

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC
Form N-CSRS
August 07, 2018
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:	811-07460
Exact name of registrant as specified in charter:	Delaware Investments® Dividend and Income Fund, Inc.
Address of principal executive offices:	2005 Market Street Philadelphia, PA 19103
Name and address of agent for service:	David F. Connor, Esq. 2005 Market Street Philadelphia, PA 19103
Registrant's telephone number, including area code:	(800) 523-1918
Date of fiscal year end:	November 30
Date of reporting period:	May 31, 2018

Item 1. Reports to Stockholders

Table of Contents

Closed-end fund

Delaware Investments® Dividend and Income Fund, Inc.

May 31, 2018

The figures in the semiannual report for Delaware Investments Dividend and Income Fund, Inc. represent past results, which are not a guarantee of future results. A rise or fall in interest rates can have a significant impact on bond prices. Funds that invest in bonds can lose their value as interest rates rise.

Table of Contents

Table of contents

<u>Security type / sector allocations and top 10 equity holdings</u>	1
<u>Schedule of investments</u>	3
<u>Statement of assets and liabilities</u>	11
<u>Statement of operations</u>	12
<u>Statements of changes in net assets</u>	13
<u>Statement of cash flows</u>	14
<u>Financial highlights</u>	15
<u>Notes to financial statements</u>	16
<u>Other Fund information</u>	26
<u>About the organization</u>	33

Delaware Investments Dividend and Income Fund Inc. (DDF or the Fund), acting pursuant to a Securities and Exchange Commission (SEC) exemptive order and with the approval of the Fund s Board of Directors (the Board), has adopted a managed distribution policy (the Plan). Currently under the Plan, the Fund makes monthly distributions to common shareholders at a targeted annual distribution rate of 10% of the Fund s average net asset value (NAV) per share. The Fund will calculate the average NAV per share from the previous three full months immediately prior to the distribution based on the number of business days in those three months on which the NAV is calculated. The distribution will be calculated as 10% of the prior three months average NAV per share, divided by 12. This distribution methodology is intended to provide shareholders with a consistent, but not guaranteed, income stream and a targeted annual distribution rate and is intended to narrow the discount between the market price and the NAV of the Fund s common shares, but there is no assurance that the policy will be successful in doing so.

Under the Plan, the Fund is managed with a goal of generating as much of the distribution as possible from net investment income and short-term capital gains. The balance of the distribution will then come from long-term capital gains to the extent permitted, and if necessary, a return of capital. The Fund will generally distribute amounts necessary to satisfy the terms of the Fund s Plan and the requirements prescribed by excise tax rules and Subchapter M of the Internal Revenue Code (the Code). Each monthly distribution to shareholders is expected to be at the fixed percentage described above, except for extraordinary distributions and potential distribution rate increases or decreases to enable the Fund to comply with the distribution requirements imposed by the Code.

The Board may amend, suspend or terminate the Fund s Plan at any time without prior notice if it deems such action to be in the best interest of the Fund or its shareholders. The methodology for determining monthly distributions under the Plan will be reviewed at least annually by the Fund s Board, and the Fund will continue to evaluate its distribution in light of ongoing market conditions. The suspension or termination of the Plan could have the effect of creating a trading discount (if the Fund s stock is trading at or above NAV) or widening an existing trading discount. The Fund is subject to risks that could have an adverse impact on its ability to maintain distributions under the Plan. Examples of potential risks include, but are not limited to, economic downturns impacting the markets, increased market volatility, portfolio companies suspending or decreasing corporate dividend distributions, and changes in the Code.

Shareholders should not draw any conclusions about the Fund s investment performance from the amount of these distributions or from the terms of the Plan. The Fund s total investment return on NAV is presented in its financial highlights table.

A cumulative summary of the Section 19(a) notices for the Fund s current fiscal period, if applicable, is included in Other Fund Information. Section 19(a) notices for the Fund, as applicable, are available on the Fund s website at

delawarefunds.com/closed-end/performance/fund-distributions.

