

DIVIDEND & INCOME FUND, INC.
Form N-CSR
February 21, 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 811-08747
file number:

Dividend and Income Fund, Inc.
(Exact name of registrant as specified in charter)

11 Hanover Square, New York, NY 10005
(Address of principal executive offices) (Zipcode)

John F. Ramírez, Esq.

11 Hanover Square
New York, NY 10005
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-212-785-0400

Date of fiscal year end: 12/31

Date of reporting period: 12/1/10 - 12/31/11

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 policy making 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 current 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, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under clearance requirements of 44 U.S.C. sec. 3507.

Item 1. Report to Stockholders.

BREAKDOWN BY INVESTMENTS - December 31, 2011*

* Based on approximate percentages of net assets and may not add up to 100% due to leverage or other assets, rounding, and other factors.

TOP TEN INDUSTRIES OF EQUITIES - December 31, 2011

- | | |
|-------------------------------------|--|
| 1. Pharmaceutical Preparations | 6. Electronic & Other Electrical Equipment |
| 2. Electric Services | 7. Retail-Women's Clothing Stores |
| 3. Telephone Communications | 8. Investment Companies |
| 4. Semiconductors & Related Devices | 9. Real Estate Investment Trust |
| 5. Natural Gas Transmission | 10. Life Insurance |

TOP TEN INDUSTRIES OF CORPORATE BONDS AND NOTES - December 31, 2011

- | | |
|--|---|
| 1. Water Transportation | 6. Cable/Satellite TV |
| 2. Telephone Communications | 7. Miscellaneous Fabricated Metal Products |
| 3. Natural Gas Transmission | 8. Converted Paper & Paperboard Products
Steel Works, Blast Furnaces & Rolling & |
| 4. Cable & Other Pay Television Services | 9. Finishing Mills |
| 5. Electric Services | 10. Oil & Gas Field Services |

BREAKDOWN BY INVESTMENTS - November 30, 2011*

* Based on approximate percentages of net assets and may not add up to 100% due to leverage or other assets, rounding, and other factors.

TOP TEN INDUSTRIES OF EQUITIES - November 30, 2011

- | | |
|-------------------------------------|--|
| 1. Pharmaceutical Preparations | Miscellaneous Business Credit |
| 2. Electric Services | 6. Institution |
| 3. Telephone Communications | 7. Retail-Women's Clothing Stores |
| 4. Semiconductors & Related Devices | 8. Electronic & Other Electrical Equipment |
| 5. Natural Gas Transmission | 9. Investment Companies |
| | 10. Real Estate Investment Trust |

TOP TEN INDUSTRIES OF CORPORATE BONDS AND NOTES - November 30, 2011

- | | |
|--|--|
| 1. Water Transportation | 6. Miscellaneous Fabricated Metal Products |
| 2. Telephone Communications | 7. Cable/Satellite TV |
| 3. Natural Gas Transmission | 8. Converted Paper & Paperboard Products |
| | Steel Works, Blast Furnaces & Rolling & |
| 4. Cable & Other Pay Television Services | 9. Finishing Mills |
| 5. Electric Services | 10. Pharmaceutical Preparations |

Dear Fellow Shareholders:

It is a pleasure to submit this 2011 Annual Report for Dividend and Income Fund for the periods ended November 30 and December 31 and to welcome our new shareholders who find the Fund's investing approach attractive. The Fund's primary investment objective is to seek high current income. Capital appreciation is a secondary objective. The Fund seeks to achieve its objectives by investing, under normal circumstances, at least 50% of its total assets in income generating equity securities, including dividend paying common stocks, convertible securities, preferred stocks, securities of registered investment companies (including, but not limited to, closed end and open end management investment companies, and business development companies) (collectively, "investment companies"), exchange traded funds organized as investment companies or otherwise, real estate investment trusts, depositary receipts, and other equity related securities (collectively, "Income Generating Equity Securities"). Of course, there can be no assurance that the Fund will achieve its objectives.

Completion of Successful Rights Offering

The Fund is pleased to have announced that it issued 7,099,952 shares of common stock on December 29, 2011 pursuant to its recently completed non-transferable rights offering. Because the rights offering was oversubscribed and sufficient primary subscription shares were not available to honor all over-subscription requests, pursuant to the prospectus and at the discretion of its Board of Directors, the Fund increased the number of shares subject to subscription by an additional 1,419,952 new shares to cover such over-subscription requests. The available shares were allocated pro rata among those who over-subscribed based on the number of shares owned by them on the record date, November 14, 2011.

Proceeds of the rights offering were \$22,577,847, prior to the deduction of offering expenses of approximately \$375,000, based on a share subscription price of \$3.18, which was equal to 95% of the lower of (a) the Fund's net asset value ("NAV") per share or (b) the market price per share. In accordance with the offering prospectus, the NAV per share, determined as of December 23, 2011, the expiration date of the right offering period, was \$4.19, and the market price per share, \$3.35, was the average of the volume weighted average sales price of a share on the New York Stock Exchange on the expiration date and the four preceding trading days. The NAV per share of the Fund was reduced by approximately \$0.32 per share as a result of the issuance of shares below NAV.

Economic and Market Report and Investment Outlook

Stock market performance for the year ended November 30, 2011 was positive, although volatile. In the one year period, the S&P 500 Index returned 7.83% and the Merrill Lynch U.S. High Yield Master II Index returned 3.65%, according to Morningstar. In the same period, the Fund's net asset value return was 5.61%, including the reinvestment of dividends, and its market return, also including the reinvestment of dividends, was (11.15)%. In the one month period ended December 31, 2011, the S&P 500 Index returned 1.02% and the Merrill Lynch U.S. High Yield Master II Index returned 2.48%, according to Morningstar. In the same period, the Fund's net asset value return was (5.52)%, including the reinvestment of dividends, and its market return, also including the reinvestment of dividends, was 2.13%. Neither unmanaged index reflects fees and expenses nor is available for direct investment. Generally, the Fund's total return on a net asset value basis will be lower than total return on a market value basis in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. In the one month period ended December 31, 2011, however, the Fund's net asset value return was lowered also by the approximately 7.16% dilutive effect of the rights offering.

