

GABELLI DIVIDEND & INCOME TRUST  
Form N-CSR  
March 09, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

**Investment Company Act file number 811-21423**

**The Gabelli Dividend & Income Trust**

(Exact name of registrant as specified in charter)

**One Corporate Center**

**Rye, New York 10580-1422**

(Address of principal executive offices) (Zip code)

**Bruce N. Alpert**

**Gabelli Funds, LLC**

**One Corporate Center**

**Rye, New York 10580-1422**

(Name and address of agent for service)

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

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

**Date of reporting period: December 31, 2011**

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

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

**Item 1. Reports to Stockholders.**

The Report to Shareholders is attached herewith.

## The Gabelli Dividend & Income Trust

Annual Report December 31, 2011

Mario J. Gabelli, CFA

Barbara G. Marcin, CFA

Robert D. Leininger, CFA

### To Our Shareholders,

The Sarbanes-Oxley Act requires a fund's principal executive and financial officers to certify the entire contents of the semiannual and annual shareholder reports in a filing with the Securities and Exchange Commission (SEC) on Form N-CSR. This certification would cover the portfolio managers' commentary and subjective opinions if they are attached to or a part of the financial statements. Many of these comments and opinions would be difficult or impossible to certify.

Because we do not want our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts, we have separated their commentary from the financial statements and investment portfolio and have sent it to you separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

### Investment Performance

For the year ended December 31, 2011, the net asset value (NAV) total return of The Gabelli Dividend & Income Trust (the Fund) was 2.8%, compared with a total return of 2.1% for the Standard & Poor's (S&P) 500 Index. The total return for the Fund's publicly traded shares was 6.4%. On December 31, 2011, the Fund's NAV per share was \$17.24, while the price of the publicly traded shares closed at \$15.42 on the New York Stock Exchange (NYSE).

Enclosed are the schedule of investments and financial statements as of December 31, 2011.

Sincerely yours,

Bruce N. Alpert

President

February 22, 2012

### Comparative Results

#### Average Annual Returns through December 31, 2011 (a) (Unaudited)

|  | 1 Year | 3 Year | 5 Year | Since Inception (11/28/03) |
|--|--------|--------|--------|----------------------------|
| <b>Gabelli Dividend &amp; Income Trust</b> |        |        |        |                            |
| <b>NAV Total Return (b)</b>                | 2.77%  | 17.62% | 0.07%  | 5.21%                      |
| <b>Investment Total Return (c)</b>         | 6.42   | 22.78  | 0.94   | 4.13                       |
| S&P 500 Index                              | 2.11   | 14.11  | (0.25) | 4.25                       |
| Dow Jones Industrial Average               | 8.28   | 14.87  | 2.35   | 5.45(d)                    |
| Nasdaq Composite Index                     | (0.78) | 19.34  | 2.50   | 4.46                       |

(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*

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higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.

- (b) Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.
  - (d) From November 30, 2003, the date closest to the Fund's inception for which data is available.

## THE GABELLI DIVIDEND & INCOME TRUST

### Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2011:

|                                   |        |
|-----------------------------------|--------|
| Food and Beverage                 | 11.4%  |
| Energy and Utilities: Oil         | 10.6%  |
| Financial Services                | 10.5%  |
| Energy and Utilities: Integrated  | 10.2%  |
| Telecommunications                | 5.8%   |
| U.S. Government Obligations       | 5.6%   |
| Health Care                       | 4.7%   |
| Energy and Utilities: Natural Gas | 4.4%   |
| Consumer Products                 | 3.7%   |
| Energy and Utilities: Electric    | 3.6%   |
| Diversified Industrial            | 3.6%   |
| Retail                            | 3.2%   |
| Aerospace                         | 3.0%   |
| Energy and Utilities: Services    | 2.6%   |
| Specialty Chemicals               | 1.7%   |
| Electronics                       | 1.7%   |
| Metals and Mining                 | 1.5%   |
| Cable and Satellite               | 1.4%   |
| Automotive: Parts and Accessories | 1.4%   |
| Equipment and Supplies            | 1.2%   |
| Entertainment                     | 1.0%   |
| Energy and Utilities: Water       | 0.9%   |
| Machinery                         | 0.8%   |
| Environmental Services            | 0.8%   |
| Business Services                 | 0.7%   |
| Transportation                    | 0.7%   |
| Paper and Forest Products         | 0.7%   |
| Computer Software and Services    | 0.6%   |
| Automotive                        | 0.4%   |
| Energy and Utilities              | 0.3%   |
| Computer Hardware                 | 0.3%   |
| Hotels and Gaming                 | 0.3%   |
| Wireless Communications           | 0.3%   |
| Agriculture                       | 0.2%   |
| Communications Equipment          | 0.1%   |
| Building and Construction         | 0.1%   |
| Consumer Services                 | 0.0%   |
| Real Estate                       | 0.0%   |
| Publishing                        | 0.0%   |
| Broadcasting                      | 0.0%   |
|                                   | 100.0% |

*The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.*

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### **Proxy Voting**

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

**THE GABELLI DIVIDEND & INCOME TRUST**

**SCHEDULE OF INVESTMENTS**

**December 31, 2011**

| Shares  |   | Cost         | Market Value |
|---|---|--------------|--------------|
| <b>COMMON STOCKS 92.8%</b>                    |   |              |              |
| <b>Aerospace 2.9%</b>                         |   |              |              |
| 115,000                                       | Exelis Inc.                             | \$ 1,297,754 | \$ 1,040,750 |
| 115,000                                       | Goodrich Corp.                          | 12,952,968   | 14,225,500   |
| 32,000  | Kaman Corp.                             | 594,408      | 874,240      |
| 119,000                                       | Rockwell Automation Inc.                | 5,384,555    | 8,731,030    |
| 1,344,000                                     | Rolls-Royce Holdings plc                | 10,073,258   | 15,581,066   |
| 92,736,000                                    | Rolls-Royce Holdings plc, Cl. C (a) (c) | 147,565      | 144,018      |
| 195,000                                       | The Boeing Co.                          | 12,712,498   | 14,303,250   |
|   |   | 43,163,006   | 54,899,854   |
| <b>Agriculture 0.2%</b>                       |   |              |              |
| 100,000                                       | Archer-Daniels-Midland Co.              | 2,706,857    | 2,860,000    |
| <b>Automotive 0.4%</b>                        |   |              |              |
| 250,000                                       | Ford Motor Co.                          | 3,614,800    | 2,690,000    |
| 23,000  | General Motors Co.                      | 662,359      | 466,210      |
| 28,000  | Navistar International Corp.            | 786,402      | 1,060,640    |
| 95,000  | PACCAR Inc.                             | 4,200,414    | 3,559,650    |
|   |   | 9,263,975    | 7,776,500    |
| <b>Automotive: Parts and Accessories 1.4%</b> |   |              |              |
| 25,000  | BorgWarner Inc.                         | 873,847      | 1,593,500    |
| 411,000                                       | Genuine Parts Co.                       | 14,617,407   | 25,153,200   |
|   |   | 15,491,254   | 26,746,700   |
| <b>Building and Construction 0.1%</b>         |   |              |              |
| 90,000  | Fortune Brands Home & Security Inc.     | 805,007      | 1,532,700    |
| 44,000  | Layne Christensen Co.                   | 1,178,909    | 1,064,800    |
|   |   | 1,983,916    | 2,597,500    |
| <b>Business Services 0.7%</b>                 |   |              |              |
| 165,000                                       | Diebold Inc.                            | 5,741,674    | 4,961,550    |
| 120,000                                       | Intermec Inc.                           | 1,661,393    | 823,200      |
| 20,000  | MasterCard Inc.,<br>Cl. A               | 3,089,996    | 7,456,400    |
| 25,000  | Thomson Reuters Corp.                   | 744,543      | 666,750      |
|   |   | 11,237,606   | 13,907,900   |
| <b>Cable and Satellite 1.4%</b>               |   |              |              |
| 85,001  | AMC Networks Inc.,<br>Cl. A             | 1,998,802    | 3,194,338    |



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|               |  |              |                     |
|---------------|--|--------------|---------------------|
| 366,000       | Cablevision Systems Corp.,<br>Cl. A        | 5,587,462    | 5,204,520           |
| 16,000        | Cogeco Inc.                                | 316,415      | 759,990             |
| 230,000       | DISH Network Corp.,<br>Cl. A               | 5,062,422    | 6,550,400           |
| 50,000        | EchoStar Corp.,<br>Cl. A                   | 1,307,563    | 1,047,000           |
| 67,000        | Liberty Global Inc.,<br>Cl. A              | 1,424,219    | 2,749,010           |
| 33,000        | Liberty Global Inc.,<br>Cl. C              | 730,884      | 1,304,160           |
| 160,000       | Rogers Communications Inc., Cl. B          | 2,059,469    | 6,161,600           |
|               |  | 18,487,236   | 26,971,018          |
|               | <b>Communications Equipment 0.1%</b>       |              |                     |
| 50,000        | Thomas & Betts Corp.                       | 1,872,311    | 2,730,000           |
|               | <b>Computer Hardware 0.1%</b>              |              |                     |
| 75,000        | Hewlett-Packard Co.                        | 3,301,642    | 1,932,000           |
| 16,000        | SanDisk Corp.                              | 129,176      | 787,360             |
|               |  | 3,430,818    | 2,719,360           |
| <b>Shares</b> |  | <b>Cost</b>  | <b>Market Value</b> |
|               | <b>Computer Software and Services 0.6%</b> |              |                     |
| 10,000        | Google Inc., Cl. A                         | \$ 5,312,593 | \$ 6,459,000        |
| 70,000        | Microsoft Corp.                            | 1,709,735    | 1,817,200           |
| 100           | SuccessFactors Inc.                        | 3,983        | 3,987               |
| 195,000       | Yahoo! Inc.                                | 3,157,213    | 3,145,350           |
|               |  | 10,183,524   | 11,425,537          |
|               | <b>Consumer Products 3.7%</b>              |              |                     |
| 15,000        | Altria Group Inc.                          | 321,236      | 444,750             |
| 155,000       | Avon Products Inc.                         | 4,427,650    | 2,707,850           |
| 50,000        | Hanesbrands Inc.                           | 1,118,462    | 1,093,000           |
| 89,000        | Harman International<br>Industries Inc.    | 3,624,148    | 3,385,560           |
| 188,000       | Kimberly-Clark Corp.                       | 12,176,917   | 13,829,280          |
| 100,000       | Newell Rubbermaid Inc.                     | 1,438,130    | 1,615,000           |
| 25,000        | Philip Morris International Inc.           | 1,011,008    | 1,962,000           |
| 840,000       | Swedish Match AB                           | 10,724,918   | 29,818,441          |
| 145,000       | The Procter & Gamble Co.                   | 7,977,094    | 9,672,950           |
| 100,000       | Tupperware Brands Corp.                    | 5,190,453    | 5,597,000           |
|               |  | 48,010,016   | 70,125,831          |
|               | <b>Consumer Services 0.0%</b>              |              |                     |
| 9,000         | Dollar Thrifty Automotive Group Inc.       | 374,355      | 632,340             |
|               | <b>Diversified Industrial 3.2%</b>         |              |                     |
| 95,000        | Bouygues SA                                | 3,346,193    | 2,993,302           |
| 130,000       | Cooper Industries plc                      | 4,182,820    | 7,039,500           |
| 667,000       | General Electric Co.                       | 14,578,441   | 11,945,970          |
| 300,000       | Honeywell International Inc.               | 10,776,669   | 16,305,000          |
| 57,500        | ITT Corp.                                  | 1,081,461    | 1,111,475           |
| 96,000        | Owens-Illinois Inc.                        | 3,359,147    | 1,860,480           |
| 60,000        | Smiths Group plc                           | 1,150,241    | 852,590             |
| 6,000         | Sulzer AG                                  | 592,897      | 641,329             |
| 15,000        | Texas Industries Inc.                      | 477,224      | 461,700             |

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|         |                         |            |            |
|---------|-------------------------|------------|------------|
| 252,000 | Textron Inc.            | 1,826,603  | 4,659,480  |
| 255,000 | Tyco International Ltd. | 10,715,467 | 11,911,050 |
|         |                         | 52,087,163 | 59,781,876 |

### Electronics 1.7%

|         |                            |            |            |
|---------|----------------------------|------------|------------|
| 800,900 | Intel Corp.                | 16,569,105 | 19,421,825 |
| 120,000 | Netlogic Microsystems Inc. | 5,780,142  | 5,948,400  |
| 115,000 | TE Connectivity Ltd.       | 4,089,132  | 3,543,150  |
| 100,000 | Texas Instruments Inc.     | 2,570,320  | 2,911,000  |
|         |                            | 29,008,699 | 31,824,375 |

### Energy and Utilities: Electric 3.6%

|         |                                     |            |            |
|---------|-------------------------------------|------------|------------|
| 85,000  | ALLETE Inc.                         | 2,788,153  | 3,568,300  |
| 207,000 | American Electric Power Co. Inc.    | 6,463,788  | 8,551,170  |
| 50,000  | Edison International                | 1,939,377  | 2,070,000  |
| 210,000 | Electric Power Development Co. Ltd. | 5,197,064  | 5,584,903  |
| 684,000 | Great Plains Energy Inc.            | 18,100,870 | 14,897,520 |
| 255,000 | Integrus Energy Group Inc.          | 12,419,647 | 13,815,900 |
| 100,000 | Pepco Holdings Inc.                 | 1,871,858  | 2,030,000  |
| 197,000 | Pinnacle West Capital Corp.         | 7,678,312  | 9,491,460  |
| 75,000  | The Southern Co.                    | 2,167,182  | 3,471,750  |
| 145,800 | UniSource Energy Corp.              | 3,756,985  | 5,382,936  |
|         |                                     | 62,383,236 | 68,863,939 |

### Energy and Utilities: Integrated 10.2%

|         |                      |           |           |
|---------|----------------------|-----------|-----------|
| 12,000  | Alliant Energy Corp. | 305,115   | 529,320   |
| 107,000 | Ameren Corp.         | 4,171,798 | 3,544,910 |
| 50,000  | Avista Corp.         | 926,534   | 1,287,500 |

See accompanying notes to financial statements.

**THE GABELLI DIVIDEND & INCOME TRUST**

**SCHEDULE OF INVESTMENTS (Continued)**

**December 31, 2011**

| Shares  |                                      | Cost         | Market Value |
|---|--------------------------------------|--------------|--------------|
| <b>COMMON STOCKS (Continued)</b>                    |                                      |              |              |
| <b>Energy and Utilities: Integrated (Continued)</b> |                                      |              |              |
| 50,000  | Black Hills Corp.                    | \$ 1,358,193 | \$ 1,679,000 |
| 40,000  | CH Energy Group Inc.                 | 1,728,883    | 2,335,200    |
| 108,000   | Chubu Electric Power Co. Inc.        | 2,458,019    | 2,016,318    |
| 283,000   | CONSOL Energy Inc.                   | 11,227,814   | 10,386,100   |
| 166,000   | Consolidated Edison Inc.             | 6,767,871    | 10,296,980   |
| 67,000  | Dominion Resources Inc.              | 2,848,810    | 3,556,360    |
| 150,000   | Duke Energy Corp.                    | 2,106,757    | 3,300,000    |
| 390,000   | Edison SpA                           | 908,872      | 413,900      |
| 550,000   | El Paso Corp.                        | 7,605,514    | 14,613,500   |
| 118,000   | Endesa SA                            | 4,611,434    | 2,420,630    |
| 438,000   | Enel SpA                             | 2,718,382    | 1,782,271    |
| 50,000  | Exelon Corp.                         | 2,474,807    | 2,168,500    |
| 100,000   | FirstEnergy Corp.                    | 3,484,426    | 4,430,000    |
| 95,000  | Hawaiian Electric Industries Inc.    | 2,184,256    | 2,515,600    |
| 250,000   | Hera SpA                             | 552,073      | 356,889      |
| 121,500   | Hokkaido Electric Power Co. Inc.     | 2,282,208    | 1,730,077    |
| 121,500   | Hokuriku Electric Power Co.          | 2,131,359    | 2,268,358    |
| 90,000  | Iberdrola SA, ADR                    | 4,110,724    | 2,169,000    |
| 130,000   | Korea Electric Power Corp., ADR      | 1,852,458    | 1,427,400    |
| 125,000   | Kyushu Electric Power Co. Inc.       | 2,438,133    | 1,789,658    |
| 59,000  | MGE Energy Inc.                      | 1,901,328    | 2,759,430    |
| 35,102  | National Grid plc, ADR               | 1,588,562    | 1,701,745    |
| 251,000   | NextEra Energy Inc.                  | 9,290,872    | 15,280,880   |
| 220,000   | NiSource Inc.                        | 4,603,018    | 5,238,200    |
| 461,700   | NSTAR                                | 10,924,111   | 21,681,432   |
| 341,000   | OGE Energy Corp.                     | 8,199,008    | 19,338,110   |
| 25,000  | Ormat Technologies Inc.              | 375,000      | 450,750      |
| 238,000   | Progress Energy Inc.                 | 10,675,793   | 13,332,760   |
| 150,000   | Public Service Enterprise Group Inc. | 4,558,695    | 4,951,500    |
| 121,500   | Shikoku Electric Power Co. Inc.      | 2,264,565    | 3,482,253    |
| 121,500   | The Chugoku Electric Power Co. Inc.  | 2,194,052    | 2,129,447    |
| 50,000  | The Empire District Electric Co.     | 1,081,365    | 1,054,500    |
| 120,000   | The Kansai Electric Power Co. Inc.   | 2,302,748    | 1,841,237    |
| 130,000   | Tohoku Electric Power Co. Inc.       | 2,260,717    | 1,248,149    |
| 157,000   | Vectren Corp.                        | 4,375,526    | 4,746,110    |
| 305,000   | Westar Energy Inc.                   | 5,969,606    | 8,777,900    |
| 138,000   | Wisconsin Energy Corp.               | 2,182,646    | 4,824,480    |
| 140,000   | Xcel Energy Inc.                     | 2,316,806    | 3,869,600    |
|   |                                      | 148,318,858  | 193,725,954  |
| <b>Energy and Utilities: Natural Gas 4.4%</b>       |                                      |              |              |
| 114,833   | AGL Resources Inc.                   | 4,594,786    | 4,852,843    |
| 4,000   | Atmos Energy Corp.                   | 106,160      | 133,400      |
| 25,000  | Delta Natural Gas Co. Inc.           | 646,919      | 858,750      |
| 160,356   | GDF Suez                             | 0            | 208          |
| 20,000  | Kinder Morgan Energy Partners LP     | 824,553      | 1,699,000    |
| 424,000   | National Fuel Gas Co.                | 12,863,831   | 23,565,920   |
| 167,000   | ONEOK Inc.                           | 4,253,626    | 14,477,230   |
| 141,600   | Sempra Energy                        | 4,283,490    | 7,788,000    |