Macquarie Asset Management (MAM) offers a diverse range of products including securities investment management, infrastructure and real asset management, and fund and equity-based structured products. Macquarie Investment Management (MIM) is the marketing name for certain companies comprising the asset management division of Macquarie Group. This includes the following registered investment advisors: Macquarie Investment Management Business Trust (MIMBT), Macquarie Funds Management Hong Kong Limited, Macquarie Investment Management Austria Kapitalanlage AG, Macquarie Investment Management Global Limited, Macquarie Investment Management Limited, Macquarie Investment Management Europe Limited, and Macquarie Capital Investment Management LLC. For more information, including press releases, please visit delawarefunds.com/closed-end.

Unless otherwise noted, views expressed herein are current as of May 31, 2018, and subject to change for events occurring after such date.

The Fund is not FDIC insured and is not guaranteed. It is possible to lose the principal amount invested.

Advisory services provided by Delaware Management Company, a series of MIMBT, a US registered investment advisor.

Other than Macquarie Bank Limited (MBL), none of the entities noted are authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise. The Fund is governed by US laws and regulations.

All third-party marks cited are the property of their respective owners.

© 2018 Macquarie Management Holdings, Inc.

Table of Contents

Security type / sector allocations and

top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.**As of May 31, 2018 (Unaudited)**

Sector designations may be different than the sector designations presented in other Fund materials. The sector designations may represent the investment manager's internal sector classifications.

Security type / sector	Percentage of net assets
Common Stock	93.24%
Consumer Discretionary	4.63%
Consumer Staples	4.93%
Diversified REITs	0.95%
Energy	10.71%
Financials	12.48%
Healthcare	21.45%
Healthcare REITs	0.69%
Hotel REITs	1.35%
Industrial REIT	0.46%
Industrials	7.21%
Information Technology	10.24%
Information Technology REIT	0.50%
Mall REITs	0.41%
Manufactured Housing REIT	0.15%
Materials	2.61%
Multifamily REITs	4.60%
Office REITs	1.58%
Self-Storage REITs	0.77%
Shopping Center REITs	0.19%
Single Tenant REIT	0.35%
Telecommunication Services	4.88%
Utilities	2.10%
Convertible Preferred Stock	1.17%
Convertible Bonds	7.01%
Capital Goods	1.04%
Communications	0.55%
Consumer Cyclical	0.19%
Consumer Non-Cyclical	1.69%
Electric	0.06%
Energy	0.70%
Financials	0.77%

REITs	0.83%
Technology	1.18%
	Percentage
Security type / sector	of net assets
Corporate Bonds	38.79%
Automotive	0.52%
Banking	2.00%
Basic Industry	6.53%
Capital Goods	1.43%
Consumer Cyclical	2.64%
Consumer Non-Cyclical	1.17%
Energy	6.10%
Financials	0.66%
Healthcare	3.06%
Insurance	0.51%
Media	4.39%
Services	4.43%
Technology & Electronics	1.68%
Telecommunications	1.98%
Transportation	0.23%
Utilities	1.46%
Master Limited Partnership	0.79%
Preferred Stock	0.77%
Warrant	0.00%
Short-Term Investments	2.92%
Total Value of Securities	144.69%
Borrowing Under Line of Credit	(45.49%)
Receivables and Other Assets Net of Liabilities	0.80%
Total Net Assets	100.00%

(continues)

1

Table of Contents

Security type / sector allocations and

top 10 equity holdings

Delaware Investments® Dividend and Income Fund, Inc.

Holdings are for informational purposes only and are subject to change at any time. They are not a recommendation to buy, sell, or hold any security.