In the calendar year 2011, real gross domestic product (GDP), or the output of goods and services produced by labor and property located in the United States, increased only 1.6%, as compared to an increase of 3.1% in 2010, according to a recent report of the U.S. Bureau of Economic Analysis. In an announcement well received by financial markets, to support the moderately expanding economy, the Federal Open Market Committee (FOMC) has indicated that it will keep the target range for the federal funds interest rate at 0% to 0.25%. Offsetting this potential reason for optimism, the FOMC also indicated that it anticipates subdued economic conditions, including low rates of resource utilization, likely to warrant exceptionally low levels for the federal funds interest rate at least through late 2014. While the FOMC has noted that there appears to be some improvement in overall labor market conditions, it seems to view the unemployment rate as elevated and, while household spending has continued to advance, it observes that growth in business fixed investment has slowed and the housing sector remains depressed. Interestingly, inflation over the 2011 year as measured by the Consumer Price Index increased 3.0% before seasonal adjustment.

Recently, the Congressional Budget Office (CBO) reported that the U.S government will likely run its fourth straight year of annual deficits over \$1 trillion, and may continue to do so for the next several years assuming Bush-era tax cuts are extended. For 2012, the CBO also suggests modest GDP growth of 2% and unemployment over 8%. The U.S. economic outlook appears to be for a slow economy and a challenging job market, with low interest rates and inflation. Globally, we are concerned by a further slowing of the Chinese economy and with the Eurozone's sovereign debt and banking industry issues. Nevertheless, we are encouraged by the potential for strength in financial markets derived in part by improving corporate profits, an accommodative monetary policy, and a perception that an economic recovery may occur.

The Fund's general strategy in this economic and market environment was to maintain a steady course, while emphasizing quality income generating equity securities. As markets evolve, the Fund anticipates that it will continue to invest in these and other securities in seeking to provide shareholders with high current income, and secondarily, capital appreciation. Our view of the markets suggests that the Fund may benefit during the current period from a disciplined portfolio selection strategy, employing leverage and other investment techniques as deemed appropriate in seeking its objectives. We believe this approach provides a sound high current income strategy for investors over the long term, as well.

Fund Website and Dividend Reinvestment Plan

The Fund's website, www.DividendandIncomeFund.com, provides investors with investment information, news, and other material regarding the Fund. The website also has links to the most recent S&P Stock Report on the Fund and to performance and daily net asset value reporting. You are invited to use this excellent resource to learn more about the Fund.

Thank you for investing in the Fund. For those shareholders currently receiving the Fund's quarterly dividends in cash but are interested in adding to their account through the Fund's Dividend Reinvestment Plan, we encourage you to review the Plan set forth later in this document and contact the Transfer Agent, who will be pleased to assist you with no obligation on your part. We share your enthusiasm for the Fund, as evidenced by the fact that affiliates of Bexil Advisers LLC, the Fund's investment manager, own approximately 5.2% of the Fund's shares. We look forward to serving your investment needs over the years ahead.

Sincerely,

Thomas B. Winmill
President

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2011

Shares		Cost	Value
	COMMON STOCK (56.88%)		
	Aircraft Engines & Engine Parts (0.78%)		
10,000	United Technologies Corp.	\$727,426	\$730,900
	Beverages (1.84%)		
15,000	Coca-Cola Company	835,675	1,049,550
10,000	PepsiCo, Inc.	529,400	663,500
		1,365,075	1,713,050
	Cigarettes (1.80%)		
30,000	Altria Group, Inc.	634,550	889,500
10,000	Philip Morris International, Inc.	485,376	784,800
		1,119,926	1,674,300
	Computers & Office Equipment (1.09%)		
25,000	Hewlett-Packard Company	1,088,505	644,000
2,000	International Business Machines Corporation	258,964	367,760
		1,347,469	1,011,760
	Crude Petroleum & Natural Gas (0.82%)		
8,160	Occidental Petroleum Corporation	527,752	764,592
	Deep Sea Foreign Transportation of Freight (0.73%)		
50,000	Seaspan Corp.	347,030	684,000
	Dolls & Stuffed Toys (0.75%)		
25,000	Mattel, Inc. (a)	610,742	694,000
	Electric Services (4.09%)		
11,000	Entergy Corp.	693,431	803,550
65,000	Southern Company (a)	2,326,432	3,008,850
		3,019,863	3,812,400
	Electronic & Other Electrical Equipment (2.35%)		
20,000	Emerson Electric Company (a)	747,590	931,800
70,000	General Electric Company (a)	1,166,254	1,253,700
		1,913,844	2,185,500
	Electronic & Other Services Combined (0.79%)		
17,000	Exelon Corp.	715,134	737,290
	Fire, Marine & Casualty Insurance (1.51%)		
20,000	Ace Ltd.	829,324	1,402,400
	Food & Kindred Products (0.40%)		
10,000	Kraft Foods, Inc. Class A (a)	258,704	373,600

DIVIDEND AND INCOME FUND, INC.

SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2011

Shares		Cost	Value
	COMMON STOCK (continued)		
	Investment Advice (0.43%)		
20,000	Invesco Ltd.	\$437,950	\$401,800
	Life Insurance (1.96%)		
30,000	Lincoln National Corp.	670,430	582,600
40,000	MetLife, Inc.	699,693	1,247,200
		1,370,123	1,829,800
	Malt Beverages (0.75%)		
16,000	Molson Coors Brewing Company	707,427	696,640
	Miscellaneous Business Credit Institution (1.03%)		
38,316	Solar Capital Ltd.	731,279	846,400
46,169	Star Asia Financial Ltd. (a) (b)	686,145	116,808
		1,417,424	963,208
	Motor Vehicle Parts & Accessories (1.46%)		
25,000	Honeywell International, Inc.	889,529	1,358,750
	National Commercial Banks (1.31%)		
36,800	JPMorgan Chase & Company	774,303	1,223,600
	Paints, Varnishes, Lacquers, Enamels & Allied Products (0.90%)		
10,000	PPG Industries, Inc. (a)	657,378	834,900
	Perfumes, Cosmetics & Other Preparations (0.94%)		
50,000	Avon Products, Inc. (a)	1,596,424	873,500
	Petroleum Refining (1.77%)		
11,000	ConocoPhillips	731,802	801,570
10,000	Exxon Mobil Corp.	738,274	847,600
		1,470,076	1,649,170
	Pharmaceutical Preparations (7.34%)		
30,000	Abbott Laboratories (a)	1,522,047	1,686,900
55,000	Bristol-Myers Squibb Company (a)	1,241,872	1,938,200
11,000	Johnson & Johnson	708,922	721,380
20,000	Merck & Company, Inc.	680,994	754,000
80,000	Pfizer Inc. (a)	1,211,079	1,731,200
		5,364,914	6,831,680
	Plastics Materials, Resins & Nonvulcanelastomers (1.60%)		
20,000	E.I. du Pont de Nemours and Company (a)	751,716	915,600
20,000	Dow Chemical Company (a)	580,754	575,200
		1,332,470	1,490,800