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|  |                                    |              |                     |
|--|------------------------------------|--------------|---------------------|
| 28,000                                     | South Jersey Industries Inc.       | 695,233      | 1,590,680           |
| 130,000                                    | Southern Union Co.                 | 2,670,481    | 5,474,300           |
| 159,000                                    | Southwest Gas Corp.                | 3,982,375    | 6,755,910           |
| <b>Shares</b>                              |                                    | <b>Cost</b>  | <b>Market Value</b> |
| 435,000                                    | Spectra Energy Corp.               | \$ 9,926,493 | \$ 13,376,250       |
| 42,000                                     | The Laclede Group Inc.             | 1,195,634    | 1,699,740           |
|  |                                    | 46,043,581   | 82,272,231          |
| <b>Energy and Utilities: Oil 10.6%</b>     |                                    |              |                     |
| 57,000                                     | Anadarko Petroleum Corp.           | 2,542,541    | 4,350,810           |
| 37,000                                     | Apache Corp.                       | 1,769,782    | 3,351,460           |
| 44,000                                     | BG Group plc, ADR                  | 1,780,065    | 4,708,000           |
| 160,000                                    | BP plc, ADR                        | 7,134,083    | 6,838,400           |
| 80,000                                     | Chesapeake Energy Corp.            | 1,581,445    | 1,783,200           |
| 199,000                                    | Chevron Corp.                      | 12,048,015   | 21,173,600          |
| 342,700                                    | ConocoPhillips                     | 18,450,433   | 24,972,549          |
| 66,000                                     | Devon Energy Corp.                 | 3,109,704    | 4,092,000           |
| 140,000                                    | Eni SpA, ADR                       | 5,193,120    | 5,777,800           |
| 205,000                                    | Exxon Mobil Corp.                  | 9,587,886    | 17,375,800          |
| 39,000                                     | Hess Corp.                         | 1,306,298    | 2,215,200           |
| 462,400                                    | Marathon Oil Corp.                 | 9,944,467    | 13,534,448          |
| 254,700                                    | Marathon Petroleum Corp.           | 7,268,702    | 8,478,963           |
| 114,000                                    | Murphy Oil Corp.                   | 5,969,718    | 6,354,360           |
| 224,100                                    | Occidental Petroleum Corp.         | 8,550,356    | 20,998,170          |
| 1,400                                      | PetroChina Co. Ltd., ADR           | 84,826       | 174,034             |
| 66,000                                     | Petroleo Brasileiro SA, ADR        | 2,179,691    | 1,640,100           |
| 220,000                                    | Repsol YPF SA, ADR                 | 4,658,131    | 6,712,200           |
| 220,000                                    | Royal Dutch Shell plc, Cl. A, ADR  | 11,028,128   | 16,079,800          |
| 640,100                                    | Statoil ASA, ADR                   | 9,846,057    | 16,392,961          |
| 100,000                                    | Sunoco Inc.                        | 4,896,361    | 4,102,000           |
| 185,000                                    | Total SA, ADR                      | 8,118,724    | 9,455,350           |
|  |                                    | 137,048,533  | 200,561,205         |
| <b>Energy and Utilities: Services 2.6%</b> |                                    |              |                     |
| 185,000                                    | ABB Ltd., ADR                      | 2,017,405    | 3,483,550           |
| 74,000                                     | Cameron International Corp.        | 1,023,207    | 3,640,060           |
| 85,000                                     | Diamond Offshore Drilling Inc.     | 4,724,138    | 4,697,100           |
| 398,600                                    | Halliburton Co.                    | 10,243,770   | 13,755,686          |
| 10,000                                     | Noble Corp.                        | 254,820      | 302,200             |
| 76,000                                     | Oceaneering International Inc.     | 1,614,498    | 3,505,880           |
| 76,000                                     | Rowan Companies Inc.               | 2,363,013    | 2,305,080           |
| 117,000                                    | Schlumberger Ltd.                  | 3,907,339    | 7,992,270           |
| 38,000                                     | Transocean Ltd.                    | 3,089,309    | 1,458,820           |
| 537,000                                    | Weatherford International Ltd.     | 10,273,320   | 7,861,680           |
|  |                                    | 39,510,819   | 49,002,326          |
| <b>Energy and Utilities: Water 0.9%</b>    |                                    |              |                     |
| 11,000                                     | American States Water Co.          | 273,608      | 383,900             |
| 362,000                                    | American Water Works Co. Inc.      | 7,785,595    | 11,533,320          |
| 74,000                                     | Aqua America Inc.                  | 1,237,577    | 1,631,700           |
| 40,000                                     | Pennichuck Corp.                   | 973,428      | 1,153,200           |
| 90,000                                     | SJW Corp.                          | 1,564,611    | 2,127,600           |
| 12,000                                     | The York Water Co.                 | 156,854      | 211,680             |
| 25,000                                     | United Utilities Group plc, ADR    | 662,400      | 471,750             |
|  |                                    | 12,654,073   | 17,513,150          |
| <b>Entertainment 1.0%</b>                  |                                    |              |                     |
| 37,000                                     | Grupo Televisa SA, ADR             | 777,456      | 779,220             |
| 115,000                                    | Take-Two Interactive Software Inc. | 2,369,947    | 1,558,250           |

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|         |                                      |           |            |
|---------|--------------------------------------|-----------|------------|
| 90,000  | The Madison Square Garden Co., Cl. A | 1,662,598 | 2,577,600  |
| 295,000 | Time Warner Inc.                     | 9,407,777 | 10,661,300 |

See accompanying notes to financial statements.

**THE GABELLI DIVIDEND & INCOME TRUST**

**SCHEDULE OF INVESTMENTS (Continued)**

**December 31, 2011**

| Shares                             |   | Cost         | Market Value |
|------------------------------------|---|--------------|--------------|
| <b>COMMON STOCKS (Continued)</b>   |   |              |              |
| <b>Entertainment (Continued)</b>   |   |              |              |
| 185,000                            | Vivendi SA                                  | \$ 5,438,983 | \$ 4,051,252 |
|                                    |   | 19,656,761   | 19,627,622   |
| <b>Environmental Services 0.8%</b> |   |              |              |
| 30,075                             | Veolia Environnement                        | 596,267      | 329,651      |
| 427,000                            | Waste Management Inc.                       | 15,356,299   | 13,967,170   |
|                                    |   | 15,952,566   | 14,296,821   |
| <b>Equipment and Supplies 1.2%</b> |   |              |              |
| 95,000                             | CIRCOR International Inc.                   | 1,731,985    | 3,354,450    |
| 56,000                             | Lufkin Industries Inc.                      | 460,587      | 3,769,360    |
| 68,000                             | Mueller Industries Inc.                     | 2,711,243    | 2,612,560    |
| 415,000                            | RPC Inc.                                    | 1,235,241    | 7,573,750    |
| 145,000                            | Tenaris SA, ADR                             | 6,587,658    | 5,391,100    |
|                                    |   | 12,726,714   | 22,701,220   |
| <b>Financial Services 10.3%</b>    |   |              |              |
| 178,000                            | Aflac Inc.                                  | 9,578,795    | 7,700,280    |
| 80,000                             | AllianceBernstein Holding LP                | 1,519,748    | 1,046,400    |
| 460,200                            | American Express Co.                        | 19,886,728   | 21,707,634   |
| 350,000                            | Bank of America Corp.                       | 2,600,617    | 1,946,000    |
| 42,000                             | BlackRock Inc.                              | 4,959,432    | 7,486,080    |
| 150,770                            | Citigroup Inc.                              | 5,366,389    | 3,966,759    |
| 18,000                             | CME Group Inc.                              | 5,880,543    | 4,386,060    |
| 77,000                             | Deutsche Bank AG                            | 4,059,673    | 2,915,220    |
| 230,000                            | Discover Financial Services                 | 3,806,660    | 5,520,000    |
| 98,000                             | Fidelity National Financial Inc., Cl. A     | 1,809,417    | 1,561,140    |
| 55,000                             | Fidelity National Information Services Inc. | 1,385,971    | 1,462,450    |
| 245,000                            | First Niagara Financial Group Inc.          | 3,192,856    | 2,114,350    |
| 50,000                             | H&R Block Inc.                              | 789,730      | 816,500      |
| 59,000                             | HSBC Holdings plc, ADR                      | 3,743,289    | 2,247,900    |
| 188,000                            | Invesco Ltd.                                | 4,485,410    | 3,776,920    |
| 550,000                            | JPMorgan Chase & Co.                        | 19,421,664   | 18,287,500   |
| 356,000                            | Legg Mason Inc.                             | 9,329,671    | 8,561,800    |
| 44,000                             | M&T Bank Corp.                              | 2,862,163    | 3,358,960    |
| 78,000                             | Moody's Corp.                               | 2,710,473    | 2,627,040    |
| 240,000                            | Morgan Stanley                              | 5,542,907    | 3,631,200    |
| 40,000                             | National Australia Bank Ltd., ADR           | 949,148      | 957,200      |
| 172,000                            | New York Community Bancorp Inc.             | 2,882,396    | 2,127,640    |
| 100,000                            | Northern Trust Corp.                        | 4,624,676    | 3,966,000    |
| 262,000                            | PNC Financial Services Group Inc.           | 13,936,529   | 15,109,540   |
| 295,000                            | SLM Corp.                                   | 5,294,296    | 3,953,000    |
| 170,000                            | State Street Corp.                          | 6,366,165    | 6,852,700    |
| 147,000                            | T. Rowe Price Group Inc.                    | 6,313,399    | 8,371,650    |

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|         |                                      |             |             |
|---------|--------------------------------------|-------------|-------------|
| 666,000 | The Bank of New York Mellon Corp.    | 20,205,503  | 13,260,060  |
| 170,000 | The Travelers Companies Inc.         | 6,188,352   | 10,058,900  |
| 25,000  | U.S. Bancorp                         | 661,250     | 676,250     |
| 359,000 | Waddell & Reed Financial Inc., Cl. A | 7,807,829   | 8,892,430   |
| 554,000 | Wells Fargo & Co.                    | 16,281,200  | 15,268,240  |
| 15,000  | Willis Group Holdings plc            | 433,200     | 582,000     |
|         |                                      | 204,876,079 | 195,195,803 |

| Shares                         |                                  | Cost         | Market Value |
|--------------------------------|----------------------------------|--------------|--------------|
| <b>Food and Beverage 11.4%</b> |                                  |              |              |
| 90,000                         | Beam Inc.                        | \$ 2,854,114 | \$ 4,610,700 |
| 100,000                        | Campbell Soup Co.                | 3,149,531    | 3,324,000    |
| 350,000                        | China Mengniu Dairy Co. Ltd.     | 857,331      | 818,376      |
| 170,000                        | ConAgra Foods Inc.               | 3,873,769    | 4,488,000    |
| 75,000                         | Constellation Brands Inc., Cl. A | 1,059,000    | 1,550,250    |
| 300,082                        | Danone                           | 15,096,110   | 18,863,629   |
| 1,550,000                      | Davide Campari - Milano SpA      | 7,830,185    | 10,321,297   |
| 274,000                        | Dr Pepper Snapple Group Inc.     | 6,396,777    | 10,817,520   |
| 582,000                        | General Mills Inc.               | 14,814,018   | 23,518,620   |
| 80,000                         | H.J. Heinz Co.                   | 2,791,536    | 4,323,200    |
| 265,000                        | ITO EN Ltd.                      | 5,840,946    | 4,558,399    |
| 375,000                        | Kikkoman Corp.                   | 4,483,113    | 4,306,873    |
| 750,000                        | Kraft Foods Inc., Cl. A          | 22,390,116   | 28,020,000   |
| 64,000                         | Molson Coors Brewing Co., Cl. B  | 3,097,971    | 2,786,560    |
| 150,000                        | Morinaga Milk Industry Co. Ltd.  | 588,860      | 580,746      |
| 2,000                          | Nestlé SA, ADR                   | 111,522      | 115,420      |
| 168,000                        | NISSIN FOODS HOLDINGS CO. LTD.   | 5,735,429    | 6,580,746    |
| 1,600,000                      | Parmalat SpA                     | 4,809,288    | 2,754,158    |
| 339,450                        | Parmalat SpA, GDR (b)(c)         | 981,615      | 586,060      |
| 124,000                        | PepsiCo Inc.                     | 7,887,529    | 8,227,400    |
| 62,000                         | Pernod-Ricard SA                 | 5,311,274    | 5,750,236    |
| 19,319                         | Remy Cointreau SA                | 936,144      | 1,552,471    |
| 1,250,000                      | Sara Lee Corp.                   | 18,327,446   | 23,650,000   |
| 346,000                        | The Coca-Cola Co.                | 15,963,646   | 24,209,620   |
| 117,000                        | The Hershey Co.                  | 4,343,171    | 7,228,260    |
| 361,000                        | Yakult Honsha Co. Ltd.           | 9,457,275    | 11,373,587   |
|                                |                                  | 168,987,716  | 214,916,128  |

|                         |                                     |            |            |
|-------------------------|-------------------------------------|------------|------------|
| <b>Health Care 4.7%</b> |                                     |            |            |
| 114,000                 | Abbott Laboratories                 | 5,664,755  | 6,410,220  |
| 197,000                 | Bristol-Myers Squibb Co.            | 4,882,519  | 6,942,280  |
| 110,000                 | Covidien plc                        | 4,493,180  | 4,951,100  |
| 125,000                 | Eli Lilly & Co.                     | 5,850,639  | 5,195,000  |
| 82,000                  | Johnson & Johnson                   | 5,340,689  | 5,377,560  |
| 73,000                  | Mead Johnson Nutrition Co.          | 3,109,571  | 5,017,290  |
| 215,000                 | Merck & Co. Inc.                    | 7,158,515  | 8,105,500  |
| 112,500                 | Owens & Minor Inc.                  | 2,399,108  | 3,126,375  |
| 817,000                 | Pfizer Inc.                         | 15,667,851 | 17,679,880 |
| 146,000                 | Pharmasset Inc.                     | 19,480,311 | 18,717,200 |
| 45,000                  | Schiff Nutrition International Inc. | 323,131    | 481,500    |
| 40,000                  | St. Jude Medical Inc.               | 1,508,065  | 1,372,000  |
| 26,000                  | UnitedHealth Group Inc.             | 1,261,057  | 1,317,680  |
| 64,000                  | Watson Pharmaceuticals Inc.         | 2,391,949  | 3,861,760  |
|                         |                                     | 79,531,340 | 88,555,345 |

|                               |          |         |         |
|-------------------------------|----------|---------|---------|
| <b>Hotels and Gaming 0.3%</b> |          |         |         |
| 15,000                        | Accor SA | 519,240 | 380,217 |

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|         |                              |           |           |
|---------|------------------------------|-----------|-----------|
| 80,000  | Boyd Gaming Corp.            | 609,652   | 596,800   |
| 5,000   | Hyatt Hotels Corp.,<br>Cl. A | 166,382   | 188,200   |
| 800,000 | Ladbrokes plc                | 7,280,309 | 1,615,108 |
| 60,000  | Las Vegas Sands Corp.        | 350,218   | 2,563,800 |
|         |                              | 8,925,801 | 5,344,125 |

See accompanying notes to financial statements.