	Percentage of
Top 10 Equity Holdings	net assets
Marathon Oil	2.86%
Quest Diagnostics	2.79%
ConocoPhillips	2.70%
Abbott Laboratories	2.69%
BB&T	2.66%
CA	2.65%
Merck & Co.	2.64%
Occidental Petroleum	2.61%
Cisco Systems	2.58%
Waste Management	2.58%

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

May 31, 2018 (Unaudited)

	Number of shares	Value (US \$)
Common Stock 93.24%		
Consumer Discretionary 4.63%		
Dollar Tree	22,100	\$ 1,825,239
Lowe s	23,600	2,242,236
		4,067,475
Consumer Staples 4.93%		
Archer-Daniels-Midland	49,100	2,146,652
Mondelez International	55,800	2,191,266
		4,337,918
Diversified REITs 0.95%		
Fibra Uno Administracion	88,100	121,341
Lexington Realty Trust	23,000	198,490
Sun Hung Kai Properties	21,000	337,803
Vornado Realty Trust	2,565	178,806
		836,440
Energy 10.71%		
ConocoPhillips	35,200	2,372,128
Halliburton	44,800	2,228,352
Marathon Oil	117,400	2,515,882
Occidental Petroleum	27,300	2,298,660
		9,415,022
Financials 12.48%		
Allstate	22,400	2,093,952
American International Group	40,700	2,148,553
Bank of New York Mellon	40,700	2,228,325
BB&T	44,600	2,341,500
Marsh & McLennan	26,900	2,161,953
		10,974,283

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSRS

Healthcare 21.45%		
Abbott Laboratories	38,400	2,362,752
Brookdale Senior Living	148,900	1,171,843
Cardinal Health	39,400	2,052,346
CVS Health	33,500	2,123,565
Express Scripts Holding	29,400	2,228,814
Johnson & Johnson	16,500	1,973,730
Merck & Co.	39,000	2,321,670
Pfizer	60,689	2,180,556
Quest Diagnostics	23,000	2,450,190
		18,865,466
Healthcare REITs 0.69%		
Assura	269,626	202,811
HCP	9,800	234,906
Healthcare Realty Trust	3,800	103,512
Sabra Health Care REIT	3,000	62,190
		603,419
	Number of shares	Value (US \$)
Common Stock (continued)		
Hotel REITs 1.35%		
Hospitality Properties Trust	4,700	\$ 136,065
MGM Growth Properties Class A	22,100	655,928
Summit Hotel Properties	25,600	391,424
		1,183,417
Industrial REIT 0.46%		
Terreno Realty	10,600	403,966
		403,966
Industrials 7.21%		
Northrop Grumman	6,100	1,996,225
Raytheon	9,900	2,074,050
Waste Management	27,400	2,266,254
		6,336,529
Information Technology 10.24%		
CA	65,186	2,329,748
Cisco Systems	53,200	2,272,172
Intel	40,500	2,235,600
Oracle	46,300	2,163,136

9,000,656

Information Technology REIT 0.50%		
Crown Castle International	4,200	437,430
		437,430
Mall REITs 0.41%		
GGP	6	122
Simon Property Group	2,247	360,014
		360,136
Manufactured Housing REIT 0.15%		
Sun Communities	1,400	135,352
		135,352
Materials 2.61%		
DowDuPont	32,888	2,108,450
Tarkett	6,827	189,543
		2,297,993
Multifamily REITs 4.60%		
ADO Properties 144A #	9,989	523,730
American Homes 4 Rent	6,980	139,042
Equity Residential	34,357	2,198,504
Gecina	765	132,259
Grainger	51,940	210,818
Invitation Homes	12,200	268,522
Safety Income & Growth	23,600	452,648
Vonovia	2,481	116,936
		4,042,459

(continues)

3

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Number of shares	Value (US \$)
Common Stock (continued)		
Office REITs 1.58%		
alstria office REIT	15,891	\$ 234,389
Brandywine Realty Trust	14,800	240,648
Easterly Government Properties	45,400	919,350
		1,394,387
Self-Storage REITs 0.77%		
CubeSmart	3,800	115,900
National Storage Affiliates Trust	20,100	565,212
		681,112
Shopping Center REITs 0.19%		
First Capital Realty	7,981	129,385
Retail Properties of America	3,000	36,780
		166,165
Single Tenant REIT 0.35%		
STORE Capital	11,500	308,200
		308,200
Telecommunication Services 4.88%		
AT&T	69,400	2,243,008
Century		
Communications =	500,000	0
Verizon Communications	43,000	2,049,810
		4,292,818
Utilities 2.10%		
American Water Works	2,400	199,536
Edison International	26,500	1,647,240
		1,846,776