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2011

Shares		Cost	Value
	COMMON STOCK (continued)		
	Radio & TV Communications Equipment (1.18%)		
115,000	Nokia Corp.	\$715,012	\$554,300
10,000	QUALCOMM, Inc.	383,189	547,000
		1,098,201	1,101,300
	Radio Telephone Communications (0.60%)		
20,000	Vodafone Group PLC ADR	453,234	560,600
	Real Estate Investment Trust (2.00%)		
53,400	Annaly Capital Management, Inc. (a)	922,335	852,264
150,000	MFA Financial, Inc. (a)	1,201,341	1,008,000
		2,123,676	1,860,264
	Refuse Systems (0.53%)		
15,000	Waste Management, Inc.	532,822	490,650
	Retail - Variety Stores (0.88%)		
16,000	Target Corp.	660,150	819,520
	Retail - Women's Clothing Stores (2.34%)		
54,000	Limited Brands, Inc. (a)	475,950	2,178,900
	Savings Institution, Federally Chartered (0.83%)		
60,000	People's United Financial, Inc. (a)	826,108	771,000
	Security & Commodity Brokers, Dealers, Exchanges & Services (0.42%)		
15,000	NYSE Euronext	372,671	391,500
	Semiconductors & Related Devices (3.30%)		
23,000	Analog Devices, Inc.	726,742	822,940
40,000	Intel Corp.	796,500	970,000
35,000	Microchip Technology, Inc. (a)	998,144	1,282,050
		2,521,386	3,074,990
	Services - Business Services (0.65%)		
40,000	Lender Processing Services, Inc. (a)	733,684	602,800
	Services - Engineering, Accounting, Research, Management (0.32%)		
10,000	Paychex, Inc.	309,491	301,100
	Services - Prepackaged Software (0.84%)		
30,000	Microsoft Corp.	900,672	778,800
	Soap, Detergent, Cleaning Preparations,		

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Perfumes, Cosmetics (0.86%)

12,000	The Procter & Gamble Company	739,290	800,520
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DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2011

Shares		Cost	Value
COMMON STOCK (continued)			
Surgical & Medical Instruments & Apparatus (1.76%)			
20,000	3M Company (a)	\$1,133,436	\$1,634,600
Telephone Communications (3.74%)			
45,000	AT&T, Inc. (a)	1,672,513	1,360,800
140,000	Frontier Communications Corp. (a)	1,920,849	721,000
35,000	Verizon Communications, Inc. (a)	1,206,032	1,404,200
		4,799,394	3,486,000
Water Transportation (0.19%)			
15,000	Nordic American Tankers Limited (a)	448,115	179,850
	Total common stocks	46,928,587	52,970,034
Principal Amount CORPORATE BONDS AND NOTES (31.67%)			
Accident & Health Insurance (0.57%)			
\$500,000	CNO Financial Group, Inc., 9%, 1/15/18 (a)	506,807	530,000
Auto/Truck Parts & Equipment - Orig (0.50%)			
460,000	Tower Automotive Holdings USA LLC, 10.625%, 9/1/17 (c)	466,348	464,600
Cable & Other Pay Television Services (1.40%)			
500,000	CCO Holdings LLC, 7%, 1/15/19 (a)	499,643	523,750
750,000	Mediacom Broadband LLC, 8.50%, 10/15/15	757,122	776,250
		1,256,765	1,300,000
Cable/Satellite TV (1.14%)			
1,000,000	Cequel Communications Holdings I LLC and Cequel Capital Corp., 8.625%, 11/15/17 (a) (c)	1,011,076	1,065,000
Cogeneration Services & Small Power Producers (0.51%)			
450,000	Covanta Holding Corp., 7.25%, 12/1/20 (a)	457,621	475,272
Converted Paper & Paperboard Products (1.06%)			
1,000,000	Appleton Papers, Inc., 10.50%, 6/15/15 (a) (c)	996,904	991,250
Crude Petroleum & Natural Gas (0.29%)			
250,000	Plains Exploration & Productions Company, 7.625%, 6/1/18 (a)	250,658	266,250
Drawing & Insulating of Nonferrous Wire (0.54%)			
500,000	Belden, Inc., 7%, 3/15/17 (a)	483,721	501,875

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Drilling Oil & Gas Wells (0.58%)

500,000	Offshore Group Investments Ltd., 11.50%, 8/1/15 (a) (c)	500,877	543,125
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Electric - Integrated (0.46%)

400,000	North American Energy Alliance LLC, 10.875%, 6/1/16 (c)	408,640	426,000
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DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2011

