

GABELLI CONVERTIBLE SECURITIES FUND INC /DE

Form N-30D

August 30, 2002

[GRAPHIC OMITTED]

[Graphic of The Gabelli logo Omitted]

CONVERTIBLE
SECURITIES
FUND, INC.

SEMI-ANNUAL REPORT
JUNE 30, 2002

[GRAPHIC OMITTED]

[Graphic of The Gabelli Convertible Securities Fund, Inc. logo Omitted]

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

THIS REPORT IS PRINTED ON RECYCLED PAPER.

[GRAPHIC OMITTED]

[Graphic of Global Convertible Investing: The Gabelli Way Omitted]

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 second quarter of 2002, the equity characteristics of converts restrained performance. However, the strong bond market helped support convertible securities prices. We invest in converts we believe to have two-thirds the upside potential of the underlying stock and one-third the downside risk. Comparing the Gabelli Convertible Securities Fund's (the "Fund's") performance this quarter, a decline of 5.31%, to the performance of the Standard & Poor's ("S&P") 500 Index, which declined 13.39%, our risk appraisals have proven accurate.

NEW NAME: SAME APPROACH

Effective August 1, 2002, the Gabelli Convertible Securities Fund will change its name to the Gabelli Convertible and Income Securities Fund. Although our name will change, our approach will not.

The Fund will maintain its investment objective of seeking a high level of total return through a combination of current income and capital appreciation by investing in convertible and other income producing securities.

With this change, the Fund will have more investment flexibility to meet the new Securities and Exchange Commission ("SEC") requirement (Rule 35d-1) that

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

funds invest at least 80% of their assets in the type of securities specified in their name. The Fund has determined that being required to invest 80% of its assets strictly in convertible securities is not always optimal and, accordingly, has determined to change its name as it strives to achieve its goal of preserving and enhancing capital. The Fund expects to continue its practice of investing in convertible securities to the extent attractive opportunities are available.

[PHOTO OMITTED]

[Photo of Mario J. Gabelli Omitted]

NEW FROM THE GABELLI PRESS:

GLOBAL CONVERTIBLE INVESTING:

THE GABELLI WAY

BY HART WOODSON

[GRAPHIC OMITTED]

[Graphic of The Gabelli Convertible Securities Fund, Inc. logo Omitted]

A PROMISE KEPT

When we asked the shareholders of the Fund to vote to convert from an open-end investment company to a closed-end fund, we expressed our intent to have the Fund's common shares track the Fund's net asset value. Based on the Fund's consistent and above average annualized performance since inception, we expected that such a Fund would trade at or above net asset value. In addition, over the past few years the Board of Directors has taken several initiatives to maintain the Fund's public market price at a level equal to or exceeding the Fund's net asset value. These initiatives included a stock repurchase plan, a managed 8% Distribution Policy, and the issuance of preferred stock.

We are pleased to report that management kept its promise to shareholders and the Fund is trading at a premium to net asset value. In fact, the Fund began trading at a premium in February 2001 and has continued to trade above net asset value, ending the quarter at a 14.58% premium. We have been able to preserve shareholder wealth during a tough market environment. We have been conservative during the past year and it has paid off; now is the time to be aggressive.

COMPARATIVE PERFORMANCE

AVERAGE ANNUAL RETURNS THROUGH JUNE 30, 2002 (A)					

	QUARTER	SINCE INCEPTION (B)	10 YEAR	5 YEAR	3 YEAR
	-----	-----	-----	-----	-----
Gabelli Convertible Securities Fund					
NAV Return (c)	(5.31)%	7.93%	7.24%	5.16%	0.3
Gabelli Convertible Securities Fund					
Investment Return (d)	(2.11)%	4.85%(e)	N/A(e)	11.55%	7.8
S&P 500 Index	(13.39)%	11.63%	11.42%	3.67%	(9.1
Lipper Convertible Securities					
Fund Average	(6.51)%	9.94%	9.77%	5.16%	1.1

PREMIUM / DISCOUNT DISCUSSION

As a refresher to our shareholders, the price of a closed-end mutual 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) or a discount to (lower than) net asset value. Of the 502 closed-end funds in the U.S., approximately 37% currently trade at premiums to NAV versus 26% five years ago and 61% 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 7-year history, the range fluctuated from a 20% premium in June 2002 to a 17% discount in April 2000. The average variance from NAV for the Fund since converting to closed-end fund status is a 6.9% discount to NAV. Beginning in early 2001, the market price of the Fund exceeded the NAV and this premium has gradually increased since.

"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 7.9% 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

Year	Premium/Discount
	0
	0.0099
	-0.0761
	-0.0978
	-0.0334
	-0.0903
	-0.1056
	-0.0657
	-0.0701
	-0.0957
	-0.0263
Year 1996	-0.065
	-0.1064
	-0.0802
	-0.1071
	-0.1507
	-0.0953
	-0.1465
	-0.146
	-0.1318
	-0.1497
	-0.1492
	-0.1652
Year 1997	-0.1399
	-0.131

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

	-0.1577
	-0.1622
	-0.1593
	-0.1322
	-0.147
	-0.1538
	-0.1321
	-0.1557
	-0.1432
	-0.1017
Year 1998	-0.0956
	-0.0882
	-0.0733
	-0.0815
	-0.095
	-0.062
	-0.0848
	-0.1485
	-0.0705
	-0.0372
	-0.0325
	-0.0175
Year 1999	-0.0315
	-0.0745
	-0.0275
	-0.1027
	-0.0909
	-0.0689
	-0.0991
	-0.1019
	-0.0842
	-0.0948
	-0.1525
	-0.0735
Y2k	-0.1207
	-0.148
	-0.1497
	-0.1734
	-0.1454
	-0.1263
	-0.1128
	-0.123
	-0.1022
	-0.1553
	-0.1088
	-0.0893
Year 2001	-0.03
	0.0096
	0.0039
	0.0202
	0.0207
	0.0337
	0.0316
	0.059
	0.1202
	0.1169
	0.1167
	0.1156
Year 2002	0.1061
	0.0959
	0.1067
	0.0584

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

0.1702

0.1458

JUNE 30, 2002	
Net Asset Value	\$ 9.12
Market Price	\$10.45
Premium	14.58%

3

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

The convertible market, as measured by the Merrill Lynch All Convertible Index, fell 7.61% during the second quarter. This compared to a decline of 20.71%, 13.39%, and 10.74% by the Nasdaq, the S&P 500 and the Dow Jones Industrial Indices, respectively, as equity markets were hit by accounting scandals, credit downgrades, and tensions in the Middle East. This provoked a flight to quality as registered by the Merrill Lynch Government/Corporate Bond Index, which rose 3.81%. Conversely, the Merrill Lynch U.S. High Yield Master II Index fell 6.97% as credit spreads widened. This trend was reflected in the convertible market as speculative grade convertibles dropped 10.3%, while investment grade issues fell by only 4.9%. The average convertible now has the highest conversion premium on record of 75% (up from 62% last quarter), a current yield of 4.22% (versus 3.80%) and a credit rating of BBB- (versus BB+).