Total Common Stock (cost \$61,190,556)	81,987,419
--	-------------------

Convertible Preferred Stock 1.17%

A Schulman 6.00% exercise price \$52.33 y	199	206,418
AMG Capital Trust II 5.15% exercise price \$200.00, maturity date 10/15/37	2,953	176,007
Bank of America 7.25% exercise price \$50.00 y	155	196,230
El Paso Energy Capital Trust I 4.25% exercise price \$34.49, maturity date 3/31/28	5,250	250,031
Wells Fargo & Co. 7.50% exercise price \$156.71 y	159	199,863

Total Convertible Preferred Stock

(cost \$877,880)	1,028,549
------------------	------------------

Principal	Value
amount^o	(US \$)

Convertible Bonds 7.01%

Capital Goods 1.04%		
Aerojet Rocketdyne Holdings 2.25% exercise price \$26.00, maturity date 12/15/23	51,000	\$ 66,404
Cemex 3.72% exercise price \$11.01, maturity date 3/15/20	152,000	151,348
Chart Industries 144A 1.00% exercise price \$58.73, maturity date 11/15/24 #	133,000	166,866
Kaman 3.25% exercise price \$65.26, maturity date 5/1/24	184,000	228,874
Tesla Energy Operations 1.625% exercise price \$759.35, maturity date 11/1/19	326,000	301,922
		915,414

Communications 0.55%

DISH Network		
2.375% exercise price \$82.22, maturity date 3/15/24	181,000	152,195
3.375% exercise price \$65.18, maturity date 8/15/26	115,000	102,272
Liberty Interactive 144A 1.75% exercise price \$341.10, maturity date 9/30/46 #	173,000	179,628
Liberty Media 2.25% exercise price \$104.55, maturity date 9/30/46	49,000	51,270
		485,365

Consumer Cyclical 0.19%

Huron Consulting Group 1.25% exercise price \$79.89, maturity date 10/1/19	151,000	144,346
Live Nation Entertainment 144A 2.50% exercise price \$68.02, maturity date 3/15/23 #	25,000	25,178

169,524

Consumer Non-Cyclical 1.69%

Brookdale Senior Living 2.75% exercise price \$29.33, maturity date 6/15/18	262,000	262,512
Insulet 144A 1.375% exercise price \$93.18, maturity date 11/15/24 #	69,000	81,392
Medicines 2.75% exercise price \$48.97, maturity date 7/15/23	183,000	178,226
Neurocrine Biosciences 2.25% exercise price \$75.92, maturity date 5/15/24	131,000	188,730
Pacira Pharmaceuticals 2.375% exercise price \$66.89, maturity date 4/1/22	161,000	152,800

4

Table of Contents

	Principal amount^o	Value (US \$)
Convertible Bonds (continued)		
Consumer Non-Cyclical (continued)		
Paratek Pharmaceuticals 144A 4.75% exercise price \$15.90, maturity date 5/1/24 #	56,000	\$ 55,142
Spectrum Pharmaceuticals 2.75% exercise price \$10.53, maturity date 12/15/18	40,000	74,905
Team 144A 5.00% exercise price \$21.70, maturity date 8/1/23 #	93,000	113,318
Vector Group		
1.75% exercise price \$22.35, maturity date 4/15/20	262,000	276,493
2.50% exercise price \$14.50, maturity date 1/15/19	72,000	97,185
		1,480,703
Electric 0.06%		
NRG Energy 144A 2.75% exercise price \$47.74, maturity date 6/1/48 #	51,000	52,319
		52,319
Energy 0.70%		
Cheniere Energy 4.25% exercise price \$138.38, maturity date 3/15/45	259,000	207,148
Helix Energy Solutions Group		
4.125% exercise price \$9.47, maturity date 9/15/23	7,000	8,094
4.25% exercise price \$13.89, maturity date 5/1/22	218,000	222,044
PDC Energy 1.125% exercise price \$85.39, maturity date 9/15/21	172,000	179,310
		616,596
Financials 0.77%		
Ares Capital 3.75% exercise price \$19.39, maturity date 2/1/22	200,000	203,873
Blackhawk Network Holdings 1.50% exercise price \$49.83, maturity date 1/15/22	61,000	67,770
GAIN Capital Holdings 144A 5.00% exercise price \$8.20, maturity date 8/15/22 #	154,000	188,650
New Mountain Finance 5.00% exercise price \$15.80, maturity date 6/15/19	212,000	217,286
		677,579