**THE GABELLI DIVIDEND & INCOME TRUST**

**SCHEDULE OF INVESTMENTS (Continued)**

**December 31, 2011**

| Shares                                |   | Cost         | Market Value |
|---------------------------------------|---|--------------|--------------|
| <b>COMMON STOCKS (Continued)</b>      |   |              |              |
| <b>Machinery 0.8%</b>                 |   |              |              |
| 160,000                               | CNH Global NV                           | \$ 3,182,012 | \$ 5,758,400 |
| 90,500                                | Deere & Co.                             | 5,168,640    | 7,000,175    |
| 115,000                               | Xylem Inc.                              | 3,028,092    | 2,954,350    |
|                                       |   | 11,378,744   | 15,712,925   |
| <b>Metals and Mining 1.5%</b>         |   |              |              |
| 16,000                                | Agnico-Eagle Mines Ltd.                 | 766,400      | 581,120      |
| 300,000                               | Alcoa Inc.                              | 5,787,187    | 2,595,000    |
| 20,000                                | Alliance Holdings GP LP                 | 461,803      | 1,039,600    |
| 8,000                                 | BHP Billiton Ltd., ADR                  | 217,549      | 565,040      |
| 290,000                               | Freeport-McMoRan Copper & Gold Inc.     | 5,655,577    | 10,669,100   |
| 185,000                               | Newmont Mining Corp.                    | 10,073,438   | 11,101,850   |
| 25,000                                | Peabody Energy Corp.                    | 404,351      | 827,750      |
|                                       |   | 23,366,305   | 27,379,460   |
| <b>Paper and Forest Products 0.7%</b> |   |              |              |
| 414,000                               | International Paper Co.                 | 12,706,599   | 12,254,400   |
| <b>Publishing 0.0%</b>                |   |              |              |
| 240,000                               | Il Sole 24 Ore SpA                      | 1,257,343    | 218,676      |
| <b>Real Estate 0.0%</b>               |   |              |              |
| 18,000                                | Brookfield Asset Management Inc., Cl. A | 186,196      | 494,640      |
| <b>Retail 3.2%</b>                    |   |              |              |
| 336,000                               | CVS Caremark Corp.                      | 11,364,508   | 13,702,080   |
| 142,000                               | Ingles Markets Inc., Cl. A              | 1,615,209    | 2,138,520    |
| 207,000                               | Lowe's Companies Inc.                   | 5,046,808    | 5,253,660    |
| 105,000                               | Macy's Inc.                             | 1,203,699    | 3,378,900    |
| 330,000                               | Safeway Inc.                            | 6,959,762    | 6,943,200    |
| 295,000                               | Sally Beauty Holdings Inc.              | 3,650,305    | 6,233,350    |
| 133,000                               | The Home Depot Inc.                     | 4,908,936    | 5,591,320    |
| 35,000                                | Wal-Mart Stores Inc.                    | 1,729,286    | 2,091,600    |
| 278,000                               | Walgreen Co.                            | 10,124,898   | 9,190,680    |
| 73,000                                | Whole Foods Market Inc.                 | 2,286,015    | 5,079,340    |
|                                       |   | 48,889,426   | 59,602,650   |
| <b>Specialty Chemicals 1.7%</b>       |   |              |              |
| 69,000                                | Air Products & Chemicals Inc.           | 5,921,377    | 5,878,110    |
| 54,000                                | Airgas Inc.                             | 3,567,522    | 4,216,320    |
| 97,000                                | Ashland Inc.                            | 3,470,120    | 5,544,520    |
| 197,099                               | E. I. du Pont de Nemours and Co.        | 8,848,686    | 9,023,192    |
| 385,000                               | Ferro Corp.                             | 4,015,153    | 1,882,650    |

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|         |                      |            |            |
|---------|----------------------|------------|------------|
| 95,000  | Olin Corp.           | 1,739,175  | 1,866,750  |
| 124,000 | The Dow Chemical Co. | 4,778,495  | 3,566,240  |
|         |                      | 32,340,528 | 31,977,782 |

|                                |  |            |            |
|--------------------------------|--|------------|------------|
| <b>Telecommunications 5.4%</b> |  |            |            |
| 5,000                          | AboveNet Inc.                                    | 285,867    | 325,050    |
| 562,000                        | AT&T Inc.  | 15,803,439 | 16,994,880 |
| 293,000                        | BCE Inc.   | 7,091,772  | 12,209,310 |
| 40,000                         | Belgacom SA                                      | 1,264,605  | 1,254,902  |
| 40,000                         | Bell Aliant Inc. (b)                             | 1,082,414  | 1,122,552  |
| 540,000                        | Deutsche Telekom AG, ADR                         | 9,454,761  | 6,183,000  |
| 55,000                         | France Telecom SA, ADR                           | 1,320,128  | 861,300    |
| 215,000                        | Hellenic Telecommunications Organization SA, ADR | 1,709,654  | 371,950    |
| 44,000                         | Loral Space & Communications Inc.                | 3,034,956  | 2,854,720  |
| 155,000                        | Portugal Telecom SGPS SA                         | 1,845,723  | 892,707    |
| 1,400,000                      | Sprint Nextel Corp.                              | 5,035,997  | 3,276,000  |
| 45,000                         | Telefonica SA, ADR                               | 640,361    | 773,550    |

| Shares  |   | Cost       | Market Value |
|---------|---|------------|--------------|
| 5,000   | Telefonos de Mexico SAB de CV, Cl. L, ADR | \$ 51,348  | \$ 72,200    |
| 110,000 | Telekom Austria AG                        | 1,652,447  | 1,315,188    |
| 54,199  | Telephone & Data Systems Inc.             | 1,709,026  | 1,403,212    |
| 85,000  | Telephone & Data Systems Inc., Special    | 2,832,703  | 2,023,850    |
| 110,000 | Telstra Corp. Ltd., ADR                   | 2,014,389  | 1,875,500    |
| 70,000  | TELUS Corp., Non-Voting                   | 1,453,591  | 3,748,500    |
| 937,000 | Verizon Communications Inc.               | 32,081,399 | 37,592,440   |
| 40,000  | VimpelCom Ltd., ADR                       | 230,241    | 378,800      |
| 269,000 | Vodafone Group plc, ADR                   | 7,083,148  | 7,540,070    |
|         |   | 97,677,969 | 103,069,681  |

|                            |                      |           |            |
|----------------------------|----------------------|-----------|------------|
| <b>Transportation 0.7%</b> |                      |           |            |
| 250,000                    | GATX Corp.           | 7,479,104 | 10,915,000 |
| 20,000                     | Kansas City Southern | 335,793   | 1,360,200  |
|                            |                      | 7,814,897 | 12,275,200 |

|                                     |                              |           |           |
|-------------------------------------|------------------------------|-----------|-----------|
| <b>Wireless Communications 0.3%</b> |                              |           |           |
| 120,000                             | United States Cellular Corp. | 5,427,606 | 5,235,600 |

|                            |  |               |               |
|----------------------------|--|---------------|---------------|
| <b>TOTAL COMMON STOCKS</b> |  | 1,444,962,426 | 1,755,795,674 |
|----------------------------|--|---------------|---------------|

**CONVERTIBLE PREFERRED STOCKS 0.9%**

|                          |   |         |         |
|--------------------------|---|---------|---------|
| <b>Broadcasting 0.0%</b> |   |         |         |
| 12,588                   | Emmis Communications Corp.,<br>6.250% Cv. Pfd.,<br>Ser. A | 453,121 | 204,303 |

|                                       |   |       |   |
|---------------------------------------|---|-------|---|
| <b>Building and Construction 0.0%</b> |   |       |   |
| 200                                   | Fleetwood Capital Trust, 6.000% Cv.<br>Pfd. (d) | 6,210 | 0 |

|                                  |  |           |           |
|----------------------------------|--|-----------|-----------|
| <b>Energy and Utilities 0.3%</b> |  |           |           |
| 129,000                          | El Paso Energy Capital Trust I,<br>4.750% Cv. Pfd. | 4,649,004 | 5,939,160 |

|                                |  |           |           |
|--------------------------------|--|-----------|-----------|
| <b>Financial Services 0.2%</b> |  |           |           |
| 1,500                          | Doral Financial Corp., 4.750% Cv. Pfd.       | 202,379   | 192,000   |
| 74,000                         | Newell Financial Trust I,<br>5.250% Cv. Pfd. | 3,488,000 | 3,145,000 |

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|         |  |                   |                   |
|---------|--|-------------------|-------------------|
|         |  | 3,690,379         | 3,337,000         |
|         | <b>Telecommunications 0.4%</b>                       |                   |                   |
| 55,000  | Cincinnati Bell Inc.,<br>6.750% Cv. Pfd.,<br>Ser. B  | 2,069,093         | 2,137,300         |
| 75,000  | Crown Castle International Corp.,<br>6.250% Cv. Pfd. | 3,238,125         | 4,650,000         |
|         |  | 5,307,218         | 6,787,300         |
|         | <b>Transportation 0.0%</b>                           |                   |                   |
| 1,500   | GATX Corp.,<br>\$2.50 Cv. Pfd.,<br>Ser. A (d)        | 199,475           | 327,450           |
|         | <b>TOTAL CONVERTIBLE PREFERRED STOCKS</b>            | <b>14,305,407</b> | <b>16,595,213</b> |
|         | <b>RIGHTS 0.0%</b>                                   |                   |                   |
|         | <b>Health Care 0.0%</b>                              |                   |                   |
| 145,000 | Sanofi, CVR, expire 12/31/20                         | 242,911           | 174,000           |

See accompanying notes to financial statements.

**THE GABELLI DIVIDEND & INCOME TRUST**

**SCHEDULE OF INVESTMENTS (Continued)**

**December 31, 2011**

| Shares       |  | Cost             | Market Value     |
|--------------|--|------------------|------------------|
|              | <b>WARRANTS 0.0%</b>   |                  |                  |
|              | <b>Food and Beverage 0.0%</b>                                  |                  |                  |
| 650          | Parmalat SpA, GDR, expire<br>12/31/15 (b)(c)(d)                | \$ 0             | \$ 63            |
|              | <b>Principal Amount</b>  |                  |                  |
|              | <b>CORPORATE BONDS 0.7%</b>                                    |                  |                  |
|              | <b>Aerospace 0.1%</b>  |                  |                  |
| \$ 1,500,000 | GenCorp Inc., Sub. Deb. Cv.,<br>4.063%, 12/31/39               | 1,356,340        | 1,359,375        |
|              | <b>Computer Hardware 0.2%</b>                                  |                  |                  |
| 3,000,000    | SanDisk Corp., Cv., 1.000%, 05/15/13                           | 2,768,889        | 2,936,250        |
|              | <b>Diversified Industrial 0.4%</b>                             |                  |                  |
| 8,800,000    | Griffon Corp., Sub. Deb. Cv.,<br>4.000%, 01/15/17 (b)          | 8,800,000        | 8,360,000        |
|              | <b>Financial Services 0.0%</b>                                 |                  |                  |
| 500,000      | Janus Capital Group Inc., Cv.,<br>3.250%, 07/15/14             | 496,056          | 493,750          |
|              | <b>Real Estate 0.0%</b>  |                  |                  |
| 450,000      | Palm Harbor Homes Inc., Cv.,<br>3.250%, 05/15/24 (d)           | 422,927          | 72,563           |
|              | <b>Retail 0.0%</b>   |                  |                  |
| 3,000,000    | The Great Atlantic & Pacific Tea Co. Inc.,<br>5.125%, 06/15/12 | 2,982,022        | 60,000           |
|              | <b>TOTAL CORPORATE BONDS</b>                                   | 16,826,234       | 13,281,938       |
|              | <b>U.S. GOVERNMENT OBLIGATIONS 5.6%</b>                        |                  |                  |
| 106,617,000  | U.S. Treasury Bills, 0.000% to 0.075% , 01/12/12 to 06/14/12   | 106,603,062      | 106,605,423      |
|              | <b>TOTAL INVESTMENTS 100.0%</b>                                | \$ 1,582,940,040 | 1,892,452,311    |
|              | <b>Other Assets and Liabilities (Net)</b>                      |                  | (3,797,915)      |
|              | <b>PREFERRED STOCK</b>   |                  | (459,257,875)    |
|              | (5,603,095 preferred shares outstanding)                       |                  |                  |
|              | <b>NET ASSETS COMMON SHARES</b>                                |                  |                  |
|              | (82,925,389 common shares outstanding)                         |                  | \$ 1,429,396,521 |

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**NET ASSET VALUE PER COMMON SHARE**

(\$1,429,396,521 ÷ 82,925,389 shares outstanding)

\$17.24

- (a) At December 31, 2011, the Fund held an investment in a restricted and illiquid security amounting to \$144,018 or 0.01% of total investments, which was valued under methods approved by the Board of Trustees as follows:

| Acquisition Shares | Issuer                          | Acquisition Date | Acquisition Cost | 12/31/11 Carrying Value Per Unit |
|--------------------|---------------------------------|------------------|------------------|----------------------------------|
| 92,736,000         | Rolls-Royce Holdings plc, Cl. C | 10/26/11         | \$ 147,565       | \$ 0.0016                        |

- (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 December 31, 2011, the market value of Rule 144A securities amounted to \$10,068,675 or 0.53% of total investments. Except as noted in (c), these securities are liquid.
- (c) Illiquid security.
- (d) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At December 31, 2011, the market value of fair valued securities amounted to \$400,076 or 0.02% of total investments.
- Non-income producing security.  
Represents annualized yield at date of purchase.
- ADR American Depositary Receipt  
Cv. Convertible  
CVR Contingent Value Right  
GDR Global Depositary Receipt

| Geographic Diversification | % of Market Value | Market Value     |
|----------------------------|-------------------|------------------|
| North America              | 84.2%             | \$ 1,592,651,028 |
| Europe                     | 12.8              | 242,001,463      |
| Japan                      | 2.6               | 49,490,750       |
| Asia/Pacific               | 0.3               | 5,817,550        |
| Latin America              | 0.1               | 2,491,520        |
| Total Investments          | 100.0%            | \$ 1,892,452,311 |

See accompanying notes to financial statements.

## THE GABELLI DIVIDEND & INCOME TRUST

### STATEMENT OF ASSETS AND LIABILITIES

December 31, 2011

|  |                         |
|--|-------------------------|
| <b>Assets:</b>   |                         |
| Investments, at value (cost \$1,582,940,040)   | \$ 1,892,452,311        |
| Foreign currency, at value (cost \$2,676)  | 2,588                   |
| Cash   | 191                     |
| Dividends and interest receivable  | 3,962,947               |
| Deferred offering expense  | 75,939                  |
| <b>Total Assets</b>  | <b>1,896,493,976</b>    |
| <b>Liabilities:</b>  |                         |
| Distributions payable  | 155,910                 |
| Payable for investment advisory fees   | 4,389,763               |
| Payable for payroll expenses   | 76,623                  |
| Payable for accounting fees  | 3,750                   |
| Payable for auction agent fees   | 2,840,609               |
| Other accrued expenses   | 372,925                 |
| <b>Total Liabilities</b>   | <b>7,839,580</b>        |
| <b>Preferred Shares:</b>   |                         |
| Series A Cumulative Preferred Shares (5.875%, \$25 liquidation value, \$0.001 par value, 3,200,000 shares authorized with 3,048,019 shares issued and outstanding)     | 76,200,475              |
| Series B Cumulative Preferred Shares (Auction Market, \$25,000 liquidation value, \$0.001 par value, 4,000 shares authorized with 3,600 shares issued and outstanding) | 90,000,000              |
| Series C Cumulative Preferred Shares (Auction Market, \$25,000 liquidation value, \$0.001 par value, 4,800 shares authorized with 4,320 shares issued and outstanding) | 108,000,000             |
| Series D Cumulative Preferred Shares (6.000%, \$25 liquidation value, \$0.001 par value, 2,600,000 shares authorized with 2,542,296 shares issued and outstanding)     | 63,557,400              |
| Series E Cumulative Preferred Shares (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 5,400 shares authorized with 4,860 shares issued and outstanding)   | 121,500,000             |
| <b>Total Preferred Shares</b>  | <b>459,257,875</b>      |
| <b>Net Assets Attributable to Common Shareholders</b>  | <b>\$ 1,429,396,521</b> |
| <b>Net Assets Attributable to Common Shareholders Consist of:</b>  |                         |
| Paid-in capital  | \$ 1,274,642,040        |
| Accumulated net investment income  | 1,793,871               |
| Accumulated net realized loss on investments and foreign currency transactions   | (156,546,394)           |
| Net unrealized appreciation on investments   | 309,512,271             |
| Net unrealized depreciation on foreign currency translations   | (5,267)                 |
| <b>Net Assets</b>  | <b>\$ 1,429,396,521</b> |
| <b>Net Asset Value per Common Share:</b>   |                         |
| (\$1,429,396,521 ÷ 82,925,389 shares outstanding at \$0.001 par value; unlimited number of shares authorized)  | \$ 17.24                |

### STATEMENT OF OPERATIONS

For the Year Ended December 31, 2011

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|   |                      |
|---|----------------------|
| <b>Investment Income:</b>   |                      |
| Dividends (net of foreign withholding taxes of \$1,247,578)                                     | \$ 51,108,329        |
| Interest  | 729,294              |
| <b>Total Investment Income</b>  | <b>51,837,623</b>    |
| <b>Expenses:</b>  |                      |
| Investment advisory fees  | 19,297,162           |
| Shareholder communications expenses   | 721,671              |
| Auction agent fees  | 519,750              |
| Legal and audit fees  | 269,211              |
| Custodian fees  | 257,920              |
| Payroll expenses  | 239,935              |
| Trustees fees   | 235,808              |
| Offering expense for shelf registration   | 141,835              |
| Accounting fees   | 45,000               |
| Shareholder services fees   | 42,418               |
| Interest expense  | 144                  |
| Tax expense (Note 2)  | 66                   |
| Miscellaneous expenses  | 269,007              |
| <b>Total Expenses</b>   | <b>22,039,927</b>    |
| Less:   |                      |
| Advisory fee reduction  | (1,397,579)          |
| Custodian fee credits   | (230)                |
| <b>Total Reduction and Credits</b>  | <b>(1,397,809)</b>   |
| <b>Net Expenses</b>   | <b>20,642,118</b>    |
| <b>Net Investment Income</b>  | <b>31,195,505</b>    |
| <b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>             |                      |
| Net realized gain on investments  | 18,928,548           |
| Net realized loss on foreign currency transactions  | (91,132)             |
| Net realized gain on investments and foreign currency transactions                              | 18,837,416           |
| Net change in unrealized appreciation:  |                      |
| on investments  | 4,110,119            |
| on foreign currency translations  | (6,676)              |
| Net change in unrealized appreciation on investments and foreign currency translations          | 4,103,443            |
| <b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency</b>              | <b>22,940,859</b>    |
| <b>Net Increase in Net Assets Resulting from Operations</b>                                     | <b>54,136,364</b>    |
| Total Distributions to Preferred Shareholders   | (13,291,521)         |
| <b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b> | <b>\$ 40,844,843</b> |

See accompanying notes to financial statements.