Despite the weaker U.S. dollar, the domestic convertible market remains

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

the largest in the world at \$221 billion, or about 43% of the total global market capitalization of \$495 billion. Domestic new issuance slowed in the quarter to \$12 billion, less than half of its recent run rate. Investors were bemused by Berkshire Hathaway's launch of the first convertible that effectively paid a negative coupon. By product type, new issuance continues to be dominated by the more equity-like structures as companies strive to repair balance sheets and investors search for low premium convertibles with attractive current yields. Year to date, convertible preferred stock and mandatory convertible securities constituted 42% of total new issue activity versus only 19% during all of 2001.

4

The only sector in the convertible market to post a positive return during the quarter was Transportation (+0.3%). Media was the worst performing sector (-20.5%), where cable company convertibles were particularly hard hit by the Adelphia debacle. Meanwhile, the Technology (-13.3%), Telecom (-13.2%) and Utilities (-9.9%) sectors remained weak. Finally, busted convertibles (-4.2%), being less equity sensitive, outperformed balanced (-10.5%) and equity sensitive convertibles (-15.1%), while small capitalization issuers (-11.3%) succumbed to mid (-8.5%) and large-capitalization issuers (-6.7%). Finally, growth convertibles (-8.6%) gave in to value convertibles (-6.3%).

COMMENTARY

THE ECONOMY: STAGGERING AHEAD

Although consumer confidence readings and retail sales softened in May, most other economic data has been encouraging. Industrial production and productivity continued to trend higher, new housing starts approached record levels, and there was a modest up-tick in business investment. Importantly, inflation remained dormant, most likely postponing any Federal Reserve Board ("Fed") rate hikes. We believe full year 2002 Gross Domestic Product ("GDP") growth will be above the 3% to 3.5% range we expected at the beginning of the year and that capital spending plus a recovery in Europe and Japan in 2003 will help sustain economic growth in the year ahead.

Presently, investors appear to be questioning whether corporate earnings will meet expectations in the coming quarters. We believe profits will be up sharply this year as a result of the economic expansion, increased productivity, cost cutting, financial re-engineering, and big decline in the "everything including the kitchen sink" write-offs taken in 2001. Financial Accounting Standards Board ("FASB") Rule 142, which does not require companies to amortize goodwill, will also help earnings for many companies. In addition, a gradual weakening of the dollar will boost profits for the large U.S. based multinationals in the S&P 500 Index. Although stocks are still not cheap by historical standards, rising earnings will make equity valuations considerably more reasonable.

THE MARKET: A CRISIS IN CONFIDENCE

Unfortunately, over the short term, a recovering economy, a rebound in corporate profits, and more reasonable equity valuations may not do much to improve investor psychology, which has been battered by geopolitical tensions and a crisis in confidence in the integrity of corporate America and Wall Street.

It has become apparent that our quick victory over the Taliban in Afghanistan has not eliminated the threat of terrorism at home or abroad. The seemingly never-ending cycle of violence in the Middle East has further unnerved investors. For a few tense weeks, investors also worried about a nuclear

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

confrontation between Pakistan and India over Kashmir. Clearly, it's a dangerous world out there.

Investors have come to believe the stock market is a dangerous place as well. Not only have they lost a pile of money over the last two years, but "Enronitis," "Tycoosis," "Marthritis" (the insider trading investigation of Martha Stewart), and most recently "WorldCon" have many investors wondering what malady will strike their portfolios next. Following the revelations (to some) that Wall Street research is not what it's cracked up to be, investors are reluctant to go to their broker for a portfolio check-up, fearing the cure may be worse than the disease.

5

INVESTMENT SCORECARD

This quarter's best performing holdings came from a variety of industry groups including: broadcasting (Granite Broadcasting), auto parts (Standard Motor Products), defense (Northrup Grumman), hospitality (Innkeepers USA) and aviation parts (Sequa).

Among our biggest disappointments were cable television companies Cablevision Systems and UnitedGlobalCom. Our telecom and telecom equipment company holdings such as Broadwing, AT&T and Lucent also retreated significantly.

LET'S TALK CONVERTS

The following are stock specifics on selected convertible 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.

CITIZENS COMMUNICATIONS CO. (5.00% CV. PFD.) has recently become the country's second largest independent local exchange carrier with about 2.5 million access lines after completion of a \$3.4 billion acquisition of almost 1.1 million lines from Frontier. This and several other recent acquisitions, accompanied by divestitures of its utilities operations, have repositioned the company as a pure telecommunications carrier. After recent completion of the tender offer for 19% of shares that it already did not own, CZN now owns 100% of Electric Lightwave Inc. (ELIX - \$0.69 - Nasdaq), a competitive carrier with fiber optic networks covering the Western part of the U.S. The company is now focused on balance sheet deleveraging and achieving profitability at ELIX.

FRANKLIN RESOURCES INC. (ZERO COUPON, 05/11/31) is a financial holding company that provides investment advisory and management services through its Franklin, Templeton, Mutual Series, Bissett, and Fiduciary investment management groups as well as banking services through its banking/finance segment. The company has \$279 billion in assets under management across a wide-range of investment products and styles. Finally, the company operates in 37 offices in 29 countries, and is focused on further expanding its international investment management business, particularly as pension systems are reformed in numerous countries around the world.

GENERAL MOTORS CORP. (5.25% CV. PFD., SER. B; 4.50% CV. PFD., SER. A) is the largest producer of motor vehicles in the world, with unit sales of over 8 million cars, trucks, and commercial vehicles in 2001 alone. The company has operating subsidiaries in North America, Europe, Latin America and Asia, and equity interests in manufacturers in Europe (Fiat Auto Holdings) and Japan (Isuzu, Suzuki, Subaru). General Motors Acceptance Corporation provides retail and wholesale financing to consumers and dealers worldwide, as well as vehicle

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

leasing, mortgage, and insurance products. The company's Hughes Electronics (GMH - \$10.40 - NYSE) subsidiary provides direct-to-home satellite television services to over 10 million consumers in the U.S. under the DirecTV brand name.

HILTON HOTELS CORP. (HLT) (SUB. DEB. CV., 5.00%, 05/15/06) is recognized as one of the world's preeminent hospitality companies. Hilton develops, owns, manages and franchises hotels, resorts and vacation ownership properties. Based on the number of hotel rooms, Hilton is the nation's third largest lodging company. Hilton's hotel system includes approximately 2,000 properties totaling over 327,000 rooms worldwide. The Company's hotel brands include Hilton, Hilton Garden Inn, Doubletree, Embassy Suites Hotels, Hampton Inn, Hampton Inn & Suites, Homewood Suites by Hilton, Conrad, and Harrison Conference Centers. Flagship properties include the Waldorf Astoria, the Hilton Chicago, the Hilton Hawaiian Village Beach Resort & Spa, and the Palmer House Hilton. HLT formalized a marketing alliance with the British company Hilton Group Plc (HG.L - \$3.48 - London Stock Exchange), owner of Hilton International, in January 1997 to reunite the Hilton name worldwide for the first time in over 30 years.