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSRS

REITs 0.83%

Blackstone Mortgage Trust 4.375% exercise price \$35.67, maturity date 5/5/22	177,000	173,647
	Principal	Value
	amount^o	(US \$)

Convertible Bonds (continued)

REITs (continued)

Blackstone Mortgage Trust 5.25% exercise price \$27.36, maturity date 12/1/18	196,000	\$ 223,749
Spirit Realty Capital 3.75% exercise price \$12.91, maturity date 5/15/21	246,000	248,576
VEREIT 3.75% exercise price \$14.99, maturity date 12/15/20	83,000	83,968
		729,940

Technology 1.18%

Ciena 3.75% exercise price \$20.17, maturity date 10/15/18	126,000	148,867
Electronics For Imaging 0.75% exercise price \$52.72, maturity date 9/1/19	127,000	125,672
Knowles 3.25% exercise price \$18.43, maturity date 11/1/21	147,000	161,656
PROS Holdings		
2.00% exercise price \$33.79, maturity date 12/1/19	37,000	43,598
144A 2.00% exercise price \$48.63, maturity date 6/1/47 #	106,000	104,420
Synaptics 144A 0.50% exercise price \$73.02, maturity date 6/15/22 #	174,000	160,602
Verint Systems 1.50% exercise price \$64.46, maturity date 6/1/21	302,000	292,304
		1,037,119

Total Convertible Bonds (cost \$5,890,278)

6,164,559

Corporate Bonds 38.79%

Automotive 0.52%

American Axle & Manufacturing 6.25% 3/15/26	185,000	179,487
American Tire Distributors 144A 10.25% 3/1/22 #	46,000	22,770
Goodyear Tire & Rubber 4.875% 3/15/27	275,000	255,750
		458,007

Banking 2.00%

Ally Financial 5.75% 11/20/25	305,000	312,091
Credit Suisse Group 144A 6.25% #μy	200,000	198,950
Lloyds Banking Group 7.50% μy	330,000	346,088
Popular 7.00% 7/1/19	255,000	261,375
Royal Bank of Scotland Group 8.625% μy	400,000	433,880

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount ^o	Value (US \$)
Corporate Bonds (continued)		
Banking (continued)		
UBS Group Funding Switzerland 6.875% μ y	200,000	\$ 203,378
		1,755,762
Basic Industry 6.53%		
BMC East 144A 5.50% 10/1/24 #	125,000	121,406
Boise Cascade 144A 5.625% 9/1/24 #	400,000	403,500
Builders FirstSource 144A 5.625% 9/1/24 #	170,000	167,618
Chemours 5.375% 5/15/27	190,000	186,200
FMG Resources August 2006		
144A 4.75% 5/15/22 #	105,000	103,425
144A 5.125% 5/15/24 #	180,000	177,300
Freeport-McMoRan		
4.55% 11/14/24	170,000	165,750
6.875% 2/15/23	340,000	366,350
Hudbay Minerals		
144A 7.25% 1/15/23 #	20,000	20,750
144A 7.625% 1/15/25 #	180,000	189,900
IAMGOLD 144A 7.00% 4/15/25 #	20,000	20,675
Jeld-Wen		
144A 4.625% 12/15/25 #	35,000	33,163
144A 4.875% 12/15/27 #	220,000	205,150
Joseph T Ryerson & Son 144A 11.00% 5/15/22 #	110,000	121,550
Koppers 144A 6.00% 2/15/25 #	215,000	218,494
Kraton Polymers 144A 7.00% 4/15/25 #	150,000	155,250
Lennar		
4.50% 4/30/24	195,000	189,637
4.75% 5/30/25	95,000	92,269
M/I Homes 5.625% 8/1/25	20,000	19,088
New Enterprise Stone & Lime 144A 10.125% 4/1/22 #	30,000	32,025
NOVA Chemicals		
144A 5.00% 5/1/25 #	130,000	124,475
144A 5.25% 6/1/27 #	300,000	285,000
Novelis 144A 6.25% 8/15/24 #	335,000	340,059
Olin		
5.00% 2/1/30	175,000	164,946
5.125% 9/15/27	195,000	190,125