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**THE GABELLI DIVIDEND & INCOME TRUST**
**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS**

|  | Year Ended<br>December 31, 2011 | Year Ended<br>December 31, 2010 |
|--|---------------------------------|---------------------------------|
| <b>Operations:</b>   |                                 |                                 |
| Net investment income  | \$ 31,195,505                   | \$ 28,612,718                   |
| Net realized gain/(loss) on investments, swap contracts, and foreign currency transactions                 | 18,837,416                      | (15,501,943)                    |
| Net change in unrealized appreciation on investments, swap contracts, and foreign currency translations    | 4,103,443                       | 234,454,575                     |
| <b>Net Increase in Net Assets Resulting from Operations</b>  | <b>54,136,364</b>               | <b>247,565,350</b>              |
| <b>Distributions to Preferred Shareholders:</b>  |                                 |                                 |
| Net investment income  | (8,906,023)                     | (13,509,968)                    |
| Net realized short-term gain   | (4,385,498)                     |                                 |
| <b>Total Distributions to Preferred Shareholders</b>   | <b>(13,291,521)</b>             | <b>(13,509,968)</b>             |
| <b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b>            | <b>40,844,843</b>               | <b>234,055,382</b>              |
| <b>Distributions to Common Shareholders:</b>   |                                 |                                 |
| Net investment income  | (22,774,141)                    | (13,371,165)                    |
| Net realized short-term gain   | (11,214,430)                    |                                 |
| Return of capital  | (40,685,063)                    | (49,887,140)                    |
| <b>Total Distributions to Common Shareholders</b>  | <b>(74,673,634)</b>             | <b>(63,258,305)</b>             |
| <b>Fund Share Transactions:</b>  |                                 |                                 |
| Net decrease from repurchase of common shares  | (1,943,897)                     | (5,896,139)                     |
| <b>Net Decrease in Net Assets from Fund Share Transactions</b>   | <b>(1,943,897)</b>              | <b>(5,896,139)</b>              |
| <b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders</b>                           | <b>(35,772,688)</b>             | <b>164,900,938</b>              |
| <b>Net Assets Attributable to Common Shareholders:</b>   |                                 |                                 |
| Beginning of period  | 1,465,169,209                   | 1,300,268,271                   |
| End of period (including undistributed net investment income of \$1,793,871 and \$1,780,691, respectively) | \$ 1,429,396,521                | \$ 1,465,169,209                |

See accompanying notes to financial statements.

## THE GABELLI DIVIDEND & INCOME TRUST

### FINANCIAL HIGHLIGHTS

Selected data for a share of beneficial interest outstanding throughout each period:

|  | Year Ended December 31, |          |          |            |          |
|--|-------------------------|----------|----------|------------|----------|
|  | 2011                    | 2010     | 2009     | 2008       | 2007     |
| <b>Operating Performance:</b>  |                         |          |          |            |          |
| Net asset value, beginning of period   | \$ 17.64                | \$ 15.58 | \$ 12.68 | \$ 23.57   | \$ 23.65 |
| Net investment income  | 0.38                    | 0.34     | 0.41     | 0.55       | 0.53     |
| Net realized and unrealized gain/(loss) on investments, swap contracts, and foreign currency transactions  | 0.28                    | 2.63     | 3.64     | (9.92)     | 1.37     |
| Total from investment operations   | 0.66                    | 2.97     | 4.05     | (9.37)     | 1.90     |
| <b>Distributions to Preferred Shareholders: (a)</b>  |                         |          |          |            |          |
| Net investment income  | (0.11)                  | (0.16)   | (0.16)   | (0.27)     | (0.10)   |
| Net realized gain  | (0.05)                  |          |          | (0.00) (f) | (0.23)   |
| Total distributions to preferred shareholders  | (0.16)                  | (0.16)   | (0.16)   | (0.27)     | (0.33)   |
| <b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations</b> |                         |          |          |            |          |
|  | 0.50                    | 2.81     | 3.89     | (9.64)     | 1.57     |
| <b>Distributions to Common Shareholders:</b>   |                         |          |          |            |          |
| Net investment income  | (0.27)                  | (0.16)   | (0.21)   | (0.29)     | (0.51)   |
| Net realized gain on investments   | (0.14)                  |          |          | (0.00) (f) | (1.15)   |
| Return of capital  | (0.49)                  | (0.60)   | (0.78)   | (0.99)     |          |
| Total distributions to common shareholders   | (0.90)                  | (0.76)   | (0.99)   | (1.28)     | (1.66)   |
| <b>Fund Share Transactions:</b>  |                         |          |          |            |          |
| Increase in net assets value from repurchase of common shares  | 0.00 (f)                | 0.01     | 0.00 (f) | 0.01       | 0.01     |
| Increase in net assets value from repurchase of preferred shares   |                         |          | 0.00 (f) | 0.02       |          |
| Total from fund share transactions   | 0.00 (f)                | 0.01     | 0.00 (f) | 0.03       | 0.01     |
| <b>Net Asset Value Attributable to Common Shareholders, End of Period</b>                                  |                         |          |          |            |          |
|  | \$ 17.24                | \$ 17.64 | \$ 15.58 | \$ 12.68   | \$ 23.57 |
| NAV total return   | 3.61 %                  | 19.73%   | 35.49 %  | (41.27) %  | 7.75 %   |
| Market value, end of period  | \$ 15.42                | \$ 15.36 | \$ 13.11 | \$ 10.30   | \$ 20.68 |

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|                         |        |         |         |           |        |
|-------------------------|--------|---------|---------|-----------|--------|
| Investment total return | 6.42 % | 23.90 % | 40.35 % | (45.63) % | 4.14 % |
|-------------------------|--------|---------|---------|-----------|--------|

**Ratios to Average Net Assets and Supplemental Data:**

|   |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| Net assets including liquidation value of preferred shares, end of period (in 000 s)  | \$ 1,888,654 | \$ 1,924,427 | \$ 1,759,526 | \$ 1,521,400 | \$ 2,475,831 |
| Net assets attributable to common shares, end of period (in 000 s)  | \$ 1,429,397 | \$ 1,465,169 | \$ 1,300,268 | \$ 1,059,276 | \$ 1,975,831 |
| Ratio of net investment income to average net assets attributable to common shares before preferred share distributions                     | 2.12 %       | 2.18 %       | 3.18 %       | 2.94 %       | 2.17 %       |
| Ratio of operating expenses to average net assets attributable to common shares before fees waived  | 1.50 %       | 1.53 %       | 1.66 %       | 1.48 %       |              |
| Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any (b)                   | 1.40 %       | 1.53 %       | 1.66 %       | 1.17 %       | 1.38 %       |
| Ratio of operating expenses to average net assets including liquidation value of preferred shares before fees waived                        | 1.14 %       | 1.14 %       | 1.16 %       | 1.13 %       |              |
| Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction, if any (b) | 1.07 %       | 1.14 %       | 1.16 %       | 0.89 %       | 1.11 %       |
| Portfolio turnover rate   | 15.0 %       | 19.0 %       | 13.3 %       | 32.0 %       | 33.8 %       |

See accompanying notes to financial statements.

## THE GABELLI DIVIDEND & INCOME TRUST

### FINANCIAL HIGHLIGHTS (Continued)

Selected data for a share of beneficial interest outstanding throughout each period:

|  | Year Ended December 31, |            |            |            |            |
|--|-------------------------|------------|------------|------------|------------|
|  | 2011                    | 2010       | 2009       | 2008       | 2007       |
| <b>5.875% Series A Cumulative Preferred Shares</b>         |                         |            |            |            |            |
| Liquidation value, end of period (in 000 s)                | \$ 76,200               | \$ 76,201  | \$ 76,201  | \$ 78,211  | \$ 80,000  |
| Total shares outstanding (in 000 s)                        | 3,048                   | 3,048      | 3,048      | 3,128      | 3,200      |
| Liquidation preference per share                           | \$ 25.00                | \$ 25.00   | \$ 25.00   | \$ 25.00   | \$ 25.00   |
| Average market value (c)                                   | \$ 25.30                | \$ 24.98   | \$ 23.34   | \$ 22.25   | \$ 23.52   |
| Asset coverage per share                                   | \$ 102.81               | \$ 104.76  | \$ 95.78   | \$ 82.30   | \$ 123.79  |
| <b>Series B Auction Market Cumulative Preferred Shares</b> |                         |            |            |            |            |
| Liquidation value, end of period (in 000 s)                | \$ 90,000               | \$ 90,000  | \$ 90,000  | \$ 90,000  | \$ 100,000 |
| Total shares outstanding (in 000 s)                        | 4                       | 4          | 4          | 4          | 4          |
| Liquidation preference per share                           | \$ 25,000               | \$ 25,000  | \$ 25,000  | \$ 25,000  | \$ 25,000  |
| Average market value (d)                                   | \$ 25,000               | \$ 25,000  | \$ 25,000  | \$ 25,000  | \$ 25,000  |
| Asset coverage per share                                   | \$ 102,810              | \$ 104,757 | \$ 95,781  | \$ 82,305  | \$ 123,792 |
| <b>Series C Auction Market Cumulative Preferred Shares</b> |                         |            |            |            |            |
| Liquidation value, end of period (in 000 s)                | \$ 108,000              | \$ 108,000 | \$ 108,000 | \$ 108,000 | \$ 120,000 |
| Total shares outstanding (in 000 s)                        | 4                       | 4          | 4          | 4          | 5          |
| Liquidation preference per share                           | \$ 25,000               | \$ 25,000  | \$ 25,000  | \$ 25,000  | \$ 25,000  |
| Average market value (d)                                   | \$ 25,000               | \$ 25,000  | \$ 25,000  | \$ 25,000  | \$ 25,000  |
| Asset coverage per share                                   | \$ 102,810              | \$ 104,757 | \$ 95,781  | \$ 82,305  | \$ 123,792 |
| <b>6.000% Series D Cumulative Preferred Shares</b>         |                         |            |            |            |            |
| Liquidation value, end of period (in 000 s)                | \$ 63,557               | \$ 63,557  | \$ 63,557  | \$ 64,413  | \$ 65,000  |
| Total shares outstanding (in 000 s)                        | 2,542                   | 2,542      | 2,542      | 2,577      | 2,600      |
| Liquidation preference per share                           | \$ 25.00                | \$ 25.00   | \$ 25.00   | \$ 25.00   | \$ 25.00   |
| Average market value (c)                                   | \$ 26.09                | \$ 25.52   | \$ 24.44   | \$ 23.99   | \$ 24.41   |
| Asset coverage per share                                   | \$ 102.81               | \$ 104.76  | \$ 95.78   | \$ 82.30   | \$ 123.79  |
| <b>Series E Auction Rate Cumulative Preferred Shares</b>   |                         |            |            |            |            |
| Liquidation value, end of period (in 000 s)                | \$ 121,500              | \$ 121,500 | \$ 121,500 | \$ 121,500 | \$ 135,000 |
| Total shares outstanding (in 000 s)                        | 5                       | 5          | 5          | 5          | 5          |
| Liquidation preference per share                           | \$ 25,000               | \$ 25,000  | \$ 25,000  | \$ 25,000  | \$ 25,000  |
| Average market value (d)                                   | \$ 25,000               | \$ 25,000  | \$ 25,000  | \$ 25,000  | \$ 25,000  |
| Asset coverage per share                                   | \$ 102,810              | \$ 104,757 | \$ 95,781  | \$ 82,305  | \$ 123,792 |
| <b>Asset Coverage (e)</b>                                  | 411 %                   | 419 %      | 383 %      | 329 %      | 495 %      |

Based on net asset value per share, adjusted for reinvestment of distributions at prices obtained under the Fund's dividend reinvestment plan.

Based on market value per share, adjusted for reinvestment of distributions at prices obtained under the Fund's dividend reinvestment plan.

Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the year ended December 31, 2007 would have been 58.0%.

- (a) Calculated based upon average common shares outstanding on the record dates throughout the period.
- (b) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian ( Custodian Fee Credits ). Including such Custodian Fee Credits, for the year ended December 31, 2007, the ratios of operating expenses to average net assets attributable to common shares net of fee reduction, would have been 1.37% and the ratios of operating expenses to average net assets including liquidation value of preferred shares net of fee reduction would have been 1.10%. For the years ended December 31, 2011, 2010, 2009, and 2008, the effect of Custodian Fee Credits was minimal.
- (c) Based on weekly prices.

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- (d) Liquidation value, except for 2007, when price was based on weekly auction prices. Since February 2008, the weekly auctions have failed. Holders that have submitted orders have not been able to sell any or all of their shares in the auctions.
- (e) Asset coverage is calculated by combining all series of preferred shares.
- (f) Amount represents less than \$0.005 per share.

See accompanying notes to financial statements.

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## THE GABELLI DIVIDEND & INCOME TRUST

### NOTES TO FINANCIAL STATEMENTS

**1. Organization.** The Gabelli Dividend & Income Trust (the Fund) is a non-diversified closed-end management investment company organized as a Delaware statutory trust on November 18, 2003 and registered under the Investment Company Act of 1940, as amended (the 1940 Act). Investment operations commenced on November 28, 2003.

The Fund's investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in dividend paying securities (such as common and preferred stock) or other income producing securities (such as fixed income debt securities and securities that are convertible into equity securities).

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

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

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and nonfinancial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

Level 1 quoted prices in active markets for identical securities;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

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Level 3 significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

**THE GABELLI DIVIDEND & INCOME TRUST**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of December 31, 2011 is as follows:

|   | Level 1<br>Quoted<br>Prices | Valuation Inputs<br>Level 2<br>Other Significant<br>Observable Inputs | Level 3<br>Significant<br>Unobservable Inputs | Total<br>Market Value<br>at 12/31/11 |
|---|-----------------------------|---|---|--------------------------------------|
| <b>INVESTMENTS IN SECURITIES:</b>             |                             |   |   |                                      |
| <b>ASSETS (Market Value):</b>                 |                             |   |   |                                      |
| Common Stocks:                                |                             |   |   |                                      |
| Aerospace                                     | \$ 54,755,836               | \$ 144,018  |   | \$ 54,899,854                        |
| Food and Beverage                             | 214,330,068                 | 586,060   |   | 214,916,128                          |
| Other Industries (a)                          | 1,485,979,692               |   |   | 1,485,979,692                        |
| Total Common Stocks                           | 1,755,065,596               | 730,078   |   | 1,755,795,674                        |
| Convertible Preferred Stocks:                 |                             |   |   |                                      |
| Building and Construction                     |                             |   | \$ 0  | 0                                    |
| Transportation                                |                             | 327,450   |   | 327,450                              |
| Other Industries (a)                          | 16,267,763                  |   |   | 16,267,763                           |
| Total Convertible Preferred Stocks            | 16,267,763                  | 327,450   | 0   | 16,595,213                           |
| Rights (a)                                    | 174,000                     |   |   | 174,000                              |
| Warrants (a)                                  |                             | 63  |   | 63                                   |
| Corporate Bonds (a)                           |                             | 13,209,375  | 72,563  | 13,281,938                           |
| U.S. Government Obligations                   |                             | 106,605,423   |   | 106,605,423                          |
| <b>TOTAL INVESTMENTS IN SECURITIES ASSETS</b> | <b>\$ 1,771,507,359</b>     | <b>\$ 120,872,389</b>   | <b>\$ 72,563</b>                              | <b>\$ 1,892,452,311</b>              |

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

The Fund did not have significant transfers between Level 1 and Level 2 during the year ended December 31, 2011. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

The following table reconciles Level 3 investments for which significant unobservable inputs were used to determine fair value:

|                                   | Balance<br>as of<br>12/31/10 | Realized<br>Accrued<br>discounts/<br>(premiums) | Change in<br>gain/<br>unrealized<br>appreciation/<br>depreciation | Purchases | Sales | Transfers<br>into<br>Level 3 | Transfers<br>out of<br>Level 3 | Balance<br>as of<br>12/31/11 | Net change<br>in unrealized<br>appreciation/<br>depreciation<br>during the<br>period on Level 3<br>investments still<br>held at<br>12/31/11 |
|-----------------------------------|------------------------------|---|---|-----------|-------|------------------------------|--------------------------------|------------------------------|---|
| <b>INVESTMENTS IN SECURITIES:</b> |                              |   |   |           |       |                              |                                |                              |   |
| <b>ASSETS (Market Value):</b>     |                              |   |   |           |       |                              |                                |                              |   |
| Convertible Preferred Stocks:     |                              |   |   |           |       |                              |                                |                              |   |
| Building and Construction         | \$ 0                         | \$  | \$  | \$        | \$    | \$                           | \$                             | \$ 0                         | \$  |
| Corporate Bonds                   | 1,575,000                    |   | (10,687)  |           |       | 83,250                       | (1,575,000)                    | 72,563                       | (10,687)  |



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**TOTAL INVESTMENTS**

**IN SECURITIES**                      \$ 1,575,000    \$            \$ (10,687)    \$            \$ 83,250    \$ (1,575,000)    \$ 72,563    \$ (10,687)

Net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations. In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update ( ASU ) No. 2011-04 Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ( IFRS ). ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting entities to disclose the following information for fair value measurements categorized within Level 3 of the fair value hierarchy: quantitative information about the unobservable inputs used in the fair value measurement, the valuation processes used by the reporting entity, and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, ASU 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers into and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual

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**THE GABELLI DIVIDEND & INCOME TRUST**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of ASU 2011-04 and its impact on the financial statements.

*Derivative Financial Instruments.*

The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purposes of achieving additional return or of hedging the value of the Fund's portfolio, increasing the income of the Fund, hedging or protecting its exposure to interest rate movements and movements in the securities markets, managing risks, protecting the value of its portfolio against uncertainty in the level of future currency exchange rates, or hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

The Fund's derivative contracts held at December 31, 2011, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

*Options.* The Fund may purchase or write call or put options on securities or indices for the purpose of achieving additional return or for hedging the value of the Fund's portfolio. As a writer of put options, the Fund receives a premium at the outset and then bears the risk of unfavorable changes in the price of the financial instrument underlying the option. The Fund would incur a loss if the price of the underlying financial instrument decreases between the date the option is written and the date on which the option is terminated. The Fund would realize a gain, to the extent of the premium, if the price of the financial instrument increases between those dates. If a written call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a written put option is exercised, the premium reduces the cost basis of the security.

As a purchaser of put options, the Fund pays a premium for the right to sell to the seller of the put option the underlying security at a specified price. The seller of the put has the obligation to purchase the underlying security upon exercise at the exercise price. If the price of the underlying security declines, the Fund would realize a gain upon sale or exercise. If the price of the underlying security increases or stays the same, the Fund would realize a loss upon sale or at the expiration date, but only to the extent of the premium paid.

In the case of call options, these exercise prices are referred to as in-the-money, at-the-money, and out-of-the-money, respectively. The Fund may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline during the option period, (b) covered at-the-money call options when the Adviser expects that the price of the underlying security will remain stable, decline, or advance moderately during the option period, and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Fund limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option. Out-of-the-money, at-the-money, and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions. During the year ended December 31, 2011, the Fund held no investments in options.