6

ROBBINS & MYERS INC. (SUB. DEB. CV., 6.50%, 09/01/03) 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. In August 2001, the company completed the acquisition of Romaco, a \$150 million manufacturer of packaging, printing and processing of pharmaceutical products. Romaco provides horizontal integration to Robbins' mixer and vessel businesses and the acquisition is expected to be accretive to earnings. With Romaco, 40% of Robbins & Myers revenues are in the pharmaceutical market that is generally stable, with an average 6% to 8% rate of growth. The company's remaining businesses are in specialty chemical (26%), energy (20%), water and wastewater (4%) and other industries. Management's use of its strong cash flow to make complementary acquisitions makes Robbins & Myers an attractive company in a consolidating industry.

SEALED AIR CORP. (\$2.00 CV. PFD., SER. A) is a global manufacturer and distributor of a wide range of protective and specialty packaging materials and systems for industrial, food and consumer products. Sealed Air is a strong free cash flow generator, which will be used to pay down debt, make niche acquisitions, and buy back stock.

SEQUA CORP. (\$5.00 CV. PFD.) is a diversified company with businesses in aerospace, pre-paint metal, specialty chemical, printing and cannery equipment. Chromalloy Gas Turbine, Sequa's aerospace business, is the largest independent supplier of aftermarket parts for the overhaul and repair of jet and industrial gas turbine engines. We believe this business is attractive to original equipment engine manufacturers like General Electric and Pratt & Whitney who are looking to grow their replacement parts business. With roughly \$800 million in revenues, we estimate Chromalloy's private market value to be near the entire public value of Sequa.

STANDARD MOTOR PRODUCTS INC. (SMP) (SUB. DEB. CV., 6.75%, 07/15/09), headquartered in Long Island City, New York, supplies functional replacement parts for the engine management, electrical and climate control systems of cars, trucks and buses. The company services all makes and models, both new and old cars, imported and domestic. SMP has two primary divisions--engine management and temperature control--and believes it is the number one supplier to the North American aftermarket in each of these lines.

THERMO ELECTRON CORP. (SUB. DEB. CV., 4.00%, 01/15/05) is a leading provider of scientific instruments. It manufactures measurement instrumentation, and

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

provides information management software and worldwide services to markets which include: the life sciences, clinical laboratories, healthcare, telecommunications, food and beverage, chemical, oil and gas, and academic and government clients. The company's products ensure the quality and safety of materials used in manufacturing, improve industrial processes and protect the environment--its instruments were also used at the Winter Olympics to identify the use of banned substances and to search for explosive materials. As part of its strategy to become an integrated instrument business, it is spinning off non-core businesses, most of which has been completed.

U.S. CELLULAR CORP. (SUB. DEB. CV., ZERO COUPON, 06/15/15) is an 81%-owned subsidiary of Telephone and Data Systems (TDS - \$60.55 - AMEX) and is a wireless carrier with cellular licenses covering over 27 million people primarily in rural and suburban markets. The company currently serves over 3.5 million subscribers and is an important roaming partner for national wireless carriers such as AT&T Wireless Group (AWE - \$5.85 - NYSE), Verizon Communications (VZ - \$40.15 - NYSE) and Sprint PCS Group (PCS - \$4.47 - NYSE). The company recently announced plans to upgrade its wireless infrastructure to be able to offer high-speed data services in the near future. USM is in the process of acquiring PCS properties in Chicago area for \$650 million increasing its licensed footprint by about 13 million people and adding 350,000 new customers. Having operations in Chicago should significantly improve USM competitive position in its midwest cluster.

7

SHAREHOLDER MEETING - MAY 20, 2002 - FINAL RESULTS

The Annual Meeting of Shareholders was held on May 20, 2002 at the Bruce Museum in Greenwich, Connecticut. At that meeting, common shareholders and preferred shareholders voting as a single class elected Anthonie C. van Ekris and Salvatore J. Zizza as Directors of the Fund. A total of 6,941,983 votes and 6,946,923 votes were cast in favor of each Director and 54,272 votes and 49,332 votes were withheld for each Director, respectively. Preferred shareholders voting as a separate class elected Anthony J. Colavita and Werner J. Roeder as Directors of the Fund. A total of 1,153,862 votes and 1,152,862 votes were cast in favor of each Director and 12,092 votes and 13,092 votes were withheld for each Director, respectively.

Mario J. Gabelli, E. Val Cerutti, Dugald A. Fletcher, Karl Otto Pohl and Anthony R. Pustorino continue to serve in their capacities as Directors of the Fund.

We thank you for your participation and appreciate your continued support.

STOCK REPURCHASE PLAN

The Gabelli Convertible Securities Fund is authorized to repurchase up to 500,000 shares of the Fund's outstanding common shares. Pursuant to this stock repurchase plan, the Fund may from time to time purchase shares of its capital stock in the open market when the shares are trading at a discount of 10% or more from the net asset value of the shares. In total, through June 30, 2002, 305,200 shares have been repurchased in the open market under this stock repurchase plan.

COMMON STOCK 8% DISTRIBUTION POLICY

The Convertible Securities Fund continues to maintain its 8% Distribution Policy whereby the Fund pays out to common stock shareholders 8% of its average net assets each year. Pursuant to this policy, the Convertible Securities Fund distributed \$0.20 per share on June 24, 2002. The next distribution is scheduled

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

for September 2002.

8.00% CUMULATIVE PREFERRED STOCK - DIVIDENDS

The Convertible Securities Fund's 8.00% Cumulative Preferred Stock paid a cash distribution on June 26, 2002 of \$0.50 per share. For the twelve-months ended June 30, 2002, Preferred Stock shareholders received distributions totaling \$2.00, the annual dividend rate per share of Preferred Stock. The next distribution is scheduled for September 2002.

WWW.GABELLI.COM

Please visit us on the Internet. Our homepage at <http://www.gabelli.com> contains information about Gabelli Asset Management Inc., the Gabelli Mutual Funds, IRAs, 401(k)s, quarterly reports, closing prices and other current news. You can send us e-mail at closedend@gabelli.com.

In our efforts to bring our shareholders more timely portfolio information, Gabelli Fund's portfolio managers regularly participate in chat sessions at www.gabelli.com as reflected below.

	WHO	WHEN
	---	----
Special Chats:	Mario J. Gabelli	First Monday of each month
	Howard Ward	First Tuesday of each month

8

In addition, every Wednesday will feature a different portfolio manager. The upcoming Wednesday chat schedule is as follows:

	AUGUST	SEPTEMBER	OCTOBER
	-----	-----	-----
1st Wednesday	Susan Byrne	Caesar Bryan	Walter Walsh
2nd Wednesday	Lynda Calkin	Hart Woodson	Caesar Bryan
3rd Wednesday	Walter Walsh & Laura Linehan	Charles Minter & Martin Weiner	Henry Van de
4th Wednesday	Barbara Marcin	Barbara Marcin	Lynda Calkin
5th Wednesday			Barbara Marcin

All chat sessions start at 4:15 PM (Eastern Time). Please arrive early, as participation is limited.