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSRS

Platform Specialty Products 144A 5.875% 12/1/25 #	40,000	38,550
PulteGroup 5.00% 1/15/27	100,000	95,750
Standard Industries		
144A 5.00% 2/15/27 #	370,000	348,494
144A 6.00% 10/15/25 #	50,000	50,750
Steel Dynamics 5.00% 12/15/26	190,000	188,347
	Principal	Value
	amount^o	(US \$)
Corporate Bonds (continued)		
Basic Industry (continued)		
Tronox 144A 6.50% 4/15/26 #	10,000	\$ 9,888
Tronox Finance 144A 5.75% 10/1/25 #	225,000	218,813
US Concrete 6.375% 6/1/24	260,000	265,525
William Lyon Homes 144A 6.00% 9/1/23 #	20,000	20,075
Zekelman Industries 144A 9.875% 6/15/23 #	375,000	412,500
		5,742,797
Capital Goods 1.43%		
Ardagh Packaging Finance 144A 6.00% 2/15/25 #	240,000	235,800
BWAY Holding		
144A 5.50% 4/15/24 #	310,000	306,900
144A 7.25% 4/15/25 #	105,000	103,362
Crown Americas 144A 4.75% 2/1/26 #	285,000	269,923
Flex Acquisition 144A 6.875% 1/15/25 #	115,000	111,550
Titan International 144A 6.50% 11/30/23 #	20,000	20,150
TransDigm 6.375% 6/15/26	170,000	171,275
Trident Merger Sub 144A 6.625% 11/1/25 #	40,000	39,500
		1,258,460
Consumer Cyclical 2.64%		
AMC Entertainment Holdings 6.125% 5/15/27	225,000	218,137
Boyd Gaming 6.375% 4/1/26	440,000	452,100
GLP Capital 5.375% 4/15/26	155,000	154,225
Golden Nugget 144A 8.75% 10/1/25 #	40,000	41,800
Hilton Worldwide Finance 4.875% 4/1/27	375,000	360,000
KFC Holding 144A 5.25% 6/1/26 #	325,000	318,500
MGM Resorts International 4.625% 9/1/26	200,000	186,000
Penn National Gaming 144A 5.625% 1/15/27 #	215,000	205,863
Penske Automotive Group 5.50% 5/15/26	390,000	385,125
		2,321,750
Consumer Non-Cyclical 1.17%		
Charles River Laboratories International 144A 5.50% 4/1/26 #	40,000	40,250
Cott Holdings 144A 5.50% 4/1/25 #	260,000	256,750
Dean Foods 144A 6.50% 3/15/23 #	20,000	19,650

