Deb. Cv., 3.250%, 05/01/21† (c)	18,500
800,000	Charter Communications Inc., Cv., 4.750%, 06/01/06	790,000
100,000	Mediacom Communications Corp., Cv., 5.250%, 07/01/06	100,000
		908,500
	Communications Equipment — 7.9%	
2,600,000	Agere Systems Inc., Sub. Deb. Cv., 6.500%, 12/15/09	2,613,000
600,000	Corning Inc., Deb. Cv., Zero Coupon, 11/08/15	475,848
2,000,000	Lucent Technologies Inc., Sub. Deb. Cv., 8.000%, 08/01/31	2,075,000
4,700,000	Nortel Networks Corp., Cv., 4.250%, 09/01/08	4,447,375
2,000,000	TriQuint Semiconductor Inc., Sub. Deb. Cv., 4.000%, 03/01/07	1,947,500
		11,558,723
	Consumer Products — 0.1%	
$ 100,000	Church & Dwight Co. Inc., Deb. Cv., 5.250%, 08/15/33 (b)	$ 133,500
	Diversified Industrial — 2.1%	
2,300,000	EDO Corp., Sub. Deb. Cv., 5.250%, 04/15/07	2,366,125
1,400,000	Roper Industries Inc., Cv., 1.481%, 01/15/34	771,750
		3,137,875
	Electronics — 0.0%	
10,000	Artesyn Technologies Inc., Sub. Deb. Cv., 5.500%, 08/15/10 (b)	13,187
	Energy and Utilities — 1.9%	
500,000	Devon Energy Corp., Deb. Cv., 4.950%, 08/15/08	617,500
1,400,000	Mirant Corp., Deb. Cv., 2.500%, 06/15/21† (c)	1,449,000
257,000	Moran Energy Inc., Sub. Deb. Cv., 8.750%, 01/15/08	245,435
400,000	Unisource Energy Corp., Cv., 4.500%, 03/01/35 (b)	421,000
		2,732,935
	Equipment and Supplies — 1.0%	
1,446,000	Robbins & Myers Inc., Sub. Deb. Cv., 8.000%, 01/31/08	1,520,108
	Financial Services — 0.4%	
500,000	Conseco Inc., Cv., 3.500%, 09/30/35 (b)	512,500
	Food and Beverage — 0.4%	
500,000	Parmalat Capital, Cv., 1.000%, 12/31/05† (c)	168,259
700,000	Parmalat Netherlands BV, Cv., 0.875%, 06/30/21† (c)	344,931
		513,190
	Health Care — 0.7%	
1,000,000	IVAX Corp., Sub. Deb. Cv., 4.500%, 05/15/08	1,003,750
150,000	Sabratek Corp., Sub. Deb. Cv., 6.000%, 04/15/06† (a)(c)	0
		1,003,750
	Hotels and Gaming — 1.2%	
800,000	Hilton Group Finance Jersey Ltd., Cv., 3.375%, 10/02/10	1,789,375
10,000	Wynn Resorts Ltd., Sub. Deb. Cv., 6.000%, 07/15/15 (b)	20,725
		1,810,100

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2005 (Unaudited)

Principal Amount		Market Value*
	CONVERTIBLE CORPORATE BONDS (Continued)	
	Manufactured Housing and Recreational Vehicles — 0.1%	
$ 100,000	Fleetwood Enterprises Inc., Cv., 5.000%, 12/15/23 (b)	$ 127,000
	Metals and Mining — 0.9%	
1,000,000	Inco Ltd., Cv., Zero Coupon, 03/29/21	1,262,500
	Real Estate — 1.2%	
	Palm Harbor Homes Inc., Cv.,	
450,000	3.250%, 05/15/24	406,125
1,550,000	3.250%, 05/15/24 (b)	1,398,875
		1,805,000
	Retail — 0.0%	
60,000	Costco Wholesale Corp., Sub. Deb. Cv., Zero Coupon, 08/19/17	59,100
	Telecommunications — 0.0%	
80,000	AMNEX Inc., Sub. Deb. Cv., 8.500%, 09/25/49† (a)(b)(c)(d)	0
50,000	Commonwealth Telephone Enterprises Inc., Cv., 3.250%, 07/15/23 (b)	52,063
		52,063
	Transportation — 0.9%	
	GATX Corp., Cv.,	
500,000	7.500%, 02/01/07 (b)	625,000
500,000	7.500%, 02/01/07	625,000
		1,250,000
	Wireless Communications — 1.0%	
1,500,000	Nextel Communications Inc., Cv., 5.250%, 01/15/10	1,518,750
	TOTAL CONVERTIBLE CORPORATE BONDS	57,376,333
Shares		
	CONVERTIBLE PREFERRED STOCKS — 9.3%	
	Aerospace — 0.7%	
8,000	Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B	968,000
	Automotive — 0.1%	
2,000	Ford Motor Co. Capital Trust II, 6.500% Cv. Pfd.	72,900
4,000	General Motors Corp., 4.500% Cv. Pfd., Ser. A	95,320
		168,220