*Swap Agreements.* The Fund may enter into equity contract for difference swap transactions for the purpose of increasing the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an equity contract for difference swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at the time an equity contract for difference swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be



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**THE GABELLI DIVIDEND & INCOME TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in the value of swaps, including the accrual of periodic amounts of interest to be received or paid on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon receipt or payment of a periodic payment or termination of swap agreements. During the year ended December 31, 2011, the Fund held no investments in interest rate swap agreements or equity contracts for difference swap agreements.

*Futures Contracts.* The Fund may engage in futures contracts for the purpose of certain hedging, yield enhancements, and risk management purposes. 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 fluctuations in the value of the contract, and are included in unrealized appreciation/depreciation on futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. 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. During the year ended December 31, 2011, the Fund held no investments in futures contracts.

*Forward Foreign Exchange Contracts.* The Fund may engage in forward foreign exchange contracts for the purpose of protecting the value of its portfolio against uncertainty in the level of future currency exchange rates or 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 foreign currency translations. 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 that might result should the value of the currency increase. During the year ended December 31, 2011, the Fund held no investments in forward foreign exchange contracts.

*Securities Sold Short.* The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from 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 an 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. The broker retains collateral for the value of open positions, which is adjusted periodically as the value of the position fluctuates. At December 31, 2011, there were no short sales outstanding.

*Foreign Currency Translations.* The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. 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 that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. 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 purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.



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**THE GABELLI DIVIDEND & INCOME TRUST**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

*Foreign Securities.* The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

*Foreign Taxes.* The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

*Restricted and Illiquid Securities.* The Fund is not subject to an independent limitation on the amount it may invest in securities for which the markets are illiquid. Illiquid securities include securities the disposition of which is subject to substantial legal or contractual restrictions. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. For the restricted and illiquid securities the Fund held as of December 31, 2011, refer to the Schedule of Investments.

*Securities Transactions and Investment Income.* Securities transactions are accounted for on 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 on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

*Custodian Fee Credits and Interest Expense.* When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as Custodian fee credits. When cash balances are overdrawn, the Fund is charged an overdraft fee equal to 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be included in the Statement of Operations.

*Distributions to Shareholders.* Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to disallowed expenses related to offering expense, the tax treatment of currency gains and losses, adjustments on sale of hybrid securities, and taxable distributions in excess of book income. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2011, reclassifications were made to decrease accumulated net investment income by \$497,839 and decrease accumulated net realized loss on investments and foreign currency translations by \$15,780,524, with an offsetting adjustment to paid-in capital.

Under the Fund's distribution policy, the Fund declares and pays monthly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Pursuant to this policy, distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long-term capital gains. The Fund's current distribution policy may restrict the Fund's ability to pass through to shareholders all of its net realized long-term capital gains as a Capital Gain Dividend, subject to the maximum federal income tax rate of 15%, and may cause such gains to be treated as ordinary income subject to a maximum federal income tax rate of 35%. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's NAV and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time.



## THE GABELLI DIVIDEND & INCOME TRUST

### NOTES TO FINANCIAL STATEMENTS (Continued)

Distributions to shareholders of the Fund's 5.875% Series A Preferred Shares, Series B Auction Market Preferred Shares, Series C Auction Market Preferred Shares, 6.000% Series D Cumulative Preferred Shares, and Series E Auction Rate Preferred Shares ( Preferred Shares ) are recorded on a daily basis and are determined as described in Note 5.

The tax character of distributions paid during the year ended December 31, 2011 and December 31, 2010 was as follows:

|                                 | Year Ended<br>December 31, 2011 |                   | Year Ended<br>December 31, 2010 |                   |
|---------------------------------|---------------------------------|-------------------|---------------------------------|-------------------|
|                                 | Common                          | Preferred         | Common                          | Preferred         |
| <b>Distributions paid from:</b> |                                 |                   |                                 |                   |
| Ordinary income                 | \$ 33,988,571                   | \$ 13,291,521     | \$ 13,371,165                   | \$ 13,509,968     |
| Return of capital               | 40,685,063                      |                   | 49,887,140                      |                   |
| <br>Total distributions paid    | <br>\$ 74,673,634               | <br>\$ 13,291,521 | <br>\$ 63,258,305               | <br>\$ 13,509,968 |

*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 (the Code ). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2011, the components of accumulated earnings/losses on a tax basis were as follows:

|  |                    |
|--|--------------------|
| Accumulated capital loss carryforwards                                       | \$ (136,288,940)   |
| Net unrealized appreciation on investments and foreign currency translations | 292,495,657        |
| Qualified late year loss deferral*   | (737,270)          |
| Other temporary differences**  | (714,966)          |
| <br>Total  | <br>\$ 154,754,481 |

\* Under the current law, qualified losses realized after October 31 and prior to the Fund's year end may be elected as occurring on the first day of the following year. For the year ended December 31, 2011, the Fund elected to defer \$737,270 of these losses, consisting of \$14,101 of ordinary losses and \$723,169 of post-October capital losses.

\*\* Other temporary differences are primarily due to income adjustments from investments in hybrid and defaulted securities.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund's year end may be treated as occurring on the first day of the following year. For the year ended December 31, 2011, the Fund deferred capital losses of \$737,270.

At December 31, 2011, the Fund had net capital loss carryforwards for federal income tax purposes which are available to reduce future required distributions of net capital gains to shareholders. Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward for an unlimited period capital losses incurred in years beginning after December 22, 2010. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years. As a result of the rule, pre-enactment capital loss carryforwards may have an increased likelihood of expiring unused. Additionally, post enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.



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|  |                    |
|--|--------------------|
| Capital Loss Carryforward Available through 2016 | \$ 6,213,956       |
| Capital Loss Carryforward Available through 2017 | 104,827,934        |
| Capital Loss Carryforward Available through 2018 | 25,247,050         |
| <br>Total Capital Loss Carryforwards             | <br>\$ 136,288,940 |

During the year ended December 31, 2011, the Fund utilized capital loss carryforwards of \$16,231,327.

At December 31, 2011, the temporary difference between book basis and tax basis net unrealized appreciation on investments was primarily due to deferral of losses from wash sales for tax purposes and basis adjustments in partnerships.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2011:

|             | Cost             | Gross<br>Unrealized<br>Appreciation | Gross<br>Unrealized<br>Depreciation | Net Unrealized<br>Appreciation |
|-------------|------------------|-------------------------------------|-------------------------------------|--------------------------------|
| Investments | \$ 1,599,951,387 | \$ 408,417,781                      | \$ (115,916,857)                    | \$ 292,500,924                 |

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**THE GABELLI DIVIDEND & INCOME TRUST**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the year ended December 31, 2011, the Fund paid a \$66 federal income tax expense due to taxable income from a partnership that invests in a passive foreign investment company. As of December 31, 2011, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. Tax years ended December 31, 2008 through December 31, 2011 remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

**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 weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Fund's average weekly net assets including the liquidation value of preferred shares. 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 Preferred Shares if the total return of the NAV of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate or corresponding swap rate of each particular series of the Preferred Shares for the year.

The Fund's total return on the NAV of the common shares is monitored on a monthly basis to assess whether the total return on the NAV of the common shares exceeds the stated dividend rate or corresponding swap rate of each particular series of Preferred Shares for the period. For the year ended December 31, 2011, the Fund's total return on the NAV of the common shares did not exceed the stated dividend rate or corresponding swap rate of the outstanding Series A and Series D Preferred Shares. Thus, advisory fees with respect to the liquidation value of the Series A and Series D Preferred Shares were reduced by \$1,397,579. For the year ended December 31, 2011, the Fund's total return on the NAV of the common shares exceeded the stated dividend rate or corresponding swap rate for Series B, Series C, and Series E Preferred Shares. Thus, advisory fees were accrued on the liquidation value of Series B, Series C, and Series E.

During the year ended December 31, 2011, the Fund paid brokerage commissions on security trades of \$168,797 to Gabelli & Company, Inc. (Gabelli & Co.), an affiliate of the Adviser.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended December 31, 2011, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser) and pays its allocated portion of the cost of the Fund's Chief Compliance Officer. During the year ended December 31, 2011 the Fund paid or accrued \$239,935 in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$18,000 plus \$2,000 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended, the Audit Committee Chairman receives an annual fee of \$3,000, the Proxy Voting Committee Chairman receives an annual fee of \$1,500, the Nominating Committee Chairman and the Lead Trustee each receive an annual fee of \$2,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

**4. Portfolio Securities.** Purchases and sales of securities during the year ended December 31, 2011, other than short-term securities and U.S. Government obligations, aggregated \$279,428,021 and \$358,028,558, respectively.

**5. Capital.** The Fund is authorized to issue an unlimited number of common shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase and retirement of its shares on the open market when the shares are trading at a discount of 7.5% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the year ended December 31, 2011, the Fund repurchased and retired 124,248 shares of beneficial interest in the open market at a cost of \$1,943,897 and an average discount of approximately 13.33% from its NAV.



**THE GABELLI DIVIDEND & INCOME TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

Transactions in shares of beneficial interest were as follows:

|   | Year Ended<br>December 31, 2011 |                | Year Ended<br>December 31, 2010 |                |
|---|---------------------------------|----------------|---------------------------------|----------------|
|   | Shares                          | Amount         | Shares                          | Amount         |
| Net increase from repurchase of common shares | (124,248)                       | \$ (1,943,897) | (419,000)                       | \$ (5,896,139) |

The Fund's Declaration of Trust, as amended, authorizes the issuance of an unlimited number of shares of \$0.001 par value Preferred Shares. The Preferred Shares is senior to the common shares and results in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Preferred Shares are cumulative. The Fund is required by the 1940 Act and by the Statements of Preferences to meet certain asset coverage tests with respect to the Preferred Shares. 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 5.875% Series A, Series B Auction Market, Series C Auction Market, 6.000% Series D, and Series E Auction Rate Cumulative Preferred Shares at redemption prices of \$25, \$25,000, \$25,000, \$25, and \$25,000, respectively, 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 coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund's assets may vary in a manner unrelated to the fixed and variable rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

A shelf registration authorizing the offering of an additional \$500 million of common or preferred shares or notes was declared effective by the SEC on July 28, 2011.

For Series B and Series C Auction Market and Series E Auction Rate Cumulative Preferred Shares, the dividend rates, as set by the auction process that is generally held every seven days is expected to vary with short-term interest rates. Since February 2008, the number of Series B, Series C, and Series E Preferred Shares subject to bid orders by potential holders has been less than the number of shares of Series B, Series C, and Series E Preferred Shares subject to sell orders. Holders that have submitted sell orders have not been able to sell any or all of the Series B, Series C, and Series E Preferred Shares for which they have submitted sell orders. Therefore the weekly auctions have failed, and the dividend rate has been the maximum rate. The current maximum rate for Series B, Series C, and Series E Preferred Shares is 125%, 125%, and 150%, respectively, of the seven day Telerate/British Bankers Association LIBOR rate on the date of such auction. Existing Series B, Series C, and Series E Preferred shareholders may submit an order to hold, bid, or sell such shares on each auction date, or trade their shares in the secondary market. There were no redemptions of Series B, Series C, and Series E Preferred Shares during the year ended December 31, 2011.

At December 31, 2011, the Fund may redeem in whole or in part the 5.875% Series A and 6.000% Series D Preferred Shares at the redemption price at any time. The Board has authorized the repurchase of Series A and Series D Preferred Shares in the open market at prices less than the \$25 liquidation value per share. During the year ended December 31, 2011, the Fund did not repurchase any shares of Series A or Series D Preferred Shares.

The following table summarizes Cumulative Preferred Stock information:

| Series           | Issue Date       | Issued    | Number of Shares          |               | 2011 Dividend Rate Range | Dividend Rate at 12/31/2011 | Accrued Dividend at 12/31/2011 |
|------------------|------------------|-----------|---------------------------|---------------|--------------------------|-----------------------------|--------------------------------|
|                  |                  |           | Outstanding at 12/31/2011 | Net Proceeds  |                          |                             |                                |
| A 5.875%         | October 12, 2004 | 3,200,000 | 3,048,019                 | \$ 77,280,971 | Fixed Rate               | 5.875%                      | \$ 62,177                      |
| B Auction Market | October 12, 2004 | 4,000     | 3,600                     | 98,858,617    | 1.409% to 1.504%         | 1.466%                      | 14,660                         |
| C Auction Market | October 12, 2004 | 4,800     | 4,320                     | 118,630,341   | 1.409% to 1.504%         | 1.459%                      | 8,754                          |
| D 6.000%         | November 3, 2005 | 2,600,000 | 2,542,296                 | 62,617,239    | Fixed Rate               | 6.000%                      | 52,965                         |
| E Auction Rate   | November 3, 2005 | 5,400     | 4,860                     | 133,379       | 1.659% to 1.754%         | 1.714%                      | 17,354                         |

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The holders of Preferred Shares generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common shares as a single class. The holders of Preferred Shares voting together as a single class also have the right currently to elect two Trustees and under certain circumstances are entitled to elect a majority of the Board of Trustees. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the Preferred Shares, voting as a single class, will be required to approve any plan of reorganization adversely affecting the Preferred Shares, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding Preferred Shares and a majority (as defined in the 1940 Act) of the

**THE GABELLI DIVIDEND & INCOME TRUST**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

**6. Indemnifications.** The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

**7. Other Matters.** On April 24, 2008, the Adviser entered into a settlement with the SEC to resolve an inquiry regarding prior frequent trading in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. Under the terms of the settlement, the Adviser, without admitting or denying the SEC's findings and allegations, paid \$16 million (which included a \$5 million civil monetary penalty). On the same day, the SEC filed a civil action in the U.S. District Court for the Southern District of New York against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer, who also is an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO complex, including this Fund, denies the allegations and is continuing in his positions with the Adviser and the funds. The settlement by the Adviser did not have, and the resolution of the action against the officer is not expected to have, a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

**8. Subsequent Events.** Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

**THE GABELLI DIVIDEND & INCOME TRUST**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees and Shareholders of

The Gabelli Dividend & Income Trust:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Gabelli Dividend & Income Trust (hereafter referred to as the Trust ) at December 31, 2011, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2011 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York

February 28, 2012

**THE GABELLI DIVIDEND & INCOME TRUST ADDITIONAL FUND INFORMATION (Unaudited)**

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Dividend & Income Trust at One Corporate Center, Rye, NY 10580-1422.

| Name, Position(s)<br>Address <sup>1</sup><br>and Age                               | Term of Office<br>and<br>Length of<br>Time Served <sup>2</sup> | Number<br>of<br>Funds in<br>Fund<br>Complex<br>Overseen<br>by<br>Trustee | Principal Occupation(s)<br>During Past Five Years   | Other Directorships<br>Held by Trustee <sup>4</sup>   |
|--|--|--|---|---|
| <b>INTERESTED TRUSTEES<sup>3</sup>:</b>  |  |  |   |   |
| <b>Mario J. Gabelli, CFA</b><br>Trustee and<br>Chief Investment Officer<br>Age: 69 | Since 2003**   | 27   | Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer- Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/ Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds Complex; Chief Executive Officer of GGCP, Inc.. | Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of RLJ Acquisition Inc. (blank check company) |
| <b>Salvatore M. Salibello</b><br>Trustee<br>Age: 66                                | Since 2003*  | 3  | Certified Public Accountant and Managing Partner of the public accounting firm Salibello & Broder LLP since 1978  | Director of Kid Brands, Inc. (group of companies in infant and juvenile products) and until September 2007, Director of Brooklyn Federal Bank Corp., Inc. (independent community bank)  |
| <b>Edward T. Tokar</b><br>Trustee<br>Age: 64                                       | Since 2003*  | 2  | Senior Managing Director of Beacon Trust Company (trust services) since 2004; Chief Executive Officer of Allied Capital Management LLC (1977-2004); Vice President of Honeywell International Inc. (1977-2004); Director of Teton Advisors, Inc. (financial services) (2008-2010)   | Director of CH Energy Group (energy services); Trustee of Levco Series Trust Mutual Funds through 2005; Director of DB Hedge Strategies Fund through March 2007; Director of Topiary Fund for Benefit Plan Investors Fund (BPI) LLC through December 2007   |
| <b>INDEPENDENT TRUSTEES<sup>5</sup>:</b>   |  |  |   |   |
| <b>Anthony J. Colavita</b><br>Trustee<br>Age: 76                                   | Since 2003***  | 35   | President of the law firm of Anthony J. Colavita, P.C.  |   |
| <b>James P. Conn</b><br>Trustee<br>Age: 73   | Since 2003*  | 19   | Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (insurance holding company) (1992-1998)   | Director of First Republic Bank (banking) through January 2008 and LaQuinta Corp. (hotels) through January 2006   |
| <b>Mario d Urso</b><br>Trustee<br>Age: 71  | Since 2003**   | 5  | Chairman of Mittel Capital Markets S.p.A. (2001-2008); Senator in the Italian Parliament (1996-2001)  |   |
| <b>Frank J. Fahrenkopf, Jr.</b>  | Since 2003***  | 7  | President and Chief Executive Officer of the American Gaming Association; Co-Chairman of the Commission   | Director of First Republic Bank (banking)   |



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|                              |               |    |  |   |
|------------------------------|---------------|----|--|---|
| Trustee                      |               |    | on Presidential Debates; Former Chairman of the Republican National Committee (1983-1989)  |   |
| Age: 72                      |               |    |  |   |
| <b>Michael J. Melarkey</b>   | Since 2003**  | 5  | Partner in the law firm of Avansino, Melarkey, Knobel, Mulligan & McKenzie   | Director of Southwest Gas Corporation (natural gas utility)   |
| Trustee                      |               |    |  |   |
| Age: 62                      |               |    |  |   |
| <b>Anthonie C. van Ekris</b> | Since 2003*** | 20 | Chairman of BALMAC International, Inc. (commodities and futures trading)   | Director of Aurado Energy Inc. (oil and gas operations) through 2005  |
| Trustee                      |               |    |  |   |
| Age: 77                      |               |    |  |   |
| <b>Salvatore J. Zizza</b>    | Since 2003*** | 29 | Chairman (since 1978) of Zizza & Company, Ltd. (financial consulting); Chairman (since 2006) of Metropolitan Paper Recycling, Inc. (recycling); Chairman (since 2000) of BAM Inc. (manufacturing); Chairman (since 2009) of E-Corp English (business services) | Non-Executive Chairman and Director of Harbor BioSciences, Inc. (biotechnology); Vice Chairman and Director of Trans-Lux Corporation (business services); Chairman and Chief Executive Officer of General Employment Enterprises, Inc. (staffing); Director of Bion Environmental Technologies (technology) (2005-2008); Director of Earl Schieb Inc. (automotive painting) through April 2009. |