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

IN CONCLUSION

True to form, convertible securities held up relatively well as the stock market got pounded in the second quarter. The next test will be to see if our convertible portfolio participates as stocks right themselves. We are confident that a more beneficial stock market will reward our shareholders in the years ahead.

Sincerely,
/S/ Mario J. Gabelli
MARIO J. GABELLI

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

	2.000%, 03/01/08	9,949	11,387
3,000,000	Franklin Resources Inc., Cv., Zero Coupon, 05/11/31	1,751,934	1,788,750
400,000	Navistar Financial Corp., Sub. Deb. Cv., 4.750%, 04/01/09 (b)	379,345	358,000
1,850,000	Trans-Lux Corp., Sub. Deb. Cv., 7.500%, 12/01/06	1,787,409	1,579,438
		-----	-----
		4,811,835	4,588,075
		-----	-----
	CABLE -- 0.8%		
200,000	Adelphia Communications Corp., Sub. Deb. Cv., 3.250%, 05/01/21+ (c)	113,000	18,000
1,800,000	Charter Communications Inc., Cv., 4.750%, 06/01/06	1,309,789	821,250
		-----	-----
		1,422,789	839,250
		-----	-----
	COMPUTER SOFTWARE AND SERVICES -- 0.3%		
300,000	Exodus Communications Inc., Sub. Deb. Cv., 5.250%, 02/15/08 (c)	163,036	1,125
350,000	QuadraMed Corp., Sub. Deb. Cv., 5.250%, 05/01/05	262,944	290,500
		-----	-----
		425,980	291,625
		-----	-----
	CONSUMER PRODUCTS -- 0.6%		
\$1,500,000	Pillowtex Corp., Sub. Deb. Cv., 6.000%, 03/15/12+ (c)	\$ 120,955	\$ 0
700,000	Standard Commercial Corp., Sub. Deb. Cv., 7.250%, 03/31/07	613,597	669,375
		-----	-----
		734,552	669,375
		-----	-----
	CONSUMER SERVICES -- 0.2%		
1,100,000	Ogden Corp., Sub. Deb. Cv., 6.000%, 06/01/02+ (c)	1,090,087	198,000
		-----	-----
	DIVERSIFIED INDUSTRIAL -- 0.6%		
500,000	GATX Corp., Cv., 7.500%, 02/01/07 (b)	500,000	579,375
		-----	-----
	ELECTRONICS -- 4.7%		
2,500,000	Agere Systems Inc., Sub. Deb. Cv., 6.500%, 12/15/09	2,500,000	1,915,625
900,000	Oak Industries Inc., Sub. Deb. Cv., 4.875%, 03/01/08	791,583	578,250
100,000	Solectron Corp., Cv., Zero Coupon, 05/08/20	53,081	59,000
2,500,000	Thermo Electron Corp., Sub. Deb. Cv., 4.000%, 01/15/05	2,392,526	2,396,875

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

		-----	-----
		5,737,190	4,949,750
		-----	-----
	ENERGY AND UTILITIES -- 2.0%		
325,000	Devon Energy Corp., Sub. Deb. Cv., 4.950%, 08/15/08	319,502	325,000
200,000	Friede Goldman Halter Inc., Sub. Deb. Cv., 4.500%, 09/15/04+ (c)	129,732	21,000
1,700,000	Mirant Corp., Sub. Deb. Cv., 2.500%, 06/15/21	1,279,478	1,243,125
511,000	Moran Energy Inc., Sub. Deb. Cv., 8.750%, 01/15/08	356,300	511,000
		-----	-----
		2,085,012	2,100,125
		-----	-----
	EQUIPMENT AND SUPPLIES -- 1.6%		
1,600,000	Robbins & Myers Inc., Sub. Deb. Cv., 6.500%, 09/01/03	1,588,592	1,700,000
		-----	-----

See accompanying notes to financial statements.

10

THE GABELLI CONVERTIBLE SECURITIES FUND, INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2002 (UNAUDITED)

PRINCIPAL AMOUNT		COST	MARKET VALUE
-----		----	-----
	CONVERTIBLE CORPORATE BONDS (CONTINUED)		
	HEALTH CARE -- 1.5%		
\$ 50,000	Apogent Technologies Inc., Cv., 2.250%, 10/15/21 (b)	\$ 51,932	\$ 48,375
10,000	Inhale Therapeutic Systems, Sub. Deb. Cv., 6.750%, 10/13/06 (b)	10,347	7,351
30,000	Invitrogen Corp., Sub. Deb. Cv., 5.500%, 03/01/07	27,711	26,325
1,400,000	IVAX Corp., Sub. Deb. Cv., 5.500%, 05/15/07	1,249,818	1,146,250
400,000	4.500%, 05/15/08 (b)	323,442	300,000
150,000	Sabratek Corp., Sub. Deb. Cv., 6.000%, 04/15/05+ (c)	84,763	0
		-----	-----
		1,748,013	1,528,301
		-----	-----
	HOTELS AND GAMING -- 4.9%		
5,500,000	Hilton Hotels Corp., Sub. Deb. Cv., 5.000%, 05/15/06	4,987,278	5,190,625
		-----	-----

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

	PAPER AND FOREST PRODUCTS -- 1.5%		
200,000	Riverwood International Corp., Sub. Deb. Cv., 6.750%, 09/15/03	199,907	230,890
1,400,000	Thermo Fibertek Inc., Sub. Deb. Cv., 4.500%, 07/15/04 (b)	1,284,935	1,372,000
		-----	-----
		1,484,842	1,602,890
		-----	-----
	PUBLISHING -- 0.1%		
200,000	Times Mirror Ltd., Sub. Deb. Cv., Zero Coupon, 04/15/17	108,604	127,500
		-----	-----
	RETAIL -- 1.5%		
60,000	Costco Companies Inc., Sub. Deb. Cv., Zero Coupon, 08/19/17	43,968	53,250
300,000	Rite Aid Corp., Sub. Deb Cv., 5.250%, 09/15/02	272,561	295,500
10,000	School Specialty Inc., Sub. Deb. Cv., 6.000%, 08/01/08	10,175	10,850
1,200,000	Thermo Instrument Systems Inc., Sub. Deb. Cv., 4.500%, 10/15/03 (b)	1,177,284	1,192,500
		-----	-----
		1,503,988	1,552,100
		-----	-----
	PRINCIPAL AMOUNT	COST	MARKET VALUE
	-----	----	-----
	TELECOMMUNICATIONS -- 1.2%		
\$ 80,000	Amnex Inc., Sub. Deb. Cv., 8.500%, 09/25/02+ (b) (c)	\$ 71,773	\$ 0
600,000	Bell Atlantic Corp., Cv., 4.250%, 09/15/05 (b)	598,054	606,000
90,000	4.250%, 09/15/05	95,691	90,731
1,300,000	NTL Inc., Sub. Deb. Cv., 5.750%, 12/15/09 (c)	595,953	195,000
500,000	Rogers Communications Inc., Sub. Deb. Cv., 2.000%, 11/26/05	402,923	382,500
200,000	XO Communications Inc., Sub. Deb. Cv., 5.750%, 01/15/09+ (b) (c)	116,123	250
		-----	-----
		1,880,517	1,274,481
		-----	-----
	WIRELESS COMMUNICATIONS -- 1.3%		
	Nextel Communications Inc., Cv.,		
700,000	6.000%, 06/01/11 (b)	551,877	282,417
1,700,000	5.250%, 01/15/10	1,127,065	711,875
100,000	4.750%, 07/01/07	67,739	46,000
1,100,000	United States Cellular Corp., Sub. Deb. Cv., Zero Coupon, 06/15/15	737,275	342,375
		-----	-----