Shares		Market Value*
	Aviation: Parts and Services — 4.0%	
49,000	Coltec Capital Trust, 5.250% Cv. Pfd.	$ 2,437,750
35,000	Sequa Corp., $5.00 Cv. Pfd.	3,412,500
		5,850,250
	Broadcasting — 0.7%	
100	Gray Television Inc., 8.000% Cv. Pfd., Ser. C (a)(b)(d)	1,010,000
	Business Services — 0.3%	
14,001	Interep National Radio Sales Inc., 4.000% Cv. Pfd., Ser. A† (a)(b)(d)	490,035
20,000	Key3Media Group Inc., 5.500% Cv. Pfd., Ser. B† (a)	117
		490,152
	Communications Equipment — 0.6%	
800	Lucent Technologies Capital Trust I, 7.750% Cv. Pfd.	810,000
	Energy and Utilities — 0.8%	
6,000	AES Trust III, 6.750% Cv. Pfd.	286,200
500	El Paso Corp., 4.990% Cv. Pfd. (b)	614,482
300	El Paso Corp. Capital Trust I, 4.750% Cv. Pfd., Ser. C	12,120
4,000	FPL Group Inc., 8.000% Cv. Pfd., Ser. B	284,600
		1,197,402
	Entertainment — 0.8%	
2,000	Metromedia International Group Inc., 7.250% Cv. Pfd.†	79,000
45,000	Six Flags Inc., 7.250% Cv. Pfd., Ser. B	1,075,500
		1,154,500
	Telecommunications — 1.0%	
15,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	655,500
15,000	Philippine Long Distance Telephone Co., $3.50 Cv. Pfd., Ser. III	787,500
		1,443,000
	Transportation — 0.3%	
2,500	GATX Corp., $2.50 Cv. Pfd.	493,750
	TOTAL CONVERTIBLE PREFERRED STOCKS	13,585,274

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2005 (Unaudited)

Shares		Market Value*
	COMMON STOCKS — 33.9%	
	Automotive: Parts and Accessories — 1.2%	
10,000	Dana Corp.	$ 94,100
40,000	Genuine Parts Co.	1,716,000
		1,810,100
	Cable and Satellite — 1.8%	
20,000	Cablevision Systems Corp., Cl. A†	613,400
5,000	DIRECTV Group Inc.†	74,900
18,000	EchoStar Communications Corp., Cl. A	532,260
19,500	Loral Space & Communications Ltd.†	1,365
34,368	Rogers Communications Inc., Cl. B	1,355,818
		2,577,743
	Communications Equipment — 0.8%	
64,413	Corning Inc.†	1,245,103
	Computer Hardware — 0.1%	
2,000	International Business Machines Corp.	160,440
	Consumer Products — 0.3%	
10,000	Action Performance Companies Inc.	125,000
8,000	Avon Products Inc.	216,000
10,000	Swedish Match AB	119,291
		460,291
	Consumer Services — 0.3%	
20,000	IAC/InterActiveCorp†	507,000
	Diversified Industrial — 0.3%	
40,926	WHX Corp.†	450,188
	Energy and Utilities — 9.4%	
4,000	Anadarko Petroleum Corp.	383,000
10,000	BP plc, ADR	708,500
3,000	CH Energy Group Inc.	142,440
20,574	Chevron Corp.	1,331,755
10,000	ConocoPhillips	699,100
2,000	Cooper Cameron Corp.†	147,860
22,000	Duke Energy Corp.	641,740
30,000	Exxon Mobil Corp.	1,906,200
30,448	FPL Group Inc.	1,449,325
20,000	Great Plains Energy Inc.	598,200
1,500	Murphy Oil Corp.	74,805
4,000	National Fuel Gas Co.	136,800
40,000	Northeast Utilities	798,000
5,000	Occidental Petroleum Corp.	427,150
10,000	Progress Energy Inc., CVO†	900
10,000	Public Service Enterprise Group Inc.	643,600
20,000	Royal Dutch Shell plc, Cl. A, ADR	1,312,800
8,500	SJW Corp.	410,380
25,000	Spinnaker Exploration Co.†	1,617,250
20,000	Xcel Energy Inc.	392,200
		13,822,005
	Equipment and Supplies — 0.1%	
5,000	Mueller Industries Inc.	$ 138,850
	Financial Services — 5.3%	
32,000	Alliance Capital Management Holding LP	1,531,200
40,000	American Express Co.	2,297,600
4,000	American International Group Inc.	247,840
10,000	Argonaut Group Inc.†	270,100
55,000	Citigroup Inc.	2,503,600
10,000	Hudson United Bancorp	423,300
20,000	MBNA Corp.	492,800
		7,766,440
	Food and Beverage — 5.4%	
10,000	Cadbury Schweppes plc, ADR	407,300
17,000	Coca-Cola Co.	734,230
70,000	Dreyer's Grand Ice Cream Holdings Inc., Cl. A	5,746,300
18,000	General Mills Inc.	867,600
2,528	Pernod Ricard SA, ADR	111,933
		7,867,363
	Health Care — 3.4%	
10,000	Beverly Enterprises Inc.†	122,500
12,000	Bristol-Myers Squibb Co.	288,720
19,000	Eli Lilly & Co.	1,016,880
27,000	Merck & Co. Inc.	734,670
82,000	Pfizer Inc.	2,047,540
15,000	Priority Healthcare Corp., Cl. B†	417,900
15,000	Schering-Plough Corp.	315,750
		4,943,960
	Hotels and Gaming — 1.5%	
35,000	Argosy Gaming Co.†	1,644,650
100,000	Hilton Group plc	554,712
		2,199,362
	Retail — 3.3%	
55,000	Albertson's Inc.	1,410,750
100,000	JumboSports Inc.†	0
30,000	Neiman Marcus Group Inc., Cl. A	2,998,500
15,000	Safeway Inc.	384,000
		4,793,250
	Telecommunications — 0.7%	
20,000	AT&T Corp.	396,000
20,000	MCI Inc.	507,400
5,000	SBC Communications Inc.	119,850
		1,023,250
	Wireless Communications — 0.0%	
49	Winstar Communications Inc.† (a)	0
	TOTAL COMMON STOCKS	49,765,345