Principal Amount		Cost	Value
CORPORATE BONDS AND NOTES (continued)			
Electric Services (1.22%)			
\$650,000	Edison Mission Energy, 7.00%, 5/15/17	\$650,814	\$425,750
721,760	Elwood Energy LLC, 8.159%, 7/5/26 (a)	763,382	709,129
		1,414,196	1,134,879
Fats & Oils (0.60%)			
500,000	Darling International Inc., 8.50%, 12/15/18 (a)	519,994	557,500
Hospital & Medical Service Plans (0.28%)			
250,000	Health Net, Inc., 6.375%, 6/1/17 (a)	236,084	261,250
Ice Cream & Frozen Desserts (0.57%)			
500,000	Dean Foods Company, 9.75%, 12/15/18 (a)	505,300	535,000
Machine Tools, Metal Cutting Types (0.47%)			
425,000	Thermadyne Holdings Corp., 9%, 12/15/17 (a) (c)	427,739	442,000
Metal Forgings & Stampings (0.20%)			
170,000	Trimas Corp., 9.75%, 12/15/17 (c)	167,184	185,300
Miscellaneous Business Credit Institution (0.51%)			
500,000	PHH Corp., 9.25%, 3/1/16 (c)	505,973	477,500
Miscellaneous Electrical Machinery, Equipment & Supplies (0.33%)			
55,000	Exide Technologies, 8.625%, 2/1/18	55,000	42,625
240,000	Spectrum Brands Holdings, Inc., 9.50%, 6/15/18 (a) (c)	244,929	263,700
		299,929	306,325
Miscellaneous Fabricated Metal Products (1.08%)			
1,000,000	WireCo WorldGroup, 9.50%, 5/15/17 (a) (c)	979,369	1,010,000
Mortgage Banks (0.50%)			
500,000	Provident Funding Associates, L.P., 10.25%, 4/15/17 (a) (c)	500,000	468,750
Natural Gas Transmission (1.50%)			
500,000	Energy Transfer Equity, L.P., 7.50%, 10/15/20 (a)	513,801	548,750
500,000	Niska Gas Storage US, LLC, 8.875%, 3/15/18 (a) (c)	510,185	491,250
350,000	Southern Star Central Corp., 6.75%, 3/1/16 (a)	326,617	357,875
		1,350,603	1,397,875
Oil & Gas Field Exploration Services (0.55%)			
500,000	CGG-Veritas, 7.75%, 5/15/17 (a)	510,624	508,750
Oil & Gas Field Services (0.88%)			

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780,000	Complete Production Services, Inc., 8%, 12/15/16 (a)	790,371	815,100
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DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2011

Principal Amount		Cost	Value
	CORPORATE BONDS AND NOTES (continued)		
	Paper Mills (0.61%)		
\$517,000	Abitibowater Inc., 10.25%, 10/15/18 (c)	\$523,344	\$572,578
	Paper & Allied Products (0.53%)		
500,000	Cascades Inc., 7.75%, 12/15/17 (a)	491,573	497,500
	Paper & Related Products (0.29%)		
250,000	PE Paper Escrow, 12%, 8/1/14 (a) (c)	242,626	267,500
	Personal Credit Institutions (0.83%)		
740,000	Credit Acceptance Corp., 9.125%, 2/1/17 (a) (c)	757,751	777,000
	Petroleum Refining (0.55%)		
272,000	Coffeyville Resources LLC, 9%, 4/1/15 (a) (c)	275,254	289,680
200,000	Coffeyville Resources LLC, 10.875%, 4/1/17 (a) (c)	199,283	225,000
		474,537	514,680
	Pharmaceutical Preparations (0.86%)		
1,000,000	Patheon, Inc., 8.625%, 4/15/17 (a) (c)	1,022,390	800,000
	Racetracks (0.40%)		
360,000	Yonkers Racing Corp., 11.375%, 7/15/16 (c)	358,845	372,600
	Radio & TV Broadcasting & Communications Equipment (0.54%)		
500,000	CommScope, Inc., 8.25%, 1/15/19 (a)	510,568	502,500
	Retail - Convenience Stores (0.58%)		
500,000	Susser Holdings, L.L.C., 8.50%, 5/15/16	506,943	541,875
	Retail - Miscellaneous Retail (0.24%)		
250,000	Ferrellgas Partners, L.P., 6.50%, 5/1/21 (a)	245,189	221,250
	Security Brokers, Dealer & Flotation Companies (0.49%)		
750,000	Penson Worldwide, Inc., 12.50%, 5/15/17 (c)	758,192	453,750
	Semiconductors & Related Devices (0.28%)		
250,000	Advanced Micro Devices, Inc., 7.75%, 8/1/20 (a)	258,128	258,125
	Services - Business Services, NEC (0.47%)		
500,000	DynCorp International Inc., 10.375%, 7/1/17 (c)	502,052	437,500
	Services - Equipment Rental & Leasing, NEc (0.57%)		

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500,000	Aircastle Ltd., 9.75%, 8/1/18 (a)	502,999	526,250
	Services - Miscellaneous Amusement & Recreation (0.88%)		
750,000	Cedar Fair, L.P., 9.125%, 8/1/18 (c)	753,670	819,375

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2011

Principal Amount		Cost	Value
	CORPORATE BONDS AND NOTES (continued)		
	Services - Miscellaneous Equipment Rental & Leasing (0.74%)		
\$675,000	H&E Equipment Services, Inc., 8.375%, 7/15/16 (a)	\$680,490	\$693,563
	Services - Miscellaneous Repair Services (0.23%)		
500,000	Aquilex Holdings LLC, 11.125%, 12/15/16 (a)	496,415	210,000
	Services - Motion Picture Theaters (0.11%)		
95,000	Regal Entertainment Group, 9.125%, 8/15/18	96,132	102,362
	Services - Prepackaged Software (0.46%)		
400,000	Scientific Games International, Inc., 9.25%, 6/15/19 (a)	429,385	426,000
	Special Industry Machinery (0.57%)		
500,000	Novelis Inc., 8.375%, 12/15/17	505,715	533,750
	Steel Pipes & Tubes (0.31%)		
300,000	Atkore International Inc., 9.875%, 1/1/18	306,337	288,750
	Steel Works, Blast Furnaces & Rolling & Finishing Mills (0.91%)		
840,000	Gibraltar Industries, Inc., 8%, 12/1/15 (a)	840,801	844,200
	Telephone Communications (1.59%)		
1,000,000	Cincinnati Bell Inc., 8.75%, 3/15/18 (a)	1,008,316	933,750
500,000	Equinix, Inc., 8.125%, 3/1/18 (a)	509,095	547,500
		1,517,411	1,481,250
	Textile - Home Furnishings (0.05%)		
50,000	Empire Today LLC, 11.375%, 2/1/17	49,519	46,875
	Transportation-Marine (0.44%)		
400,000	Marquette Transportation Company, 10.875%, 1/15/17 (c)	401,574	405,000
	Water Transportation (1.75%)		
679,000	American Petroleum Tankers LLC, 10.25%, 5/1/15 (c)	668,956	695,975
900,000	Hornbeck Offshore Services, Inc., 8%, 9/1/17 (a)	906,613	930,375
		1,575,569	1,626,350
	Wholesale - Electronic Parts & Equipment, NEC (0.33%)		
300,000	Brightstar Corp., 9.50%, 12/1/16 (a) (c)	300,000	307,500
	Wholesale - Petroleum & Petroleum Products (0.32%)		