**THE GABELLI DIVIDEND & INCOME TRUST**

**ADDITIONAL FUND INFORMATION (Continued) (Unaudited)**

| Name, Position(s)<br>Address <sup>1</sup><br>and Age | Term of<br>Office and<br>Length of<br>Time Served <sup>2</sup> | Principal Occupation(s)<br>During Past Five Years   |
|--|--|---|
| <b>OFFICERS:</b>                                     |  |   |
| <b>Bruce N. Alpert</b>                               | Since 2003   | Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex. Director of Teton Advisors, Inc. since 1998; Chairman of Teton Advisors, Inc. 2008 to 2010; President of Teton Advisors, Inc. 1998 through 2008; Senior Vice President of GAMCO Investors, Inc. since 2008 |
| President and<br>Acting Chief Compliance<br>Officer  | Since November 2011  |   |
| Age: 60  |  |   |
| <b>Agnes Mullady</b>                                 | Since 2006   | President and Chief Operating Officer of the Open-End Fund Division of Gabelli Funds, LLC since September 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds Complex  |
| Treasurer and Secretary                              |  |   |
| Age: 53  |  |   |
| <b>Carter W. Austin</b>                              | Since 2003   | Vice President and or Ombudsman of closed-end funds within the Gabelli/GAMCO Funds complex; Vice President of Gabelli Funds, LLC since 1996   |
| Vice President and Ombudsman                         |  |   |
| Age: 45  |  |   |
| <b>Laurissa M. Martire</b>                           | Since 2011   | Vice President and or Ombudsman of closed-end funds within the Gabelli/GAMCO Funds complex; Assistant Vice President of GAMCO Investors, Inc. since 2003  |
| Vice President and Ombudsman                         |  |   |
| Age: 35  |  |   |
| <b>David L. Schachter</b>                            | Since 2011   | Vice President and or Ombudsman of closed-end funds within the Gabelli/GAMCO Funds complex; Vice President of Gabelli & Company Inc. since 1999   |
| Vice President                                       |  |   |
| Age: 58  |  |   |

1 Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

2 The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:

\* Term expires at the Fund's 2012 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

\*\* Term expires at the Fund's 2013 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

\*\*\* Term expires at the Fund's 2014 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

3 Interested person of the Fund, as defined in the 1940 Act. Mr. Gabelli is an interested person of the Fund as a result of his employment as an officer of the Adviser. Mr. Gabelli is also a registered representative of an affiliated broker-dealer. Mr. Tokar is an interested person as a result of a family member's affiliation with Adviser. Mr. Salibello is an interested person as a result of a family member's affiliation with the adviser and as a result of being a partner in an accounting firm that provides professional services to affiliates of the Adviser.

4 This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.

5 Trustees who are not interested persons are considered Independent Trustees.

### Certifications

The Fund's Chief Executive Officer has certified to the New York Stock Exchange ( NYSE ) that, as of June 15, 2011, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund reports to the SEC on Form N-CSR which contains certifications by the Fund's principal executive officer and principal financial officer that relate to the Fund's disclosure in such reports and that are required by Rule 30a-2(a) under the 1940 Act.



**THE GABELLI DIVIDEND & INCOME TRUST**

**INCOME TAX INFORMATION (Unaudited)**

**December 31, 2011**

**Cash Dividends and Distributions**

|   | Payable Date | Record Date | Total Amount Paid Per Share (a) | Ordinary Investment Income (a) | Long-Term Capital Gains (a) | Return of Capital (c) | Dividend Reinvestment Price |
|---|--------------|-------------|---------------------------------|--------------------------------|-----------------------------|-----------------------|-----------------------------|
| <b>Common Shares</b>  |              |             |                                 |                                |                             |                       |                             |
|   | 01/24/11     | 01/14/11    | \$0.07000                       | \$0.03133                      |                             | \$0.03867             | \$15.575900                 |
|   | 02/18/11     | 02/11/11    | 0.07000                         | 0.03133                        |                             | 0.03867               | 16.338500                   |
|   | 03/24/11     | 03/17/11    | 0.07000                         | 0.03133                        |                             | 0.03867               | 16.394100                   |
|   | 04/21/11     | 04/14/11    | 0.07000                         | 0.03133                        |                             | 0.03867               | 16.616300                   |
|   | 05/23/11     | 05/16/11    | 0.07000                         | 0.03133                        |                             | 0.03867               | 16.445200                   |
|   | 06/23/11     | 06/16/11    | 0.07000                         | 0.03133                        |                             | 0.03867               | 16.180600                   |
|   | 07/22/11     | 07/15/11    | 0.08000                         | 0.03581                        |                             | 0.04419               | 16.820300                   |
|   | 08/24/11     | 08/17/11    | 0.08000                         | 0.03581                        |                             | 0.04419               | 14.594800                   |
|   | 09/23/11     | 09/16/11    | 0.08000                         | 0.03581                        |                             | 0.04419               | 13.973500                   |
|   | 10/24/11     | 10/17/11    | 0.08000                         | 0.03581                        |                             | 0.04419               | 14.764900                   |
|   | 11/22/11     | 11/15/11    | 0.08000                         | 0.03581                        |                             | 0.04419               | 14.174400                   |
|   | 12/16/11     | 12/13/11    | 0.08000                         | 0.03581                        |                             | 0.04419               | 14.182800                   |
|   |              |             | \$0.90000                       | \$0.40284                      |                             | \$0.49716             |                             |
| <b>5.875% Series A Cumulative Preferred Shares</b>  |              |             |                                 |                                |                             |                       |                             |
|   | 03/28/11     | 03/21/11    | \$0.36719                       | \$0.36719                      |                             |                       |                             |
|   | 06/27/11     | 06/20/11    | 0.36719                         | 0.36719                        |                             |                       |                             |
|   | 09/26/11     | 09/19/11    | 0.36719                         | 0.36719                        |                             |                       |                             |
|   | 12/27/11     | 12/19/11    | 0.36719                         | 0.36719                        |                             |                       |                             |
|   |              |             | \$1.46875                       | \$1.46875                      |                             |                       |                             |
| <b>6.000% Series D Cumulative Preferred Shares</b>  |              |             |                                 |                                |                             |                       |                             |
|   | 03/28/11     | 03/21/11    | \$0.37500                       | \$0.37500                      |                             |                       |                             |
|   | 06/27/11     | 06/20/11    | 0.37500                         | 0.37500                        |                             |                       |                             |
|   | 09/26/11     | 09/19/11    | 0.37500                         | 0.37500                        |                             |                       |                             |
|   | 12/27/11     | 12/19/11    | 0.37500                         | 0.37500                        |                             |                       |                             |
|   |              |             | \$1.50000                       | \$1.50000                      |                             |                       |                             |
| <b>Series B and C Auction Market Cumulative and Series E Auction Rate Cumulative Preferred Shares</b> |              |             |                                 |                                |                             |                       |                             |

Auction Rate Preferred Shares pay dividends weekly based on the maximum rate. There were no 2011 distributions derived from long-term capital gains for the Series B, Series C, or Series E Auction Rate Cumulative Preferred Shares.

A Form 1099-DIV has been mailed to all shareholders of record for the distributions mentioned above, setting forth specific amounts to be included in the 2011 tax returns. Ordinary income distributions include net investment income and realized net short-term capital gains. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2 of Form 1099-DIV.

**Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Government Securities Income**

In 2011, the Fund paid to common, 5.875% Series A, and 6.00% Series D Cumulative Preferred shareholders ordinary income dividends of \$0.40284, \$1.46875, and \$1.50000 per share, respectively. The Fund paid weekly distributions to Series B, C, and E preferred shareholders at varying rates throughout the year, including ordinary income dividends totaling \$366.16, \$366.01, and \$429.27 per share, respectively. For the year ended December 31, 2011, 100% of the ordinary dividend qualified for the dividends received deduction available to corporations, 100% of the ordinary income distribution was qualified dividend income, and 1.41% of the ordinary income distribution was qualified interest income.

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The percentage of ordinary income dividends paid by the Fund during 2011 derived from U.S. Treasury securities was 0.17%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2011. The percentage of U.S. Treasury securities held as of December 31, 2011 was 5.63%.

**THE GABELLI DIVIDEND & INCOME TRUST**  
**INCOME TAX INFORMATION (Continued) (Unaudited)**

**December 31, 2011**

**Historical Distribution Summary**

|  | Investment<br>Income (b) | Short-Term<br>Capital<br>Gains (b) | Long-Term<br>Capital<br>Gains | Return of<br>Capital (c) | Total<br>Distributions (a) | Adjustment<br>to Cost<br>Basis (d) |
|--|--------------------------|------------------------------------|-------------------------------|--------------------------|----------------------------|------------------------------------|
| <b>Common Shares</b>                                   |                          |                                    |                               |                          |                            |                                    |
| 2011   | \$ 0.26832               | \$ 0.13452                         |                               | \$ 0.49716               | \$ 0.90000                 | \$ 0.49716                         |
| 2010   | 0.16120                  |                                    |                               | 0.59880                  | 0.76000                    | 0.59880                            |
| 2009   | 0.20460                  |                                    |                               | 0.78540                  | 0.99000                    | 0.78540                            |
| 2008   | 0.27910                  |                                    | \$ 0.00250                    | 0.99840                  | 1.28000                    | 0.99840                            |
| 2007   | 0.50910                  | 0.23480                            | 0.91610                       |                          | 1.66000                    |                                    |
| 2006   | 0.60798                  | 0.24082                            | 0.69120                       |                          | 1.54000                    |                                    |
| 2005   | 0.45996                  | 0.08568                            | 0.65436                       |                          | 1.20000                    |                                    |
| 2004   | 0.40005                  | 0.10023                            | 0.13893                       | 0.56079                  | 1.20000                    | 0.56079                            |
| <b>5.875% Series A Cumulative Preferred Shares</b>     |                          |                                    |                               |                          |                            |                                    |
| 2011   | \$ 0.97821               | \$ 0.49054                         |                               |                          | \$ 1.46875                 |                                    |
| 2010   | 1.46875                  |                                    |                               |                          | 1.46875                    |                                    |
| 2009   | 1.46875                  |                                    |                               |                          | 1.46875                    |                                    |
| 2008   | 1.46583                  |                                    | \$ 0.00292                    |                          | 1.46875                    |                                    |
| 2007   | 0.45059                  | 0.20776                            | 0.81040                       |                          | 1.46875                    |                                    |
| 2006   | 0.57983                  | 0.22967                            | 0.65925                       |                          | 1.46875                    |                                    |
| 2005   | 0.56290                  | 0.10493                            | 0.80092                       |                          | 1.46875                    |                                    |
| 2004   | 0.19150                  | 0.04798                            | 0.06651                       |                          | 0.30599                    |                                    |
| <b>6.000% Series D Cumulative Preferred Shares</b>     |                          |                                    |                               |                          |                            |                                    |
| 2011   | \$ 0.99920               | \$ 0.50080                         |                               |                          | \$ 1.50000                 |                                    |
| 2010   | 1.50000                  |                                    |                               |                          | 1.50000                    |                                    |
| 2009   | 1.50000                  |                                    |                               |                          | 1.50000                    |                                    |
| 2008   | 1.49700                  |                                    | \$ 0.00300                    |                          | 1.50000                    |                                    |
| 2007   | 0.46020                  | 0.21220                            | 0.82760                       |                          | 1.50000                    |                                    |
| 2006   | 0.59215                  | 0.23457                            | 0.67328                       |                          | 1.50000                    |                                    |
| 2005   | 0.08620                  | 0.01610                            | 0.12270                       |                          | 0.22500                    |                                    |
| <b>Auction Market/Rate Cumulative Preferred Shares</b> |                          |                                    |                               |                          |                            |                                    |
| 2011 Class B Shares                                    | \$ 243.86841             | \$ 122.29159                       |                               |                          | \$ 366.16000               |                                    |
| 2011 Class C Shares                                    | 243.76851                | 122.24149                          |                               |                          | 366.01000                  |                                    |
| 2011 Class E Shares                                    | 285.90068                | 143.36932                          |                               |                          | 429.27000                  |                                    |
| 2010 Class B Shares                                    | 381.65000                |                                    |                               |                          | 381.65000                  |                                    |
| 2010 Class C Shares                                    | 381.65000                |                                    |                               |                          | 381.65000                  |                                    |
| 2010 Class E Shares                                    | 444.84000                |                                    |                               |                          | 444.84000                  |                                    |
| 2009 Class B Shares                                    | 388.12000                |                                    |                               |                          | 388.12000                  |                                    |
| 2009 Class C Shares                                    | 388.02000                |                                    |                               |                          | 388.02000                  |                                    |
| 2009 Class E Shares                                    | 451.10000                |                                    |                               |                          | 451.10000                  |                                    |
| 2008 Class B Shares                                    | 944.35220                |                                    | \$ 1.87780                    |                          | 946.23000                  |                                    |
| 2008 Class C Shares                                    | 966.50741                |                                    | 1.92259                       |                          | 968.43000                  |                                    |
| 2008 Class E Shares                                    | 1,044.21367              |                                    | 2.07633                       |                          | 1,046.29000                |                                    |
| 2007 Class B Shares                                    | 414.02782                | 190.66719                          | 743.74499                     |                          | 1,348.44000                |                                    |
| 2007 Class C Shares                                    | 409.97064                | 188.64406                          | 735.87530                     |                          | 1,334.49000                |                                    |
| 2007 Class E Shares                                    | 407.63287                | 187.65002                          | 731.97711                     |                          | 1,327.26000                |                                    |
| 2006 Class B Shares                                    | 484.90820                | 192.07260                          | 551.32920                     |                          | 1,228.31000                |                                    |
| 2006 Class C Shares                                    | 484.32800                | 191.84250                          | 550.66950                     |                          | 1,226.84000                |                                    |
| 2006 Class E Shares                                    | 483.94880                | 191.69260                          | 550.23860                     |                          | 1,225.88000                |                                    |
| 2005 Class B Shares                                    | 320.22640                | 59.69220                           | 455.63150                     |                          | 835.55000                  |                                    |
| 2005 Class C Shares                                    | 324.19300                | 60.43160                           | 461.27540                     |                          | 845.90000                  |                                    |
| 2005 Class E Shares                                    | 67.54440                 | 12.59070                           | 96.10490                      |                          | 176.24000                  |                                    |
| 2004 Class B Shares                                    | 68.71140                 | 17.21520                           | 23.86340                      |                          | 109.80000                  |                                    |

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|                     |          |          |          |           |
|---------------------|----------|----------|----------|-----------|
| 2004 Class C Shares | 70.77030 | 17.73100 | 24.57840 | 113.10000 |
|---------------------|----------|----------|----------|-----------|

- (a) Total amounts may differ due to rounding.
- (b) Taxable as ordinary income for federal tax purposes.
- (c) Non-taxable.
- (d) Decrease in cost basis.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

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**THE GABELLI DIVIDEND & INCOME TRUST**

**ANNUAL APPROVAL OF CONTINUANCE OF INVESTMENT ADVISORY AGREEMENT**

During the six months ended December 31, 2011, the Board of Trustees of the Trust approved the continuation of the investment advisory agreement with the Adviser for the Trust on the basis of the recommendation by the trustees (the Independent Board Members ) who are not interested persons of the Trust. The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

**Nature, Extent and Quality of Services.** The Independent Board Members considered information regarding the portfolio managers, the depth of the analyst pool available to the Adviser and the portfolio managers, the scope of administrative, shareholder, and other services supervised or provided by the Adviser, and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the portfolio managers.

**Investment Performance.** The Independent Board Members reviewed the performance of the Fund over one, three, and five year periods against a peer group of equity closed-end funds prepared from data supplied by Lipper. The Independent Board Members noted the Fund's top third relative performance for each of the periods.

**Profitability.** The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser.

**Economies of Scale.** The Independent Board Members noted that the Fund was a closed-end fund trading at a discount to net asset value and accordingly unlikely to achieve growth of the type that might lead to economies of scale that the shareholders would not participate in. The Independent Board Members noted that the investment management fee schedule for the Fund does not take into account any potential economies of scale that may develop.

**Service and Cost Comparisons.** The Independent Board Members compared the expense ratios of the investment management fee, other expenses, and total expenses of the Fund with similar expense ratios of the Lipper peer group of equity closed-end value funds and noted that the Adviser's management fee includes substantially all administrative services of the Fund as well as investment advisory services. The Independent Board Members noted that the Fund was larger than average within the peer group and that its expense ratios were slightly above average. The Independent Board Members also noted that the management fee structure was the same as that in effect for most of the Gabelli funds. The Independent Board Members were presented with, but did not attach significance to, information comparing the management fee with the fee for other types of accounts managed by an affiliate of the Adviser.

**Conclusions.** The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services, and a reasonable performance record. The Independent Board Members also concluded that the Fund's expense ratios and the profitability to the Adviser of managing the Fund were reasonable, and that economies of scale were not a significant factor in their thinking. The Independent Board Members did not view the potential profitability of ancillary services as material to their decision. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the Advisory Agreement to the full Board.