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

		2,483,956	1,382,667
		-----	-----
	TOTAL CONVERTIBLE		
	CORPORATE BONDS	45,775,254	41,459,797
		-----	-----
SHARES			

	CONVERTIBLE PREFERRED STOCKS -- 19.0%		
	AEROSPACE -- 1.2%		
8,500	Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B	990,420	1,232,500
		-----	-----
	AUTOMOTIVE -- 0.9%		
5,000	Ford Motor Co. Capital Trust II, 6.500% Cv. Pfd.	250,000	281,250
	General Motors Corp., 5.250% Cv. Pfd., Ser. B	350,000	367,780
14,000		300,000	310,080
12,000	4.500% Cv. Pfd., Ser. A	-----	-----
		900,000	959,110
		-----	-----

See accompanying notes to financial statements.

11

THE GABELLI CONVERTIBLE SECURITIES FUND, INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2002 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		----	-----
	CONVERTIBLE PREFERRED STOCKS (CONTINUED)		
	AVIATION: PARTS AND SERVICES -- 4.6%		
	Coltec Capital Trust,		
17,000	5.250% Cv. Pfd. (b)	\$ 802,500	\$ 619,672
37,000	5.250% Cv. Pfd.	1,479,875	1,348,698
30,000	Sequa Corp., \$5.00 Cv. Pfd.	2,297,667	2,820,000
		-----	-----
		4,580,042	4,788,370
		-----	-----
	BROADCASTING -- 1.0%		
100	Gray Communications Systems Inc., 8.000% Cv. Pfd., Ser. C (b)	1,000,000	1,000,000
		-----	-----
	BUSINESS SERVICES -- 1.8%		
14,000	Interep National Radio Sales Inc., 4.000% Cv. Pfd., Ser. A (b)	1,400,000	1,400,000
20,000	Key3Media Group, 5.500% Cv. Pfd.	500,000	500,000
		-----	-----
		1,900,000	1,900,000
		-----	-----
	CABLE -- 0.5%		
35,000	CVC Equity Securities Trust I,		

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

	Telephone Co., \$3.50 Cv. Pfd., Ser. III	471,755	242,400
		-----	-----
		6,377,963	4,435,389
		-----	-----
	WIRELESS COMMUNICATIONS -- 0.7%		
21,000	Allen Telecom Inc., 7.750% Cv. Pfd., Ser. D	1,046,350	748,650
3,000	Loral Space & Communications Ltd., 6.000% Cv. Pfd., Ser. D	54,750	26,625
		-----	-----
		1,101,100	775,275
		-----	-----
	TOTAL CONVERTIBLE PREFERRED STOCKS	22,670,742	19,880,341
		-----	-----
	COMMON STOCKS -- 3.0%		
	AVIATION: PARTS AND SERVICES -- 0.1%		
9,000	Kaman Corp., Cl. A	106,563	150,840
		-----	-----
	BROADCASTING -- 0.1%		
35,000	Granite Broadcasting Corp.+	37,187	85,050
		-----	-----
	CABLE -- 0.0%		
10,000	UnitedGlobalCom Inc., Cl. A+	91,270	27,500
		-----	-----

See accompanying notes to financial statements.

12

THE GABELLI CONVERTIBLE SECURITIES FUND, INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2002 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		----	-----
	COMMON STOCKS (CONTINUED)		
	ENERGY AND UTILITIES -- 1.7%		
8,900	AGL Resources Inc.	\$ 157,738	\$ 206,480
10,000	BP plc, ADR	384,270	504,900
3,000	CH Energy Group Inc.	83,900	147,750
10,000	Conectiv	221,812	258,100
10,000	NiSource Inc.+	20,000	20,800
25,000	Northeast Utilities	474,141	470,250
10,000	Progress Energy Inc.+	5,200	3,000
2,200	SJW Corp.	213,919	178,200
		-----	-----
		1,560,980	1,789,480
		-----	-----
	EQUIPMENT AND SUPPLIES -- 0.1%		
50,000	Fedders Corp.	310,916	126,500
		-----	-----
	FINANCIAL SERVICES -- 0.5%		
24,000	Argonaut Group Inc.	532,291	514,080
		-----	-----
	FOOD AND BEVERAGE -- 0.1%		
3,609	Chiquita Brands		

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

	International Inc.+	99,993	64,637
	PUBLISHING -- 0.3%		
12,000	News Corp. Ltd., ADR	282,768	275,160
	TELECOMMUNICATIONS -- 0.1%		
12,547	AT&T Corp.	134,832	134,253
1,000	Philippine Long Distance Telephone Co., ADR+	12,470	7,460
		147,302	141,713
	WIRELESS COMMUNICATIONS -- 0.0%		
49	Winstar Communications Inc.+	438	0
	TOTAL COMMON STOCKS	3,169,708	3,174,960
	PREFERRED STOCKS -- 1.5%		
	BROADCASTING -- 1.3%		
2,127	Granite Broadcasting Corp., 12.750% Pfd.	879,780	1,361,280
	PUBLISHING -- 0.2%		
9,777	News Corp. Ltd., Pfd., ADR	189,209	193,096
	TOTAL PREFERRED STOCKS	1,068,989	1,554,376
	PRINCIPAL AMOUNT	COST	MARKET VALUE
	-----	----	-----
	CORPORATE BONDS -- 0.3%		
	BROADCASTING -- 0.0%		
\$ 15,000	Granite Broadcasting Corp., Sub. Deb., 8.875%, 05/15/08	\$ 7,655	\$ 13,200
	TELECOMMUNICATIONS -- 0.0%		
400,000	Williams Communications Group Inc., 10.875%, 10/01/09 (c)	158,030	35,000
	WIRELESS COMMUNICATIONS -- 0.3%		
500,000	Nextel Communications Inc., 9.500%, 02/01/11	347,450	247,500
	TOTAL CORPORATE BONDS	513,135	295,700
	SHARES		

	WARRANTS -- 0.0%		
	BUSINESS SERVICES -- 0.0%		
87,500	Interep National Radio Sales Inc.+	0	0
	PRINCIPAL		

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

AMOUNT		

	U.S. GOVERNMENT OBLIGATIONS -- 35.6%	
\$37,438,000	U.S. Treasury Bills, 1.675% to 1.755%+, 07/05/02 to 09/19/02	37,375,425
		37,375,439

TOTAL INVESTMENTS -- 98.9%	.....	\$110,573,253
		=====
OTHER ASSETS, LIABILITIES AND		
LIQUIDATION VALUE OF		
	CUMULATIVE PREFERRED STOCK -- (27.5)%	
		(28,805,462)

NET ASSETS -- COMMON STOCK -- 71.4%		
(8,212,263 common shares outstanding)	.....	74,935,151

NET ASSETS -- PREFERRED STOCK -- 28.6%		
(1,200,000 preferred shares outstanding)	.....	30,000,000

TOTAL NET ASSETS -- 100.0%	.....	\$104,935,151
		=====
NET ASSET VALUE PER COMMON SHARE		
(\$74,935,151 / 8,212,263 shares outstanding)	.....	\$9.12
		=====

See accompanying notes to financial statements.