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275,000	Crosstex Energy, L.P., 8.875%, 2/15/18 (a)	275,550	301,812
	Total corporate bonds and notes	29,930,488	29,493,496

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – DECEMBER 31, 2011 (concluded)

Shares		Cost	Value
CLOSED END FUND BUSINESS			
DEVELOPMENT COMPANIES (0.24%)			
Miscellaneous Business Credit Institution (0.24%)			
14,000	Horizon Technology Finance Corp.	\$214,378	\$227,920
INVESTMENT COMPANIES (2.25%)			
Exchange Traded Fund (2.25%)			
15,000	iShares Dow Jones Select Dividend Index	699,712	806,250
65,000	SPDR S&P 500 ETF Trust (a)	871,731	1,288,950
Total investment companies		1,571,443	2,095,200
MASTER LIMITED PARTNERSHIPS (2.92%)			
Natural Gas Transmission (2.92%)			
39,000	Energy Transfer Partners LP (a)	1,979,798	1,788,150
20,000	Enterprise Products Partners LP	374,214	927,600
Total master limited partnerships		2,354,012	2,715,750
PREFERRED STOCK (0.01%)			
80,000	Solar Cayman Ltd. (b) (c) (d)	568,802	2,000
Total investments (93.97%)		\$81,567,710	87,504,400
Other assets in excess of liabilities (6.03%)			5,618,785
Net assets (100%)			\$93,123,185

(a) Fully or partially pledged as collateral on bank credit facility.

(b) Illiquid and/or restricted security that has been fair valued.

(c) These securities are 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.

(d) Non-income producing.

ADR American Depositary Receipt

LLC Limited Liability Company

LP Limited Partnership

PLC Public Limited Company

SPDR Standard & Poor's Depositary Receipt

See notes to financial statements.

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – NOVEMBER 30, 2011

Shares		Cost	Value
COMMON STOCK (73.49%)			
Aircraft Engines & Engine Parts (1.07%)			
10,000	United Technologies Corp.	\$ 727,426	\$ 766,000
Beverages (2.31%)			
15,000	Coca-Cola Company	835,675	1,008,450
10,000	PepsiCo, Inc.	529,400	640,000
		1,365,075	1,648,450
Cigarettes (2.28%)			
30,000	Altria Group, Inc.	634,550	860,700
10,000	Philip Morris International, Inc.	485,376	762,400
		1,119,926	1,623,100
Computers & Office Equipment (1.51%)			
25,000	Hewlett-Packard Company	1,088,505	698,750
2,000	International Business Machines Corporation	258,964	376,000
		1,347,469	1,074,750
Crude Petroleum & Natural Gas (1.13%)			
8,160	Occidental Petroleum Corporation	527,752	807,024
Deep Sea Foreign Transportation of Freight (0.73%)			
50,000	Seaspan Corp.	347,030	524,000
Dolls & Stuffed Toys (1.01%)			
25,000	Mattel, Inc. (a)	610,742	720,250
Electric Services (5.09%)			
11,000	Entergy Corp.	693,431	773,960
65,000	Southern Company (a)	2,326,432	2,854,150
		3,019,863	3,628,110
Electronic & Other Electrical Equipment (3.03%)			
20,000	Emerson Electric Company (a)	747,590	1,045,000
70,000	General Electric Company	1,166,254	1,113,700
		1,913,844	2,158,700
Electronic & Other Services Combined (1.06%)			
17,000	Exelon Corp.	715,134	753,270
Fire, Marine & Casualty Insurance (1.95%)			
20,000	Ace Ltd.	829,324	1,390,600
Food & Kindred Products (0.51%)			
10,000	Kraft Foods, Inc. Class A (a)	258,704	361,500

DIVIDEND AND INCOME FUND, INC.

SCHEDULE OF PORTFOLIO INVESTMENTS – NOVEMBER 30, 2011

Shares		Cost	Value
	COMMON STOCK (continued)		
	Investment Advice (0.57%)		
20,000	Invesco Ltd.	\$437,950	\$405,000
	Life Insurance (2.61%)		
30,000	Lincoln National Corp.	670,430	605,400
40,000	MetLife, Inc.	699,693	1,259,200
		1,370,123	1,864,600
	Malt Beverages (0.91%)		
16,000	Molson Coors Brewing Company	707,427	649,440
	Miscellaneous Business Credit Institution (1.39%)		
38,316	Solar Capital Ltd.	731,279	882,034
46,169	Star Asia Financial Ltd. (a) (b)	686,145	109,305
		1,417,424	991,339
	Motor Vehicle Parts & Accessories (1.90%)		
25,000	Honeywell International, Inc.	889,529	1,353,750
	National Commercial Banks (1.60%)		
36,800	JPMorgan Chase & Company	774,303	1,139,696
	Paints, Varnishes, Lacquers, Enamels & Allied Products (1.23%)		
10,000	PPG Industries, Inc. (a)	657,378	877,500
	Perfumes, Cosmetics & Other Preparations (1.19%)		
50,000	Avon Products, Inc. (a)	1,596,424	850,000
	Petroleum Refining (2.23%)		
11,000	ConocoPhillips	731,802	784,520
10,000	Exxon Mobil Corp.	738,274	804,400
		1,470,076	1,588,920
	Pharmaceutical Preparations (9.07%)		
30,000	Abbott Laboratories (a)	1,522,047	1,636,500
55,000	Bristol-Myers Squibb Company (a)	1,241,872	1,799,600
11,000	Johnson & Johnson	708,922	711,920
20,000	Merck & Company, Inc.	680,994	715,000
80,000	Pfizer Inc. (a)	1,211,079	1,605,600
		5,364,914	6,468,620
	Plastics Materials, Resins & Nonvulcanelastomers (2.11%)		
20,000	E.I. du Pont de Nemours and Company (a)	751,716	954,400
20,000	Dow Chemical Company (a)	580,754	554,200
		1,332,470	1,508,600