**TRUSTEES AND OFFICERS**

**THE GABELLI DIVIDEND & INCOME TRUST**

**One Corporate Center, Rye, NY 10580-1422**

*Trustees*

Mario J. Gabelli, CFA

*Chairman & Chief Executive Officer,*

*GAMCO Investors, Inc.*

Anthony J. Colavita

*President,*

*Anthony J. Colavita, P.C.*

James P. Conn

*Former Managing Director &*

*Chief Investment Officer,*

*Financial Security Assurance Holdings Ltd.*

Mario d Urso

*Former Italian Senator*

Frank J. Fahrenkopf, Jr.

*President & Chief Executive Officer,*

*American Gaming Association*

Michael J. Melarkey

*Attorney-at-Law,*

*Avansino, Melarkey, Knobel & Mulligan*

Salvatore M. Salibello

*Certified Public Accountant,*

*Salibello & Broder, LLP*

Edward T. Tokar

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*Senior Managing Director,*

*Beacon Trust Company*

Anthonie C. van Ekris

*Chairman, BALMAC International, Inc.*

Salvatore J. Zizza

*Chairman, Zizza & Co., Ltd.*

***Officers***

Bruce N. Alpert

*President and Acting Chief Compliance Officer*

Agnes Mullady

*Treasurer & Secretary*

Carter W. Austin

*Vice President & Ombudsman*

Laurissa M. Martire

*Vice President & Ombudsman*

David I. Schachter

*Vice President*

***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 Trust Company, N.A.

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*Stock Exchange Listing*

|                     |            |           |           |
|---------------------|------------|-----------|-----------|
|                     |            | 5.875%    | 6.00%     |
|                     | Common     | Preferred | Preferred |
| NYSE Symbol:        | GDV        | GDV PrA   | GDV PrD   |
| Shares Outstanding: | 82,965,389 | 3,048,019 | 2,542,296 |

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading General Equity Funds, in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading General Equity Funds.

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting [www.gabelli.com](http://www.gabelli.com).

The NASDAQ symbol for the Net Asset Value is XGDVX.

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](http://www.gabelli.com), or e-mail us at: [closedend@gabelli.com](mailto:closedend@gabelli.com)

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.



**Item 2. Code of Ethics.**

- (a) The registrant, as of the end of the period covered by this report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.
- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, and that relates to any element of the code of ethics description.
- (d) The registrant has not granted any waivers, including an implicit waiver, from a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this item's instructions.

**Item 3. Audit Committee Financial Expert.**

As of the end of the period covered by the report, the registrant's Board of Trustees has determined that Salvatore J. Zizza is qualified to serve as an audit committee financial expert serving on its audit committee and that he is independent, as defined by Item 3 of Form N-CSR.

**Item 4. Principal Accountant Fees and Services.**

Audit Fees

- (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$43,131 for 2010 and \$43,131 for 2011.

Audit-Related Fees

- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item are \$11,538 for 2010 and \$19,038 for 2011. Audit-related fees represent services provided in the preparation of Preferred Shares Reports.

Tax Fees

- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning are \$4,200 for 2010 and \$4,200 for 2011. Tax fees represent tax compliance services provided in connection with the review of the Registrant's tax returns.

All Other Fees

- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$0 for 2010 and \$0 for 2011.

(e)(1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X. Pre-Approval Policies and Procedures. The Audit Committee ( Committee ) of the registrant is responsible for pre-approving (i) all audit and permissible non-audit services to be provided by the independent registered public accounting firm to the registrant and (ii) all permissible non-audit services to be provided by the independent registered public accounting firm to the Adviser, Gabelli Funds, LLC, and any affiliate of Gabelli Funds, LLC ( Gabelli ) that provides services to the registrant (a Covered Services Provider ) if the independent registered public accounting firm's engagement related directly to the operations and financial reporting of the registrant. The Committee may delegate its responsibility to pre-approve any such audit and permissible non-audit services to the Chairperson of the Committee, and the Chairperson must report to the Committee, at its next regularly scheduled meeting after the Chairperson's pre-approval of such services, his or her decision(s). The Committee may also establish detailed pre-approval policies and procedures for pre-approval of such services in accordance with applicable laws, including the delegation of some or all of the Committee's pre-approval responsibilities to the other persons (other than Gabelli or the registrant's officers). Pre-approval by the Committee of any permissible non-audit services is not required so long as: (i) the permissible non-audit services were not recognized by the registrant at the time of the engagement to be non-audit services; and (ii) such services are promptly brought to the attention of the Committee and approved by the Committee or Chairperson prior to the completion of the audit.

- (e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X are as follows:

(b) 100%

(c) 100%

(d) N/A

- (f) The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was 0%.

- (g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant was \$0 for 2010 and \$0 for 2011.
  
- (h) The registrant's audit committee of the board of directors has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

**Item 5. Audit Committee of Listed registrants.**

The registrant has a separately designated audit committee consisting of the following members: Frank J. Fahrenkopf, Jr., Anthonie C. van Ekris and Salvatore J. Zizza.

**Item 6. Investments.**

- (a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this form.
  
- (b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

The Proxy Voting Policies are attached herewith.

### **The Voting of Proxies on Behalf of Clients**

Rules 204(4)-2 and 204-2 under the Investment Advisers Act of 1940 and Rule 30b1-4 under the Investment Company Act of 1940 require investment advisers to adopt written policies and procedures governing the voting of proxies on behalf of their clients.

These procedures will be used by GAMCO Asset Management Inc., Gabelli Funds, LLC, Gabelli Securities, Inc., and Teton Advisors, Inc. (collectively, the Advisers ) to determine how to vote proxies relating to portfolio securities held by their clients, including the procedures that the Advisers use when a vote presents a conflict between the interests of the shareholders of an investment company managed by one of the Advisers, on the one hand, and those of the Advisers; the principal underwriter; or any affiliated person of the investment company, the Advisers, or the principal underwriter. These procedures will not apply where the Advisers do not have voting discretion or where the Advisers have agreed to with a client to vote the client s proxies in accordance with specific guidelines or procedures supplied by the client (to the extent permitted by ERISA).

#### **I. Proxy Voting Committee**

The Proxy Voting Committee was originally formed in April 1989 for the purpose of formulating guidelines and reviewing proxy statements within the parameters set by the substantive proxy voting guidelines originally published in 1988 and updated periodically, a copy of which are appended as Exhibit A. The Committee will include representatives of Research, Administration, Legal, and the Advisers. Additional or replacement members of the Committee will be nominated by the Chairman and voted upon by the entire Committee.

Meetings are held as needed basis to form views on the manner in which the Advisers should vote proxies on behalf of their clients.

In general, the Director of Proxy Voting Services, using the Proxy Guidelines, recommendations of Institutional Shareholder Corporate Governance Service ( ISS ), other third-party services and the analysts of Gabelli & Company, Inc., will determine how to vote on each issue. For non-controversial matters, the Director of Proxy Voting Services may vote the proxy if the vote is (1) consistent with the recommendations of the issuer s Board of Directors and not contrary to the Proxy Guidelines; (2) consistent with the recommendations of the issuer s Board of Directors and is a non-controversial issue not covered by the Proxy Guidelines; or (3) the vote is contrary to the recommendations of the Board of Directors but is consistent with the Proxy Guidelines. In those instances, the Director of Proxy Voting Services or the Chairman of the Committee may sign and date the proxy statement indicating how each issue will be voted.

All matters identified by the Chairman of the Committee, the Director of Proxy Voting Services or the Legal Department as controversial, taking into account the



recommendations of ISS or other third party services and the analysts of Gabelli & Company, Inc., will be presented to the Proxy Voting Committee. If the Chairman of the Committee, the Director of Proxy Voting Services or the Legal Department has identified the matter as one that (1) is controversial; (2) would benefit from deliberation by the Proxy Voting Committee; or (3) may give rise to a conflict of interest between the Advisers and their clients, the Chairman of the Committee will initially determine what vote to recommend that the Advisers should cast and the matter will go before the Committee.

**A. Conflicts of Interest**

The Advisers have implemented these proxy voting procedures in order to prevent conflicts of interest from influencing their proxy voting decisions. By following the Proxy Guidelines, as well as the recommendations of ISS, other third-party services and the analysts of Gabelli & Company, the Advisers are able to avoid, wherever possible, the influence of potential conflicts of interest. Nevertheless, circumstances may arise in which one or more of the Advisers are faced with a conflict of interest or the appearance of a conflict of interest in connection with its vote. In general, a conflict of interest may arise when an Adviser knowingly does business with an issuer, and may appear to have a material conflict between its own interests and the interests of the shareholders of an investment company managed by one of the Advisers regarding how the proxy is to be voted. A conflict also may exist when an Adviser has actual knowledge of a material business arrangement between an issuer and an affiliate of the Adviser.

In practical terms, a conflict of interest may arise, for example, when a proxy is voted for a company that is a client of one of the Advisers, such as GAMCO Asset Management Inc. A conflict also may arise when a client of one of the Advisers has made a shareholder proposal in a proxy to be voted upon by one or more of the Advisers. The Director of Proxy Voting Services, together with the Legal Department, will scrutinize all proxies for these or other situations that may give rise to a conflict of interest with respect to the voting of proxies.

**B. Operation of Proxy Voting Committee**

For matters submitted to the Committee, each member of the Committee will receive, prior to the meeting, a copy of the proxy statement, any relevant third party research, a summary of any views provided by the Chief Investment Officer and any recommendations by Gabelli & Company, Inc. analysts. The Chief Investment Officer or the Gabelli & Company, Inc. analysts may be invited to present their viewpoints. If the Director of Proxy Voting Services or the Legal Department believe that the matter before the committee is one with respect to which a conflict of interest may exist between the Advisers and their clients, counsel will

provide an opinion to the Committee concerning the conflict. If the matter is one in which the interests of the clients of one or more of Advisers may diverge, counsel will so advise and the Committee may make different recommendations as to different clients. For any matters where the recommendation may trigger appraisal rights, counsel will provide an opinion concerning the likely risks and merits of such an appraisal action.

Each matter submitted to the Committee will be determined by the vote of a majority of the members present at the meeting. Should the vote concerning one or more recommendations be tied in a vote of the Committee, the Chairman of the Committee will cast the deciding vote. The Committee will notify the proxy department of its decisions and the proxies will be voted accordingly.

Although the Proxy Guidelines express the normal preferences for the voting of any shares not covered by a contrary investment guideline provided by the client, the Committee is not bound by the preferences set forth in the Proxy Guidelines and will review each matter on its own merits. Written minutes of all Proxy Voting Committee meetings will be maintained. The Advisers subscribe to ISS, which supplies current information on companies, matters being voted on, regulations, trends in proxy voting and information on corporate governance issues.

If the vote cast either by the analyst or as a result of the deliberations of the Proxy Voting Committee runs contrary to the recommendation of the Board of Directors of the issuer, the matter will be referred to legal counsel to determine whether an amendment to the most recently filed Schedule 13D is appropriate.

## **II. Social Issues and Other Client Guidelines**

If a client has provided special instructions relating to the voting of proxies, they should be noted in the client's account file and forwarded to the proxy department. This is the responsibility of the investment professional or sales assistant for the client. In accordance with Department of Labor guidelines, the Advisers' policy is to vote on behalf of ERISA accounts in the best interest of the plan participants with regard to social issues that carry an economic impact. Where an account is not governed by ERISA, the Advisers will vote shares held on behalf of the client in a manner consistent with any individual investment/voting guidelines provided by the client. Otherwise the Advisers will abstain with respect to those shares.

## **III. Client Retention of Voting Rights**

If a client chooses to retain the right to vote proxies or if there is any change in voting authority, the following should be notified by the investment professional or sales assistant for the client.

Operations

Legal Department

Proxy Department

Investment professional assigned to the account

In the event that the Board of Directors (or a Committee thereof) of one or more of the investment companies managed by one of the Advisers has retained direct voting control over any security, the Proxy Voting Department will provide each Board Member (or Committee member) with a copy of the proxy statement together with any other relevant information including recommendations of ISS or other third-party services.

#### **IV. Voting Records**

The Proxy Voting Department will retain a record of matters voted upon by the Advisers for their clients. The Advisers will supply information on how an account voted its proxies upon request.

A letter is sent to the custodians for all clients for which the Advisers have voting responsibility instructing them to forward all proxy materials to:

[Adviser name]

Attn: Proxy Voting Department

One Corporate Center

Rye, New York 10580-1433

The sales assistant sends the letters to the custodians along with the trading/DTC instructions. Proxy voting records will be retained in compliance with Rule 204-2 under the Investment Advisers Act.

#### **V. Voting Procedures**

1. Custodian banks, outside brokerage firms and clearing firms are responsible for forwarding proxies directly to the Advisers.

Proxies are received in one of two forms:

Shareholder Vote Authorization Forms ( VAFs ) Issued by Broadridge Financial Solutions, Inc. ( Broadridge ) VAFs must be voted through the issuing institution causing a time lag. Broadridge is an outside service contracted by the various institutions to issue proxy materials.

Proxy cards which may be voted directly.

2. Upon receipt of the proxy, the number of shares each form represents is logged into the proxy system according to security.

3. In the case of a discrepancy such as an incorrect number of shares, an improperly signed or dated card, wrong class of security, etc., the issuing custodian is notified by phone. A corrected proxy is requested. Any arrangements are made to insure that a proper proxy is received in time to be voted (overnight delivery, fax, etc.). When securities are out on loan on record date, the custodian is requested to supply written verification.

4. Upon receipt of instructions from the proxy committee (see Administrative), the votes are cast and recorded for each account on an individual basis.

Records have been maintained on the Proxy Edge system. The system is backed up regularly.

Proxy Edge records include:

Security Name and Cusip Number

Date and Type of Meeting (Annual, Special, Contest)

Client Name

Adviser or Fund Account Number

Directors Recommendation

How GAMCO voted for the client on each issue

5. VAFs are kept alphabetically by security. Records for the current proxy season are located in the Proxy Voting Department office. In preparation for the upcoming season, files are transferred to an offsite storage facility during January/February.

6. Shareholder Vote Authorization Forms issued by Broadridge are always sent directly to a specific individual at Broadridge.

7. If a proxy card or VAF is received too late to be voted in the conventional matter, every attempt is made to vote on one of the following manners:

VAFs can be faxed to Broadridge up until the time of the meeting. This is followed up by mailing the original form.

When a solicitor has been retained, the solicitor is called. At the solicitor's direction, the proxy is faxed.

8. In the case of a proxy contest, records are maintained for each opposing entity.

9. Voting in Person

a) At times it may be necessary to vote the shares in person. In this case, a legal proxy is obtained in the following manner:

Banks and brokerage firms using the services at Broadridge:

The back of the VAF is stamped indicating that we wish to vote in person. The forms are then sent overnight to Broadridge. Broadridge issues individual legal proxies and sends them back via overnight (or the Adviser can pay messenger charges). A lead-time of at least two weeks prior to the meeting is needed to do this. Alternatively, the procedures detailed below for banks not using Broadridge may be implemented.

Banks and brokerage firms issuing proxies directly:  
The bank is called and/or faxed and a legal proxy is requested.

All legal proxies should appoint:

**Representative of [Adviser name] with full power of substitution.**

b) The legal proxies are given to the person attending the meeting along with the following supplemental material:

A limited Power of Attorney appointing the attendee an Adviser representative.

A list of all shares being voted by custodian only. Client names and account numbers are not included. This list must be presented, along with the proxies, to the Inspectors of Elections and/or tabulator at least one-half hour prior to the scheduled start of the meeting. The tabulator must qualify the votes (i.e. determine if the vote have previously been cast, if the votes have been rescinded, etc. vote have previously been cast, etc.).

A sample ERISA and Individual contract.

A sample of the annual authorization to vote proxies form.

A copy of our most recent Schedule 13D filing (if applicable).

**Appendix A**

**Proxy Guidelines**

**PROXY VOTING GUIDELINES**

***GENERAL POLICY STATEMENT***

It is the policy of **GAMCO Investors, Inc.** to vote in the best economic interests of our clients. As we state in our Magna Carta of Shareholders Rights, established in May 1988, we are neither *for* nor *against* management. We are for shareholders.

At our first proxy committee meeting in 1989, it was decided that each proxy statement should be evaluated on its own merits within the framework first established by our Magna Carta of Shareholders Rights. The attached guidelines serve to enhance that broad framework.

We do not consider any issue routine. We take into consideration all of our research on the company, its directors, and their short and long-term goals for the company. In cases where issues that we generally do not approve of are combined with other issues, the negative aspects of the issues will be factored into the evaluation of the overall proposals but will not necessitate a vote in opposition to the overall proposals.

**BOARD OF DIRECTORS**

The advisers do not consider the election of the Board of Directors a routine issue. Each slate of directors is evaluated on a case-by-case basis.

Factors taken into consideration include:

Historical responsiveness to shareholders  
This may include such areas as:

Paying greenmail

Failure to adopt shareholder resolutions receiving a majority of shareholder votes

Qualifications

Nominating committee in place

Number of outside directors on the board

Attendance at meetings

Overall performance

**SELECTION OF AUDITORS**

In general, we support the Board of Directors' recommendation for auditors.

**BLANK CHECK PREFERRED STOCK**

We oppose the issuance of blank check preferred stock.

Blank check preferred stock allows the company to issue stock and establish dividends, voting rights, etc. without further shareholder approval.

**CLASSIFIED BOARD**

A classified board is one where the directors are divided into classes with overlapping terms. A different class is elected at each annual meeting.

While a classified board promotes continuity of directors facilitating long range planning, we feel directors should be accountable to shareholders on an annual basis. We will look at this proposal on a case-by-case basis taking into consideration the board's historical responsiveness to the rights of shareholders.

Where a classified board is in place we will generally not support attempts to change to an annually elected board.

When an annually elected board is in place, we generally will not support attempts to classify the board.

***INCREASE AUTHORIZED COMMON STOCK***

The request to increase the amount of outstanding shares is considered on a case-by-case basis.

Factors taken into consideration include:

Future use of additional shares

Stock split

Stock option or other executive compensation plan

Finance growth of company/strengthen balance sheet

Aid in restructuring

Improve credit rating

Implement a poison pill or other takeover defense

Amount of stock currently authorized but not yet issued or reserved for stock option plans

Amount of additional stock to be authorized and its dilutive effect

We will support this proposal if a detailed and verifiable plan for the use of the additional shares is contained in the proxy statement.