13

THE GABELLI CONVERTIBLE SECURITIES FUND, INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2002 (UNAUDITED)

COMMON STOCKS	SHARES	PROCEEDS	MARKET VALUE
-----	-----	-----	-----
SECURITIES SOLD SHORT			
KCS Energy Inc.	43,299	\$ 412,761	\$ 75,773
			=====

For Federal tax purposes:			
Aggregate cost			\$111,551,589
			=====
Gross unrealized appreciation			\$ 2,661,254
Gross unrealized depreciation			(10,472,230)

Net unrealized depreciation			\$ (7,810,976)
			=====

- (a) Security fair valued under procedures established by the Board of Directors.
- (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 June 30, 2002, the market value of Rule 144A securities amounted to \$9,369,862 or 8.93% of total net assets.
- (c) Bond in default.
- + Non-income producing security.
- ++ Represents annualized yield at date of purchase.
- ADR - American Depositary Receipt.

See accompanying notes to financial statements.

THE GABELLI CONVERTIBLE SECURITIES FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2002 (UNAUDITED)

ASSETS:	
Investments, at value (cost \$110,573,253)	\$103,740,613
Cash and foreign currency, at value (cost \$13,679)	13,680
Dividends and interest receivable	1,032,525
Receivable for investments sold	412,761

TOTAL ASSETS	105,199,579

LIABILITIES:	
Securities sold short (proceeds \$412,761)	75,773
Dividends payable	33,333
Payable for investment advisory fees	57,419
Payable to custodian	461
Payable for legal and audit	21,988
Payable for shareholder communications expense	27,846
Other accrued expenses and liabilities	47,608

TOTAL LIABILITIES	264,428

PREFERRED STOCK:	
Cumulative Preferred Stock (8.00%, \$25 liquidation value, \$0.001 par value, 2,000,000 shares authorized with 1,200,000 shares issued and outstanding)	30,000,000

NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS	\$ 74,935,151
	=====
NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS CONSIST OF:	
Capital stock, at par value	\$ 8,212
Additional paid-in capital	82,936,482
Accumulated net realized loss on investments, securities sold short and foreign currency transactions	(1,513,883)
Net unrealized depreciation on investments, securities sold short and foreign currency transactions	(6,495,660)

TOTAL NET ASSETS	\$ 74,935,151
	=====
NET ASSET VALUE PER COMMON SHARE (\$74,935,151 / 8,212,263 shares outstanding; 100,000,000 shares authorized of \$0.001 par value)	
	\$9.12
	=====

STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED)

INVESTMENT INCOME:

Dividends (net of foreign taxes of \$4,623)	\$ 624,275
---	------------

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

Interest	2,115,645

TOTAL INVESTMENT INCOME	2,739,920

EXPENSES:	
Investment advisory fees	360,565
Payroll	51,244
Shareholder services fees	45,369
Shareholder communications expenses	37,556
Directors' fees	27,654
Legal and audit fees	27,389
Custodian fees	14,848
Miscellaneous expenses	27,706

TOTAL EXPENSES	592,331

NET INVESTMENT INCOME	2,147,589

NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:	
Net realized loss on investments, securities sold short and foreign currency transactions	(203,647)
Net change in unrealized depreciation on investments, securities sold short and foreign currency transactions	(4,074,255)

NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS	(4,277,902)

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	
	(2,130,313)

DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:	
Net investment income	(1,200,000)

TOTAL DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS	(1,200,000)

NET DECREASE IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS	
	(\$3,330,313)
	=====

See accompanying notes to financial statements.

15

THE GABELLI CONVERTIBLE SECURITIES FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS
SIX MONTHS
JUNE 30,
(UNAUDITED)

OPERATIONS:	
Net investment income	\$ 2,147,589
Net realized gain (loss) on investments, securities sold short and foreign currency transactions	(203,647)

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

Net change in unrealized appreciation/depreciation of investments, securities sold short and foreign currency transactions	(4,074)
<hr/>	
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	(2,130)
<hr/>	
DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:	
Net investment income	(1,200)
Net realized gain on investments and foreign currency transactions	
<hr/>	
TOTAL DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS	(1,200)
<hr/>	
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS	(3,330)
<hr/>	
DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:	
Net investment income	(964)
Net realized gain on investments and foreign currency transactions	
Paid-in capital	(2,272)
<hr/>	
TOTAL DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS	(3,237)
<hr/>	
CAPITAL SHARE TRANSACTIONS:	
Net increase in net assets from common shares issued upon reinvestment of dividends and distributions	1,428
<hr/>	
NET INCREASE IN NET ASSETS FROM FUND SHARE TRANSACTIONS	1,428
<hr/>	
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS	(5,139)
<hr/>	
NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS:	
Beginning of period	80,074
<hr/>	
End of period (including undistributed net investment income of \$0 and \$314,002, respectively)	\$74,935
<hr style="border-top: 1px dashed black;"/>	

See accompanying notes to financial statements.

16

THE GABELLI CONVERTIBLE SECURITIES FUND, INC. NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION. The Gabelli Convertible Securities Fund, Inc. (the "Fund") is a closed-end diversified management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"), whose investment objective is to seek a high level of total return through a combination of current income and capital appreciation by investing in convertible securities. The Fund was incorporated in Maryland on December 19, 1988 as an open-end diversified management investment company and commenced investment operations on July 3, 1989. The Board of Directors, upon approval at a special meeting of shareholders held on February 17, 1995, voted to approve the conversion of the Fund to closed-end status, effective March 31, 1995.

2. SIGNIFICANT ACCOUNTING POLICIES. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

SECURITY VALUATION. Portfolio securities listed or traded on a nationally recognized securities exchange, quoted by the National Association of Securities Dealers Automated Quotations, Inc. ("Nasdaq") or traded on foreign exchanges are valued at the last sale price on that exchange as of the close of business on the day the securities are being valued (if there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day except for open short positions, which are valued at the last asked price). All other portfolio securities for which over-the-counter market quotations are readily available are valued at the latest average of the bid and asked prices. If there were no asked prices quoted on that day, then the security is valued at the closing bid price. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser"). Portfolio securities primarily traded on foreign markets are generally valued at the preceding closing values of such securities on their respective exchanges. Securities and assets for which market quotations are not readily available are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Board of Directors. Short term debt securities with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Directors determines such does not reflect the securities' fair value, in which case these securities will be valued at their fair value as determined by the Board of Directors. Debt instruments having a maturity greater than 60 days are valued at the highest bid price obtained from a dealer maintaining an active market in those securities. Options are valued at the last sale price on the exchange on which they are listed. If no sales of such options have taken place that day, they will be valued at the mean between their closing bid and asked prices.