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – NOVEMBER 30, 2011

Shares		Cost	Value
COMMON STOCK (continued)			
Radio & TV Communications Equipment (1.70%)			
115,000	Nokia Corp.	\$715,012	\$665,850
10,000	QUALCOMM, Inc.	383,189	548,000
		1,098,201	1,213,850
Radio Telephone Communications (0.76%)			
20,000	Vodafone Group PLC ADR	453,234	543,000
Real Estate Investment Trust (2.65%)			
53,400	Annaly Capital Management, Inc. (a)	922,335	858,138
150,000	MFA Financial, Inc. (a)	1,201,341	1,032,000
		2,123,676	1,890,138
Refuse Systems (0.66%)			
15,000	Waste Management, Inc.	532,822	469,500
Retail - Variety Stores (1.18%)			
16,000	Target Corp.	660,150	843,200
Retail - Women's Clothing Stores (3.20%)			
54,000	Limited Brands, Inc. (a)	475,950	2,285,820
Savings Institution, Federally Chartered (1.05%)			
60,000	People's United Financial, Inc. (a)	826,108	747,000
Security & Commodity Brokers, Dealers, Exchanges & Services (0.60%)			
15,000	NYSE Euronext	372,671	428,400
Semiconductors & Related Devices (4.23%)			
23,000	Analog Devices, Inc.	726,742	801,780
40,000	Intel Corp.	796,500	996,400
35,000	Microchip Technology, Inc. (a)	998,144	1,221,850
		2,521,386	3,020,030
Services - Business Services (1.06%)			
40,000	Lender Processing Services, Inc.	733,684	758,400
Services - Engineering, Accounting, Research, Management (0.41%)			
10,000	Paychex, Inc.	309,491	291,100
Services - Prepackaged Software (1.08%)			
30,000	Microsoft Corp.	900,672	767,400
Soap, Detergent, Cleaning Preparations, Perfumes, Cosmetics (1.09%)			

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12,000	The Procter & Gamble Company	739,290	774,840
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DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – NOVEMBER 30, 2011

Shares		Cost	Value
COMMON STOCK (continued)			
Surgical & Medical Instruments & Apparatus (2.27%)			
20,000	3M Company (a)	\$1,133,436	\$1,620,800
Telephone Communications (4.80%)			
45,000	AT&T, Inc. (a)	1,672,513	1,304,100
140,000	Frontier Communications Corp. (a)	1,920,849	800,800
35,000	Verizon Communications, Inc. (a)	1,206,032	1,320,550
		4,799,394	3,425,450
Water Transportation (0.26%)			
15,000	Nordic American Tankers Limited (a)	448,115	187,950
	Total common stocks	46,928,587	52,420,097
Principal Amount CORPORATE BONDS AND NOTES (41.82%)			
Accident & Health Insurance (0.74%)			
\$500,000	CNO Financial Group, Inc., 9%, 1/15/18 (a)	506,825	527,500
Auto/Truck Parts & Equipment - Orig (0.65%)			
460,000	Tower Automotive Holdings USA LLC, 10.625%, 9/1/17 (c)	466,410	464,600
Cable & Other Pay Television Services (1.79%)			
500,000	CCO Holdings LLC, 7%, 1/15/19 (a)	499,606	505,625
750,000	Mediacom Broadband LLC, 8.50%, 10/15/15	757,293	772,500
		1,256,899	1,278,125
Cable/Satellite TV (1.43%)			
1,000,000	Cequel Communications Holdings I LLC and Cequel Capital Corp., 8.625%, 11/15/17 (a) (c)	1,011,300	1,022,500
Cogeneration Services & Small Power Producers (0.65%)			
450,000	Covanta Holding Corp., 7.25%, 12/1/20 (a)	457,711	462,861
Converted Paper & Paperboard Products (1.38%)			
1,000,000	Appleton Papers, Inc., 10.50%, 6/15/15 (a) (c)	996,857	985,000
Crude Petroleum & Natural Gas (0.37%)			
250,000	Plains Exploration & Productions Company, 7.625%, 6/1/18 (a)	250,690	263,750
Drawing & Insulating of Nonferrous Wire (0.70%)			
500,000	Belden, Inc., 7%, 3/15/17 (a)	483,510	500,000

Drilling Oil & Gas Wells (0.76%)

500,000	Offshore Group Investments Ltd., 11.50%, 8/1/15 (a) (c)	500,829	538,750
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DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – NOVEMBER 30, 2011