***CONFIDENTIAL BALLOT***

We support the idea that a shareholder's identity and vote should be treated with confidentiality.

However, we look at this issue on a case-by-case basis.

In order to promote confidentiality in the voting process, we endorse the use of independent Inspectors of Election.



***CUMULATIVE VOTING***

In general, we support cumulative voting.

Cumulative voting is a process by which a shareholder may multiply the number of directors being elected by the number of shares held on record date and cast the total number for one candidate or allocate the voting among two or more candidates.

Where cumulative voting is in place, we will vote against any proposal to rescind this shareholder right.

Cumulative voting may result in a minority block of stock gaining representation on the board. When a proposal is made to institute cumulative voting, the proposal will be reviewed on a case-by-case basis. While we feel that each board member should represent all shareholders, cumulative voting provides minority shareholders an opportunity to have their views represented.

***DIRECTOR LIABILITY AND INDEMNIFICATION***

We support efforts to attract the best possible directors by limiting the liability and increasing the indemnification of directors, except in the case of insider dealing.

***EQUAL ACCESS TO THE PROXY***

The SEC's rules provide for shareholder resolutions. However, the resolutions are limited in scope and there is a 500 word limit on proponents written arguments. Management has no such limitations. While we support equal access to the proxy, we would look at such variables as length of time required to respond, percentage of ownership, etc.

***FAIR PRICE PROVISIONS***

Charter provisions requiring a bidder to pay all shareholders a fair price are intended to prevent two-tier tender offers that may be abusive. Typically, these provisions do not apply to board-approved transactions.

We support fair price provisions because we feel all shareholders should be entitled to receive the same benefits.

Reviewed on a case-by-case basis.

***GOLDEN PARACHUTES***

Golden parachutes are severance payments to top executives who are terminated or demoted after a takeover.

We support any proposal that would assure management of its own welfare so that they may continue to make decisions in the best interest of the company and shareholders even if the decision results in them losing their job. We do not, however, support excessive golden parachutes. Therefore, each proposal will be decided on a case-by-case basis.

*Note: Congress has imposed a tax on any parachute that is more than three times the executive's average annual compensation.*

***ANTI-GREENMAIL PROPOSALS***

We do not support greenmail. An offer extended to one shareholder should be extended to all shareholders equally across the board.

***LIMIT SHAREHOLDERS RIGHTS TO CALL SPECIAL MEETINGS***

We support the right of shareholders to call a special meeting.

***CONSIDERATION OF NONFINANCIAL EFFECTS OF A MERGER***

This proposal releases the directors from only looking at the financial effects of a merger and allows them the opportunity to consider the merger's effects on employees, the community, and consumers.

As a fiduciary, we are obligated to vote in the best economic interests of our clients. In general, this proposal does not allow us to do that. Therefore, we generally cannot support this proposal.

Reviewed on a case-by-case basis.

***MERGERS, BUYOUTS, SPIN-OFFS, RESTRUCTURINGS***

Each of the above is considered on a case-by-case basis. According to the Department of Labor, we are not required to vote for a proposal simply because the offering price is at a premium to the current market price. We may take into consideration the long term interests of the shareholders.

***MILITARY ISSUES***

Shareholder proposals regarding military production must be evaluated on a purely economic set of criteria for our **ERISA** clients. As such, decisions will be made on a case-by-case basis.

In voting on this proposal for our non-**ERISA** clients, we will vote according to the client's direction when applicable. Where no direction has been given, we will vote in the best economic interests of our clients. It is not our duty to impose our social judgment on others.

***NORTHERN IRELAND***

Shareholder proposals requesting the signing of the MacBride principles for the purpose of countering the discrimination of Catholics in hiring practices must be evaluated on a purely economic set of criteria for our **ERISA** clients. As such, decisions will be made on a case-by-case basis.

In voting on this proposal for our non-**ERISA** clients, we will vote according to client direction when applicable. Where no direction has been given, we will vote in the best economic interests of our clients. It is not our duty to impose our social judgment on others.

***OPT OUT OF STATE ANTI-TAKEOVER LAW***

This shareholder proposal requests that a company opt out of the coverage of the state's takeover statutes. Example: Delaware law requires that a buyer must acquire at least 85% of the company's stock before the buyer can exercise control unless the board approves.

We consider this on a case-by-case basis. Our decision will be based on the following:

State of Incorporation

Management history of responsiveness to shareholders

Other mitigating factors

***POISON PILL***

In general, we do not endorse poison pills.

In certain cases where management has a history of being responsive to the needs of shareholders and the stock is very liquid, we will reconsider this position.

***REINCORPORATION***

Generally, we support reincorporation for well-defined business reasons. We oppose reincorporation if proposed solely for the purpose of reincorporating in a state with more stringent anti-takeover statutes that may negatively impact the value of the stock.

***STOCK OPTION PLANS***

Stock option plans are an excellent way to attract, hold and motivate directors and employees. However, each stock option plan must be evaluated on its own merits, taking into consideration the following:

Dilution of voting power or earnings per share by more than 10%

Kind of stock to be awarded, to whom, when and how much

Method of payment

Amount of stock already authorized but not yet issued under existing stock option plans

***SUPERMAJORITY VOTE REQUIREMENTS***

Supermajority vote requirements in a company's charter or bylaws require a level of voting approval in excess of a simple majority of the outstanding shares. In general, we oppose supermajority-voting requirements. Supermajority requirements often exceed the average level of shareholder participation. We support proposals' approvals by a simple majority of the shares voting.

***LIMIT SHAREHOLDERS RIGHT TO ACT BY WRITTEN CONSENT***

Written consent allows shareholders to initiate and carry on a shareholder action without having to wait until the next annual meeting or to call a special meeting. It permits action to be taken by the written consent of the same percentage of the shares that would be required to effect proposed action at a shareholder meeting.

Reviewed on a case-by-case basis.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

**PORTFOLIO MANAGERS**

Mr. Mario J. Gabelli, CFA, Mr. Robert D. Leininger, CFA, and Ms. Barbara G. Marcin, CFA, serve as Portfolio Managers of The Gabelli Dividend and Income Trust.

Mr. Gabelli serves as Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. Mr. Leininger joined GAMCO Investors, Inc. in October 2010 as a Senior Vice President and Portfolio Manager.

Ms. Barbara Marcin joined GAMCO Investors, Inc. in 1999 as a Senior Vice President and Portfolio Manager.

**MANAGEMENT OF OTHER ACCOUNTS**

The table below shows the number of other accounts managed by the Portfolio Managers and the total assets in each of the following categories: registered investment companies, other paid investment vehicles and other accounts as of December 31, 2011. For each category, the table also shows the number of accounts and the total assets in the accounts with respect to which the advisory fee is based on account performance.

| Name of Portfolio Manager | Type of Accounts                  | Total No. of Accounts Managed | Total Assets | No. of Accounts where Advisory Fee is Based on Performance | Total Assets in Accounts where Advisory Fee is Based on Performance |
|---------------------------|-----------------------------------|-------------------------------|--------------|--|---|
| 1. Mario J. Gabelli       | Registered Investment Companies:  | 26                            | 16.4B        | 7  | 2.3B  |
|                           | Other Pooled Investment Vehicles: | 16                            | 604.9M       | 13   | 551.7M  |
|                           | Other Accounts:                   | 1,766                         | 13.4B        | 9  | 1.4B  |
| 2. Barbara G. Marcin      | Registered Investment Companies:  | 3                             | 1.2B         | 0  | 0   |
|                           | Other Pooled Investment Vehicles: | 0                             | 0            | 0  | 0   |
|                           | Other Accounts:                   | 47                            | 154.3M       | 0  | 0   |
| 3. Robert D. Leininger    | Registered Investment Companies:  | 0                             | 0            | 0  | 0   |
|                           | Other Pooled Investment Vehicles: | 0                             | 0            | 0  | 0   |
|                           | Other Accounts:                   | 2                             | 512.5K       | 0  | 0   |

**POTENTIAL CONFLICTS OF INTEREST**

As reflected above, the Portfolio Managers manage accounts in addition to the Trust. Actual or apparent conflicts of interest may arise when a Portfolio Manager also has day-to-day management responsibilities with respect to one or more other accounts. These potential conflicts include:

**ALLOCATION OF LIMITED TIME AND ATTENTION.** As indicated above, the Portfolio Managers manage multiple accounts. As a result, he/she will not be able to devote all of their time to the management of the Trust. The Portfolio Managers, therefore, may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he/she were to devote all of their attention to the management of only the Trust.

**ALLOCATION OF LIMITED INVESTMENT OPPORTUNITIES.** As indicated above, the Portfolio Managers manage managed accounts with investment strategies and/or policies that are similar to the Trust. In these cases, if the Portfolio Manager identifies an investment opportunity that may be suitable for multiple accounts, a Fund may not be able to take full advantage of that opportunity because the opportunity may be allocated among all or many of these accounts or other accounts managed primarily by other Portfolio Managers of the Adviser, and their affiliates. In addition, in the event a Portfolio Manager determines to purchase a security for more than one account in an aggregate amount that may influence the market price of the security, accounts that purchased or sold the security first may receive a more favorable price than accounts that made subsequent transactions.

**SELECTION OF BROKER/DEALERS.** Because of Mr. Gabelli's position with the Distributor and his indirect majority ownership interest in the Distributor, he may have an incentive to use the Distributor to execute portfolio transactions for a Fund.

**PURSUIT OF DIFFERING STRATEGIES.** At times, the Portfolio Managers may determine that an investment opportunity may be appropriate for only some of the accounts for which he/she exercises investment responsibility, or may decide that certain of the funds or accounts should take differing positions with respect to a particular security. In these cases, the Portfolio Manager may execute differing or opposite transactions for one or more accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment of one or more other accounts.

**VARIATION IN COMPENSATION.** A conflict of interest may arise where the financial or other benefits available to the Portfolio Manager differs among the accounts that he/she manages. If the structure of the Adviser's management fee or the Portfolio Manager's compensation differs among accounts (such as where certain accounts pay higher management fees or performance-based management fees), the Portfolio Manager may be motivated to favor certain accounts over others. The Portfolio Manager also may be motivated to favor accounts in which they have an investment interest, or in which the Adviser, or their affiliates have investment interests. Similarly, the desire to maintain assets under management or to enhance a Portfolio Manager's performance record or to derive other rewards, financial or otherwise, could influence the Portfolio Manager in affording preferential treatment to those accounts that could most significantly benefit the Portfolio Manager. For example, as reflected above, if the Portfolio Manager manages accounts which have performance fee arrangements, certain portions of his/her compensation will depend on the achievement of performance milestones on those accounts. The Portfolio Manager could be incented to afford preferential treatment to those accounts and thereby be subject to a potential conflict of interest.

The Adviser, and the Funds have adopted compliance policies and procedures that are designed to address the various conflicts of interest that may arise for the Adviser and their staff members. However, there is no guarantee that such policies and procedures will be able to detect and prevent every situation in which an actual or potential conflict may arise.

#### **COMPENSATION STRUCTURE FOR MARIO J. GABELLI**

Mr. Gabelli receives incentive-based variable compensation based on a percentage of net revenues received by the Adviser for managing the Trust. Net revenues are determined by deducting from gross investment management fees the firm's expenses (other than Mr. Gabelli's compensation) allocable to this Trust. Five closed-end registered investment companies (including this Trust) managed by Mr. Gabelli have arrangements whereby the Adviser will only receive its investment advisory fee attributable to the liquidation value of outstanding preferred stock (and Mr. Gabelli would only receive his percentage of such advisory fee) if certain performance levels are met. Additionally, he receives similar incentive based variable compensation for managing other accounts within the firm and its affiliates. This method of compensation is based on the premise that superior long-term performance in managing a portfolio should be rewarded with higher compensation as a result of growth of assets through appreciation and net investment activity. The level of compensation is not determined with specific reference to the performance of any account against any specific benchmark. One of the other registered investment companies managed by Mr. Gabelli has a performance (fulcrum) fee arrangement for which his compensation is

adjusted up or down based on the performance of the investment company relative to an index. Mr. Gabelli manages other accounts with performance fees. Compensation for managing these accounts has two components. One component is based on a percentage of net revenues to the investment adviser for managing the account. The second component is based on absolute performance of the account, with respect to which a percentage of such performance fee is paid to Mr. Gabelli. As an executive officer of the Adviser's parent company, GBL, Mr. Gabelli also receives ten percent of the net operating profits of the parent company. He receives no base salary, no annual bonus, and no stock options.

**COMPENSATION STRUCTURE FOR BARBARA G. MARCIN**

The compensation of Ms. Marcin for the Trust is structured to enable the Adviser to attract and retain highly qualified professionals in a competitive environment. The Portfolio Manager receives a compensation package that includes a minimum draw or base salary, equity-based incentive compensation via awards of stock options, and incentive based variable compensation based on a percentage of net revenue received by the Adviser for managing the Trust to the extent that the amount exceeds a minimum level of compensation. Net revenues are determined by deducting from gross investment management fees certain of the firm's expenses (other than the Portfolio Managers' compensation) allocable to the Trust (the incentive-based variable compensation for managing other accounts is also based on a percentage of net revenues to the investment adviser for managing the account). This method of compensation is based on the premise that superior long-term performance in managing a portfolio should be rewarded with higher compensation as a result of growth of assets through appreciation and net investment activity. The level of equity-based incentive and incentive-based variable compensation is based on an evaluation by the Adviser's parent, GBL, of quantitative and qualitative performance evaluation criteria. This evaluation takes into account, in a broad sense, the performance of the accounts managed by the Portfolio Manager, but the level of compensation is not determined with specific reference to the performance of any account against any specific benchmark. Generally, greater consideration is given to the performance of larger accounts and to longer term performance over smaller accounts and short-term performance.

**OWNERSHIP OF SHARES IN THE FUND**

Mario J. Gabelli, Barbara G. Marcin, and Robert D Leininger each owned over \$1,000,000, \$0 and \$100,001 to \$500,000 of shares, respectively, of the Trust as of December 31, 2011.

(b) Not applicable.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

**REGISTRANT PURCHASES OF EQUITY SECURITIES**

| Period               | (a) Total Number of         |     | (b) Average Price Paid |     | (c) Total Number of | (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs |                    |            |
|----------------------|-----------------------------|-----|------------------------|-----|---------------------|---|--------------------|------------|
|                      | Shares (or Units) Purchased |     | per Share (or Unit)    |     |                     |   | Publicly Announced |            |
| Month #1<br>07/01/11 | Common                      | N/A | Common                 | N/A | Common              | N/A   | Common             | 82,965,389 |
| through              | Preferred Series A          | N/A | Preferred Series A     | N/A | Preferred Series A  | N/A   | Preferred Series A | 3,048,019  |
| 07/31/11             | Preferred Series D          | N/A | Preferred Series D     | N/A | Preferred Series D  | N/A   | Preferred Series D | 2,542,296  |



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|                      |                        |                        |                        |                              |
|----------------------|------------------------|------------------------|------------------------|------------------------------|
| Month #2<br>08/01/11 | Common 5,000           | Common \$15.3316       | Common 5,000           | Common 82,960,389            |
| through              | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A 3,048,019 |
| 08/31/11             | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D 2,542,296 |
| Month #3             | Common N/A             | Common N/A             | Common N/A             | Common 82,960,389            |
| 09/01/11             | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A 3,048,019 |
| through              | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D 2,542,296 |
| 09/30/11             |                        |                        |                        |                              |
| Month #4             | Common N/A             | Common N/A             | Common N/A             | Common 82,960,389            |
| 10/01/11             | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A 3,048,019 |
| through              | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D 2,542,296 |
| 10/31/11             |                        |                        |                        |                              |
| Month #5             | Common 30,000          | Common \$14.7949       | Common 30,000          | Common 82,930,389            |
| 11/01/11             | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A 3,048,019 |
| through              | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D 2,542,296 |
| 11/30/11             |                        |                        |                        |                              |
| Month #6             | Common 5,000           | Common \$14.602        | Common 5,000           | Common 82,925,389            |
| 12/01/11             | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A 3,048,019 |
| through              | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D 2,542,296 |
| 12/31/11             |                        |                        |                        |                              |
| Total                | Common 40,000          | Common \$14.9095       | Common 40,000          | N/A                          |
|                      | Preferred Series A N/A | Preferred Series A N/A | Preferred Series A N/A |                              |
|                      | Preferred Series D N/A | Preferred Series D N/A | Preferred Series D N/A |                              |

Footnote columns (c) and (d) of the table, by disclosing the following information in the aggregate for all plans or programs publicly announced:

- a. The date each plan or program was announced The notice of the potential repurchase of common and preferred shares occurs quarterly in the Fund s quarterly report in accordance with Section 23(c) of the Investment Company Act of 1940, as amended.
- b. The dollar amount (or share or unit amount) approved Any or all common shares outstanding may be repurchased when the Fund s common shares are trading at a discount of 7.5% or more from the net asset value of the shares.

Any or all preferred shares outstanding may be repurchased when the Fund's preferred shares are trading at a discount to the liquidation value of \$25.00.

- c. The expiration date (if any) of each plan or program. The Fund's repurchase plans are ongoing.
- d. Each plan or program that has expired during the period covered by the table. The Fund's repurchase plans are ongoing.
- e. Each plan or program the registrant has determined to terminate prior to expiration, or under which the registrant does not intend to make further purchases. The Fund's repurchase plans are ongoing.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's Board of Trustees, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

**Item 11. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits.**

- (a)(1) Code of ethics, or any amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto.
- (a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (a)(3) Not applicable.
- (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

**SIGNATURES**

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

(registrant)                      The Gabelli Dividend & Income Trust

By (Signature and Title)\*    /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive Officer

Date 3/9/12

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

By (Signature and Title)\*    /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive Officer

Date 3/9/12

By (Signature and Title)\*    /s/ Agnes Mullady

Agnes Mullady, Principal Financial Officer and Treasurer

Date 3/9/12

\* Print the name and title of each signing officer under his or her signature.