REPURCHASE AGREEMENTS. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Bank of New York, with member banks of the Federal Reserve System or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board of Directors. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. The Fund will always receive and maintain securities as collateral whose market value, including accrued interest, will be at least equal to 100% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral.

17

THE GABELLI CONVERTIBLE SECURITIES FUND, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

FUTURES CONTRACTS. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Such investments will only be made if they are economically appropriate to the reduction of risks involved in

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

the management of the Fund's investments. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuation of the value of the contract. The daily changes in the contract are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed. At June 30, 2002, there were no open futures contracts.

There are several risks in connection with the use of futures contracts as a hedging device. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

FORWARD FOREIGN EXCHANGE CONTRACTS. The Fund may engage in forward foreign exchange contracts for hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency transactions. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain/(loss) that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At June 30, 2002, the Fund held no forward foreign exchange contracts.

SECURITIES SOLD SHORT. A short sale involves selling a security which the Fund does not own. The proceeds received for short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of the open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis.

FOREIGN CURRENCY TRANSLATION. The books and records of the Fund are maintained in United States (U.S.) dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period, and purchases and sales of investment securities, income and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses, which result from

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

have been included in unrealized appreciation/depreciation on investments and foreign currency transactions. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME. Securities transactions are accounted for as of the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded as earned. Dividend income is recorded on the ex-dividend date.

DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS. Distributions to shareholders are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences and differing characterization of distributions made by the Fund. Distributions to shareholders of the Fund's 8.00% Cumulative Preferred Stock ("Cumulative Preferred Stock") are accrued on a daily basis and are determined as described in Note 5.

PROVISION FOR INCOME TAXES. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. As a result, a Federal income tax provision is not required.

3. AGREEMENTS AND TRANSACTIONS WITH AFFILIATES. The Fund has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Fund will pay the Adviser a fee, computed daily and paid monthly, equal on an annual basis to 1.00% of the value of the Fund's average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio and oversees the administration of all aspects of the Fund's business and affairs. The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Cumulative Preferred Stock if the total return of the net asset value of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate of the Cumulative Preferred Stock. For the six months ended June 30, 2002, the Fund's total return on the net asset value of the common shares did not exceed the stated dividend rate of the Cumulative Preferred Stock. Thus, such management fees were not earned on the incremental assets.

During the six months ended June 30, 2002, Gabelli & Company, Inc. and its affiliates received \$7,782 in brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Fund.

4. PORTFOLIO SECURITIES. Costs of purchases and proceeds from sales of securities, other than short-term securities, for the six months ended June 30, 2002 aggregated \$31,992,165 and \$33,377,421, respectively.

19

THE GABELLI CONVERTIBLE SECURITIES FUND, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

5. CAPITAL. The Articles of Incorporation, dated December 19, 1988, permit the

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

Fund to issue 100,000,000 shares of common stock (par value \$0.001).

Transactions in common stock were as follows:

	SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED)		Sh
	Shares	Amount	
Shares issued upon reinvestment			
of dividends and distributions	137,546	\$1,428,150	28
Net decrease from repurchase of common shares	--	--	
Net increase	137,546	\$1,428,150	28

The Adviser has been authorized to repurchase on behalf of the Fund up to 500,000 shares of Common Stock of the Fund in the open market, whenever the shares are trading at a discount of 10% or more from the net asset value of the shares. For the six months ended June 30, 2002, the Fund did not repurchase any shares of Common Stock. All shares of Common Stock repurchased have been retired.

In addition, the Fund has been authorized to issue up to 2,000,000 shares of Preferred Stock of which 1,200,000 shares has been designated as \$0.001 par value 8% Cumulative Preferred Stock. Dividends on shares of the Cumulative Preferred Stock are cumulative. The Fund is required to meet certain asset coverage tests with respect to the Cumulative Preferred Stock as required by the 1940 Act and by the Shares' Articles Supplementary. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Cumulative Preferred Stock at a redemption price of \$25.00 per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset requirement could restrict the Fund's ability to pay dividends to Common Shareholders and could lead to sales of portfolio securities at inopportune times. The Preferred Stock is callable at the redemption price at the option of the Fund after May 15, 2002. This Cumulative Preferred Stock introduced leverage into the capital structure of the Fund. This leverage tends to magnify both the risks and opportunities to Common Shareholders. At June 30, 2002, the 1,200,000 shares of 8% Cumulative Preferred Stock outstanding accrued dividends in the amount of \$33,333. The income received on the Fund's assets may vary in a manner unrelated to the fixed rate, which could have either a beneficial or detrimental impact on net investment income and gains available to Common Shareholders.

The Fund shall not declare dividends or make other distributions on 1,200,000 shares of Common Stock or purchase any such shares if at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Stock would be less than 200%.

The holders of Cumulative Preferred Stock have voting rights equivalent to

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

those of the holders of Common Stock (one vote per share) and will vote together with holders of shares of Common Stock as a single class. In addition, the 1940 Act requires that along with approval of a majority of the holders of Common Stock, approval of a majority of the holders of any outstanding shares of Cumulative Preferred Stock, voting separately as a class, would be required to (a) adopt any plan of reorganization that would adversely affect the Cumulative Preferred Stock, and (b) take any action requiring a vote of security holders, including, among other things, changes in the Fund's subclassification as a closed-end investment company or changes in its fundamental investment restrictions.

Under Emerging Issues Task Force (EITF) promulgating Topic D-98, CLASSIFICATION AND MEASUREMENT OF REDEEMABLE SECURITIES, which was issued on July 19, 2001, preferred securities that are redeemable for cash or other assets are to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer. Subject to the guidance of the EITF, the Fund's Cumulative Preferred Stock, which was previously classified as a component of net assets, has been reclassified outside of permanent equity (net assets attributable to common stock shareholders) in the accompanying financial statements. Prior year amounts have also been reclassified to conform with this presentation. The impact of this reclassification creates no change to the net assets available to common shareholders.

6. SUBSEQUENT EVENT. Effective August 1, 2002, the Fund changed its name to The Gabelli Convertible and Income Securities Fund Inc. The Fund continues to maintain its investment objective of seeking a high level of total return through a combination of current income and capital appreciation.

Consistent with its new name, under normal market conditions, the Fund will invest at least 80% of its net assets in a combination of convertible securities and income producing securities (the "80% Policy"). The Fund expects to continue its practice of investing in convertible securities to the extent attractive opportunities are available.

The 80% Policy may be changed without shareholder approval. However, the Fund has adopted a policy to provide shareholders with at least 60 days' prior notice of the implementation of any change in the 80% Policy.