THE GABELLI CONVERTIBLE AND INCOME SECURITIES FUND INC.
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2005 (Unaudited)

Shares		Market Value*
	PREFERRED STOCKS — 0.0%	
	Telecommunications — 0.0%	
3,679	PTV Inc., 10.000% Pfd., Ser. A	$ 5,427
Principal Amount		
	CORPORATE BONDS — 0.9%	
	Diversified Industrial — 0.9%	
$ 2,000,000	GP Strategies Corp., Sub. Deb., 6.000%, 08/14/08 (a)(d)	1,339,125
Shares		
	RIGHTS — 0.0%	
	Diversified Industrial — 0.0%	
11,221	WHX Corp., expire 02/28/08†	29,455
	WARRANTS — 0.7%	
	Business Services — 0.0%	
87,500	Interep National Radio Sales Inc., expire 05/06/07† (a)(b)(d)	0
	Consumer Products — 0.0%	
4,331	Pillowtex Corp., expire 11/24/09† (a)	0
	Diversified Industrial — 0.7%	
250,000	GP Strategies Corp., expire 08/14/08† (a)(d)	929,126
379,703	National Patent Development Corp., expire 08/14/08† (a)(d)	146,241
		1,075,367
	TOTAL WARRANTS	1,075,367
Principal Amount		
	U.S. GOVERNMENT OBLIGATIONS — 16.2%	
$23,971,000	U.S. Treasury Bills, 3.152% to 3.508%††, 10/06/05 to 12/29/05	23,835,344
	TOTAL INVESTMENTS — 100.0% (Cost $139,779,854)	$147,011,670

For Federal tax purposes:	
Aggregate cost	$140,248,637
Gross unrealized appreciation	$ 12,017,720
Gross unrealized depreciation	(5,254,687)
Net unrealized appreciation (depreciation)	$ 6,763,033

(a) Security fair valued under procedures established by the Board of Directors. The procedures may include reviewing available financial information about the company and reviewing valuation of comparable securities and other factors on a regular basis. At September 30, 2005, the market value of fair valued securities amounted to $3,914,644 or 2.66% of total investments.

(b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2005, the market value of Rule 144A securities amounted to $5,418,367 or 3.69% of total investments. Except as noted in (d), these securities are liquid.

(c) Bond in default.