Principal Amount		Cost	Value
CORPORATE BONDS AND NOTES (continued)			
Electric - Integrated (0.60%)			
\$400,000	North American Energy Alliance LLC, 10.875%, 6/1/16 (c)	\$408,845	\$426,000
Electric Services (1.57%)			
650,000	Edison Mission Energy, 7.00%, 5/15/17	650,861	411,125
721,760	Elwood Energy LLC, 8.159%, 7/5/26 (a)	763,444	710,031
		1,414,305	1,121,156
Fats & Oils (0.77%)			
500,000	Darling International Inc., 8.50%, 12/15/18 (a)	520,179	552,500
Hospital & Medical Service Plans (0.36%)			
250,000	Health Net, Inc., 6.375%, 6/1/17 (a)	235,932	259,375
Ice Cream & Frozen Desserts (0.74%)			
500,000	Dean Foods Company, 9.75%, 12/15/18 (a)	505,350	527,500
Machinery (0.80%)			
600,000	Cleaver-Brooks, Inc., 12.25%, 5/1/16 (a) (c)	603,226	573,000
Machine Tools, Metal Cutting Types (0.60%)			
425,000	Thermadyne Holdings Corp., 9%, 12/15/17 (a) (c)	427,771	427,125
Metal Forgings & Stampings (0.26%)			
170,000	Trimas Corp., 9.75%, 12/15/17 (c)	167,157	181,900
Miscellaneous Business Credit Institution (0.73%)			
500,000	PHH Corp., 9.25%, 3/1/16 (c)	506,060	517,500
Miscellaneous Electrical Machinery, Equipment & Supplies (0.43%)			
55,000	Exide Technologies, 8.625%, 2/1/18	55,000	44,275
240,000	Spectrum Brands Holdings, Inc., 9.50%, 6/15/18 (a) (c)	244,979	262,200
		299,979	306,475
Miscellaneous Fabricated Metal Products (1.44%)			
1,000,000	WireCo WorldGroup, 9.50%, 5/15/17 (a) (c)	979,255	1,025,000
Mortgage Banks (0.67%)			
500,000	Provident Funding Associates, L.P., 10.25%, 4/15/17 (a) (c)	500,000	477,500
Natural Gas Transmission (1.91%)			
500,000	Energy Transfer Equity, L.P., 7.50%, 10/15/20 (a)	513,913	520,000
500,000	Niska Gas Storage US, LLC, 8.875%, 3/15/18 (a) (c)	510,289	490,000

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350,000	Southern Star Central Corp., 6.75%, 3/1/16 (a)	326,222	355,250
		1,350,424	1,365,250
	Oil & Gas Field Exploration Services (0.70%)		
500,000	CGG-Veritas, 7.75%, 5/15/17 (a)	510,798	500,000

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – NOVEMBER 30, 2011

Principal Amount		Cost	Value
	CORPORATE BONDS AND NOTES (continued)		
	Oil & Gas Field Services (1.14%)		
\$780,000	Complete Production Services, Inc., 8%, 12/15/16 (a)	\$790,520	\$815,100
	Paper Mills (0.79%)		
517,000	Abitibowater Inc., 10.25%, 10/15/18 (c)	523,430	564,823
	Paper & Allied Products (0.69%)		
500,000	Cascades Inc., 7.75%, 12/15/17 (a)	491,485	488,750
	Paper & Related Products (0.38%)		
250,000	PE Paper Escrow, 12%, 8/1/14 (a) (c)	242,389	267,500
	Personal Credit Institutions (1.07%)		
740,000	Credit Acceptance Corp., 9.125%, 2/1/17 (a) (c)	757,930	760,350
	Petroleum Refining (0.72%)		
272,000	Coffeyville Resources LLC, 9%, 4/1/15 (a) (c)	275,335	291,040
200,000	Coffeyville Resources LLC, 10.875%, 4/1/17 (a) (c)	199,283	226,000
		474,618	517,040
	Pharmaceutical Preparations (1.15%)		
1,000,000	Patheon, Inc., 8.625%, 4/15/17 (a) (c)	1,022,717	820,000
	Racetracks (0.51%)		
360,000	Yonkers Racing Corp., 11.375%, 7/15/16 (c)	358,767	366,300
	Radio & TV Broadcasting & Communications Equipment (0.68%)		
500,000	CommScope, Inc., 8.25%, 1/15/19 (a)	510,627	485,000
	Retail - Convenience Stores (0.76%)		
500,000	Susser Holdings, L.L.C., 8.50%, 5/15/16	507,101	538,750
	Retail - Miscellaneous Retail (0.30%)		
250,000	Ferrellgas Partners, L.P., 6.50%, 5/1/21 (a)	245,170	215,625
	Security Brokers, Dealer & Flotation Companies (0.67%)		
750,000	Penson Worldwide, Inc., 12.50%, 5/15/17 (c)	758,385	476,250
	Semiconductors & Related Devices (0.35%)		
250,000	Advanced Micro Devices, Inc., 7.75%, 8/1/20 (a)	258,171	252,500
	Services - Business Services, NEC (0.61%)		

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500,000	DynCorp International, Inc., 10.375%, 7/1/17 (c)	501,997	437,500
	Services - Equipment Rental & Leasing, NEC (0.74%)		
500,000	Aircastle Ltd., 9.75%, 8/1/18 (a)	502,980	525,000

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – NOVEMBER 30, 2011

Principal Amount		Cost	Value
	CORPORATE BONDS AND NOTES (continued)		
	Services - Miscellaneous Amusement & Recreation (1.15%)		
\$750,000	Cedar Fair, L.P., 9.125%, 8/1/18 (c)	\$753,642	\$819,375
	Services - Miscellaneous Equipment Rental & Leasing (0.97%)		
675,000	H&E Equipment Services, Inc., 8.375%, 7/15/16 (a)	680,522	688,500
	Services - Miscellaneous Repair Services (0.33%)		
500,000	Aquilex Holdings LLC, 11.125%, 12/15/16 (a)	496,377	232,500
	Services - Motion Picture Theaters (0.14%)		
95,000	Regal Entertainment Group, 9.125%, 8/15/18	96,139	99,750
	Services - Prepackaged Software (0.59%)		
400,000	Scientific Games International, Inc., 9.25%, 6/15/19 (a)	429,631	422,000
	Special Industry Machinery (0.73%)		
500,000	Novelis Inc., 8.375%, 12/15/17	505,780	522,500
	Steel Pipes & Tubes (0.41%)		
300,000	Atkore International Inc., 9.875%, 1/1/18	306,372	293,250
	Steel Works, Blast Furnaces & Rolling & Finishing Mills (1.17%)		
840,000	Gibraltar Industries, Inc., 8%, 12/1/15 (a)	840,909	837,900
	Telephone Communications (2.00%)		
1,000,000	Cincinnati Bell Inc., 8.75%, 3/15/18 (a)	1,008,401	895,000
500,000	Equinix, Inc., 8.125%, 3/1/18 (a)	509,184	535,000
		1,517,585	1,430,000
	Textiles - Home Furnishings (0.07%)		
50,000	Empire Today LLC, 11.375%, 2/1/17	49,507	46,500
	Transportation-Marine (0.55%)		
400,000	Marquette Transportation Company, 10.875%, 1/15/17 (c)	401,530	394,000
	Water Transportation (2.27%)		
679,000	American Petroleum Tankers LLC, 10.25%, 5/1/15 (c)	668,828	695,975
900,000	Hornbeck Offshore Services, Inc., 8%, 9/1/17 (a)	906,679	922,500
		1,575,507	1,618,475