21

THE GABELLI CONVERTIBLE SECURITIES FUND, INC. FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A FUND COMMON SHARE
OUTSTANDING THROUGHOUT EACH PERIOD:

SIX MONTHS ENDED
JUNE 30, 2002

YEAR ENDED

OPERATING PERFORMANCE:

	(UNAUDITED)	2001	2000	
Net asset value, beginning of period	\$ 9.92	\$ 10.02	\$ 11.40	\$
Net investment income	0.27	0.68	0.72	
Net realized and unrealized gain (loss) on investments	(0.53)	0.32	(0.52)	
Total from investment operations	(0.26)	1.00	0.20	

DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

Net investment income	(0.15)	(0.18)	(0.13)	
Net realized gain on investments	--	(0.12)	(0.17)	
	-----	-----	-----	-----
Total distributions to preferred stock shareholders ..	(0.15)	(0.30)	(0.30)	
	-----	-----	-----	-----
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS				
	(0.41)	0.70	(0.10)	
	-----	-----	-----	-----
DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:				
Net investment income	(0.12)	(0.48)	(0.57)	
Net realized gain on investments	--	(0.33)	(0.73)	
Paid-in capital	(0.28)	--	--	
	-----	-----	-----	-----
Total distributions to common stock shareholders	(0.40)	(0.81)	(1.30)	
	-----	-----	-----	-----
CAPITAL SHARE TRANSACTIONS:				
Increase in net asset value from common share transactions	0.01	0.01	0.02	
Preferred share offering costs charged to paid-in capital	--	--	--	
	-----	-----	-----	-----
Total capital share transactions	0.01	0.01	0.02	
	-----	-----	-----	-----
NET ASSET VALUE ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS, END OF PERIOD				
	\$ 9.12	\$ 9.92	\$ 10.02	\$
	=====	=====	=====	=====
Net asset value total return +	(4.2)%	7.0%	0.0%	
	=====	=====	=====	=====
Market value, end of period	\$ 10.45	\$ 10.90	\$ 9.13	\$
	=====	=====	=====	=====
Total investment return ++	(0.3)%	29.1%	(1.7)%	
	=====	=====	=====	=====
RATIOS AND SUPPLEMENTAL DATA:				
Net assets including liquidation value of preferred shares, end of period (in 000's)	\$104,935	\$110,074	\$108,066	\$1
Net assets attributable to common shares, end of period (in 000's)	\$ 74,935	\$ 80,074	\$ 78,066	\$
Ratio of net investment income to average net assets attributable to common shares	5.44% (d)	6.58%	6.49%	
Ratio of operating expenses to average net assets attributable to common shares (b)	1.50% (d)	1.46%	1.48%	
Ratio of operating expenses to average total net assets including liquidation value of preferred shares	1.09% (d)	1.07%	1.10%	
Portfolio turnover rate	47%	59%	169%	
CUMULATIVE PREFERRED STOCK:				
8.00% Cumulative Preferred Stock				
Liquidation value, end of period (in 000's)	\$ 30,000	\$ 30,000	\$ 30,000	\$
Total shares outstanding (in 000's)	1,200	1,200	1,200	
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$
Average market value (c)	\$ 25.98	\$ 25.80	\$ 24.31	\$
Asset coverage	350%	367%	360%	
Asset coverage per share	\$ 87.47	\$ 91.72	\$ 90.05	\$

See accompanying notes to financial statements.

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

AND VOLUNTARY CASH PURCHASE PLAN

ENROLLMENT IN THE PLAN

It is the policy of The Gabelli Convertible Securities Fund, Inc. ("Convertible Securities Fund") to automatically reinvest dividends. As a "registered" shareholder you automatically become a participant in the Convertible Securities Fund's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Convertible 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 Securities Fund. Plan participants may send their stock certificates to EquiServe Trust Company ("EquiServe") 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 Securities Fund, Inc.
c/o EquiServe
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 EquiServe at 1 (800) 336-6983.

SHAREHOLDERS WISHING TO LIQUIDATE REINVESTED SHARES held at EquiServe 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 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 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 Securities Fund valued at market price. If the Convertible Securities Fund should declare a dividend or capital gains distribution payable only in cash, EquiServe will buy Common Stock in the open market, or on the New York Stock Exchange or elsewhere, for the participants' accounts, except that

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

EquiServe will endeavor to terminate purchases in the open market and cause the Convertible 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.

23

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 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 EquiServe 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 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 EquiServe for investments in the Convertible Securities Fund's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. EquiServe will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. EquiServe 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 EquiServe, P.O. Box 43011, Providence, RI 02940-3011 such that EquiServe 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 in the following month. A payment may be withdrawn without charge if notice is received by EquiServe at least 48 hours before such payment is to be invested.

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 Securities Fund.

24

DIRECTORS AND OFFICERS
THE GABELLI CONVERTIBLE SECURITIES FUND, INC.
ONE CORPORATE CENTER, RYE, NY 10580-1422

DIRECTORS

Mario J. Gabelli, CFA
CHAIRMAN & CHIEF INVESTMENT OFFICER,
GABELLI ASSET MANAGEMENT INC.

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

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 Pohl
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

Anthony R. Pustorino
CERTIFIED PUBLIC ACCOUNTANT,
PROFESSOR EMERITUS, PACE UNIVERSITY

Werner J. Roeder, MD
VICE PRESIDENT/MEDICAL AFFAIRS,
LAWRENCE HOSPITAL CENTER

Anthonie C. van Ekris
MANAGING DIRECTOR,
BALMAC INTERNATIONAL, INC.

Salvatore J. Zizza
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS AND PORTFOLIO MANAGERS

Mario J. Gabelli, CFA
PRESIDENT & CHIEF INVESTMENT OFFICER

Bruce N. Alpert
VICE PRESIDENT & TREASURER

Peter W. Latartara
VICE PRESIDENT

A. Hartswell Woodson, III
ASSOCIATE PORTFOLIO MANAGER

James E. McKee
SECRETARY

INVESTMENT ADVISER

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

CUSTODIAN, TRANSFER AGENT AND REGISTRAR

EquiServe Trust Company

COUNSEL

Skadden, Arps, Slate, Meagher & Flom LLP

STOCK EXCHANGE LISTING

Edgar Filing: GABELLI CONVERTIBLE SECURITIES FUND INC /DE - Form N-30D

	Common	8.00% Preferred
	-----	-----
NYSE-Symbol:	GCV	GCV Pr
Shares Outstanding:	8,212,263	1,200,000

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 1-800-GABELLI (1-800-422-3554), fax us at
914-921-5118, visit Gabelli Funds' Internet
homepage at: [HTTP://WWW.GABELLI.COM](http://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 Securities Fund may from time to time purchase shares of its common stock in the open market when the Convertible Securities Fund shares are trading at a discount of 10% or more from the net asset value of the shares. The Convertible 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 SECURITIES FUND, INC.
ONE CORPORATE CENTER
RYE, NY 10580-1422
(914) 921-5070
[HTTP://WWW.GABELLI.COM](http://www.gabelli.com)

SEMI-ANNUAL REPORT
JUNE 30, 2002

GBFCS 06/02