(d) At September 30, 2005, the Fund held restricted and illiquid securities amounting to $3,914,527 or 2.65% of net assets, which were valued under methods approved by the Board as follows:

Acquisition Shares/ Principal Amount	Issuer	Acquisition Date	Acquisition Cost	09/30/2005 Carrying Value Per Unit
$ 80,000	Amnex Inc., 8.500%, 09/25/49	09/15/97	$ 70,363	$ —
2,000,000	GP Strategies Corp. 6.000%, 08/14/08	08/14/03	1,362,935	0.6696
250,000	GP Strategies Corp. Warrants expire 08/14/08	08/08/03	657,065	3.7165
100	Gray Television Inc., 8.000% Cv. Pfd., Ser. C	04/22/02	1,000,000	10,100.0000
14,001	Interep National Radio Sales Inc., 4.000% Cv. Pfd., Ser. A	05/03/02	1,347,183	35.0000
87,500	Interep National Radio Sales Inc. Warrants expire 05/06/07	05/03/02	—	—
379,703	National Patent Development Corp. Warrants expire 08/14/08	11/24/05	—	0.3851

† Non-income producing security.

†† Represents annualized yield at date of purchase.

ADR American Depository Receipt

CVO Contingent Value Obligation

* Portfolio securities are valued at the last quoted sale price or closing values. If these are unavailable, then the average of the closing bid and asked prices is used. If there is no asked price, the security is valued at the closing bid price on that day. Debt instruments are valued at the average of the closing bid and asked prices. If the security matures in 60 days or less and is not credit-impaired, it is valued at amortized cost. All securities and assets for which market quotations are not readily available or any security that the Board determines does not reflect its fair market value are valued in good faith under procedures established by the Board.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLAN

Enrollment in the Plan

It is the policy of The Gabelli Convertible and Income Securities Fund Inc. ("Convertible and Income Securities Fund") to automatically reinvest dividends. As a "registered" shareholder you automatically become a participant in the Convertible and Income Securities Fund's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Convertible and Income Securities Fund to issue shares 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 Convertible and Income Securities Fund. Plan participants may send their stock certificates to Computershare Ltd. ("Computershare") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Convertible and Income Securities Fund Inc.
c/o Computershare
P.O. Box 43011
Providence, RI 02940–3011

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan may contact Computershare at (800) 336-6983.

Shareholders wishing to liquidate reinvested 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.

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 Convertible and Income Securities 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 Convertible and Income Securities 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 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 Convertible and Income Securities Fund valued at market price. If the Convertible and Income Securities 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 New York Stock Exchange or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Convertible and Income Securities 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.

The Convertible and Income Securities 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.

Voluntary Cash Purchase Plan

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Convertible and Income Securities 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 Convertible and Income Securities 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 43011, Providence, RI 02940–3011 such that Computershare receives such payments approximately 10 days before the investment date. 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 acquired under the Voluntary Cash Purchase Plan should follow the same procedures outlined above for reinvested shares with the same charges.

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

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

Directors

Mario J. Gabelli, CFA
Chairman & Chief Executive Officer, GAMCO Investors, Inc.

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

Anthony J. Colavita
Attorney-at-Law, Anthony J. Colavita, P.C.

Dugald A. Fletcher
President, Fletcher & Company, Inc.

Karl Otto Pöhl
Former President, Deutsche Bundesbank

Anthony R. Pustorino
Certified Public Accountant, Professor Emeritus, Pace University

Werner J. Roeder, MD
Medical Director, Lawrence Hospital

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

Salvatore J. Zizza
Chairman, Hallmark Electrical Supplies Corp.

Officers

Bruce N. Alpert
President & Treasurer

Peter D. Goldstein
Chief Compliance Officer

Laurissa M. Martire
Vice President & Ombudsman

James E. McKee
Secretary

A. Hartswell Woodson, III
Associate Portfolio Manager

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 Ltd.

Stock Exchange Listing

	Common	6.00% Preferred
NYSE–Symbol:	GCV	GCV PrB
Shares Outstanding:	11,963,552	990,800

The Net Asset Value appears in the Publicly Traded Funds column, under the heading "Convertible Securities Funds," in Sunday's The New York Times and 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 may be obtained each day by calling (914) 921-5071.

For general information about the Gabelli Funds, call **800-GABELLI** (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: **www.gabelli.com** or e-mail us at: closedend@gabelli.com

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Convertible and Income Securities Fund may from time to time purchase shares of its common stock in the open market when the Convertible and Income Securities Fund shares are trading at a discount of 10% or more from the net asset value of the shares. The Convertible and Income Securities Fund may also, from time to time, purchase shares of its Cumulative Preferred Stock in the open market when the shares are trading at a discount to the Liquidation Value of $25.00.

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INCOME SECURITIES FUND INC.
One Corporate Center
Rye, NY 10580-1422
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www.gabelli.com

Third Quarter Report
September 30, 2005

GCV PQ3/05