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Wholesale - Electronic Parts & Equipment, NEC (0.42%)			
300,000	Brightstar Corp., 9.50%, 12/1/16 (a) (c)	300,000	303,000
Wholesale - Petroleum & Petroleum Products (0.41%)			
275,000	Crosstex Energy, L.P., 8.875%, 2/15/18 (a)	275,541	294,250
Total corporate bonds and notes		30,535,641	29,835,855

DIVIDEND AND INCOME FUND, INC.

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SCHEDULE OF PORTFOLIO INVESTMENTS – NOVEMBER 30, 2011 (concluded)

Shares		Cost	Value
CLOSED END FUND BUSINESS			
DEVELOPMENT COMPANIES (2.10%)			
Miscellaneous Business Credit Institution (2.10%)			
117,152	Apollo Investment Corp. (a)	\$ 1,336,937	\$ 844,666
41,870	Horizon Technology Finance Corp.	650,988	649,822
Total closed end fund business development companies		1,987,925	1,494,488
INVESTMENT COMPANIES (2.86%)			
Exchange Traded Fund (2.86%)			
15,000	iShares Dow Jones Select Dividend Index	699,712	792,450
65,000	SPDR S&P 500 ETF Trust (a)	871,731	1,248,650
Total investment companies		1,571,443	2,041,100
MASTER LIMITED PARTNERSHIPS (3.67%)			
Natural Gas Transmission (3.67%)			
39,000	Energy Transfer Partners LP (a)	1,979,798	1,706,640
20,000	Enterprise Products Partners LP	374,214	909,800
Total master limited partnerships		2,354,012	2,616,440
PREFERRED STOCK (0.01%)			
80,000	Solar Cayman Ltd. (a) (b) (c) (d)	568,802	2,000
Total investments (123.95%)		\$ 83,946,410	88,409,980
Liabilities in excess of other assets (-23.95%)			(17,080,889)
Net assets (100%)			\$ 71,329,091

- (a) Fully or partially pledged as collateral on bank credit facility.
(b) Illiquid and/or restricted security that has been fair valued.
(c) These securities are 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.
(d) Non-income producing.

ADR American Depositary Receipt

LLC Limited Liability Company

LP Limited Partnership

PLC Public Limited Company

SPDR Standard & Poor's Depositary Receipt

See notes to financial statements.

DIVIDEND AND INCOME FUND, INC.

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STATEMENT OF ASSETS AND LIABILITIES

December 31, 2011 and November 30, 2011

	December 31, 2011	November 30, 2011
ASSETS		
Investments, at value (cost: \$81,567,710 and \$83,946,410, respectively)	\$87,504,400	\$88,409,980
Receivables		
Proceeds from capital shares issued in rights offering	22,577,847	-
Interest	637,056	774,401
Securities sold	245,528	-
Dividends	209,104	302,921
Other assets	61,217	19,115
Deferred rights offering costs	-	251,553
Total assets	111,235,152	89,757,970
LIABILITIES		
Bank line of credit	17,815,175	18,209,356
Payables		
Accrued expenses	191,658	127,229
Investment management	74,025	69,245
Administrative services	31,109	23,049
Total liabilities	18,111,967	18,428,879
NET ASSETS	\$93,123,185	\$71,329,091
NET ASSET VALUE PER SHARE		
(applicable to 24,034,240 and 16,921,198 shares outstanding, respectively: 100,000,000 shares of \$.01 par value authorized)	\$3.87	\$4.22
NET ASSETS CONSIST OF		
Paid in capital	\$160,125,620	\$139,203,284
Accumulated net realized loss on investments and options written	(72,939,125)	(72,337,763)
Net unrealized appreciation on investments	5,936,690	4,463,570
	\$93,123,185	\$71,329,091

See notes to financial statements.

DIVIDEND AND INCOME FUND, INC.

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STATEMENT OF OPERATIONS

For the period December 1, 2011 to December 31, 2011 and
the year ended November 30, 2011

	One month Ended December 31, 2011	Year Ended November 30, 2011
INVESTMENT INCOME		
Interest	\$336,836	\$2,565,034
Dividends	200,464	2,965,829
Total investment income	537,300	5,530,863
EXPENSES		
Investment management	74,025	863,578
Interest and fees on bank credit facility	19,925	199,990
Legal	13,950	75,750
Administrative services	8,060	66,623
Fund accounting and administration	4,650	71,927
Auditing	3,875	35,558
Shareholder communications	2,635	27,585
Exchange listing and registration	2,325	69,256
Directors	2,325	29,760
Other	1,852	23,384
Transfer agent	620	37,457
Total expenses	134,242	1,500,868
Less investment management fees waived	-	(16,005)
Net expenses	134,242	1,484,863
Net investment income	403,058	4,046,000
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss)		
Investments	(603,086)	865,511
Options written	-	(465,560)
Net unrealized appreciation (depreciation)		
Investments	1,473,120	(649,351)
Options written	-	(97,930)
Net realized and unrealized gain (loss)	870,034	(347,330)
Net change in net assets resulting from operations	\$1,273,092	\$3,698,670

See notes to financial statements.

DIVIDEND AND INCOME FUND, INC.

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STATEMENTS OF CHANGES IN NET ASSETS

For the period December 1, 2011 to December 31, 2011 and the years ended November 30, 2011 and 2010

	One Month Ended	Year Ended November	
	December 31, 2011	2011	30, 2010
OPERATIONS			
Net investment income	\$403,058	\$4,046,000	\$3,387,923
Net realized gain (loss) on investments and options written	(603,086)	399,951	2,802,445
Unrealized appreciation (depreciation) on investments and options written	1,473,120	(747,281)	