Table of Contents

	Principal amount ^o	Value (US \$)
Corporate Bonds (continued)		
Consumer Non-Cyclical (continued)		
JBS USA		
144A 5.75%		
6/15/25 #	215,000	\$ 201,563
144A 6.75%		
2/15/28 #	20,000	18,925
Pilgrim s Pride 144A 5.75% 3/15/25 #	20,000	19,350
Post Holdings		
144A 5.00%		
8/15/26 #	100,000	94,000
144A 5.625%		
1/15/28 #	180,000	170,325
Tempur Sealy International 5.50% 6/15/26	210,000	203,175
		1,023,988
Energy 6.10%		
Alta Mesa Holdings 7.875% 12/15/24	220,000	232,650
AmeriGas Partners		
5.625% 5/20/24	10,000	9,950
5.875% 8/20/26	240,000	234,600
Antero Resources 5.625% 6/1/23	117,000	119,340
Cheniere Corpus Christi Holdings		
5.125% 6/30/27	40,000	39,900
5.875% 3/31/25	80,000	83,800
7.00% 6/30/24	100,000	110,750
Cheniere Energy Partners 144A 5.25% 10/1/25 #	30,000	29,250
Chesapeake Energy		
144A 8.00%		
12/15/22 #	44,000	46,695
8.00% 1/15/25	100,000	99,625
Crestwood Midstream Partners 5.75% 4/1/25	210,000	208,163
Diamond Offshore Drilling 7.875% 8/15/25	30,000	31,087
Diamondback Energy 4.75% 11/1/24	190,000	184,063
Energy Transfer Equity 5.50% 6/1/27	115,000	116,869
EnSCO 7.75% 2/1/26	30,000	28,687
Genesis Energy		
6.50% 10/1/25	40,000	38,700

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSRS

6.75% 8/1/22	294,000	299,880
Gulfport Energy		
6.375% 5/15/25	10,000	9,637
6.375% 1/15/26	145,000	138,837
6.625% 5/1/23	200,000	202,000
Hilcorp Energy I 144A 5.00% 12/1/24 #	97,000	95,060
Laredo Petroleum 6.25% 3/15/23	235,000	235,000
Murphy Oil		
5.75% 8/15/25	10,000	10,000

Principal
amount^o **Value**
(US \$)

Corporate Bonds (continued)

Energy (continued)		
Murphy Oil		
6.875% 8/15/24	500,000	\$ 531,250
Murphy Oil USA		
5.625% 5/1/27	415,000	411,888
Newfield Exploration		
5.375% 1/1/26	275,000	284,281
NuStar Logistics		
5.625% 4/28/27	160,000	153,000
Precision Drilling		
144A 7.125% 1/15/26 #	40,000	40,900
QEP Resources		
5.625% 3/1/26	285,000	273,244
Southwestern Energy		
4.10% 3/15/22	100,000	97,500
6.70% 1/23/25	270,000	267,300
7.75% 10/1/27	50,000	52,500
Summit Midstream Holdings		
5.75% 4/15/25	10,000	9,575
Targa Resources Partners		
5.375% 2/1/27	300,000	291,750
144A 5.875% 4/15/26 #	20,000	20,119
Transocean 144A 9.00% 7/15/23 #	200,000	216,250
Transocean Proteus		
144A 6.25% 12/1/24 #	81,000	82,519
Whiting Petroleum 144A 6.625% 1/15/26 #	30,000	30,750

5,367,369

Financials 0.66%

AerCap Global Aviation Trust 144A 6.50% 6/15/45 #μ	200,000	210,000
E*TRADE Financial 5.875% μγ	180,000	182,925
Vantiv 144A 4.375% 11/15/25 #	200,000	189,750

582,675

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSRS

Healthcare 3.06%		
Air Medical Group Holdings		
144A 6.375% 5/15/23 #	280,000	265,300
Community Health Systems		
6.25% 3/31/23	40,000	37,500
DaVita 5.00% 5/1/25	180,000	171,054
Encompass Health		
5.75% 11/1/24	295,000	300,531
5.75% 9/15/25	120,000	123,000
HCA		
5.375% 2/1/25	405,000	398,925
5.875% 2/15/26	120,000	121,051
7.58% 9/15/25	80,000	87,200
Hill-Rom Holdings		
144A 5.00% 2/15/25 #	180,000	176,400
144A 5.75% 9/1/23 #	110,000	113,300
Hologic 144A 4.625% 2/1/28 #	160,000	151,200

(continues)

7

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount ^o	Value (US \$)
Corporate Bonds (continued)		
Healthcare (continued)		
MPH Acquisition Holdings 144A 7.125% 6/1/24 #	192,000	\$ 199,680
Polaris Intermediate 144A PIK 8.50% 12/1/22 #	10,000	10,363
Service Corp International 4.625% 12/15/27	159,000	152,006
Surgery Center Holdings		
144A 6.75%		
7/1/25 #	20,000	18,750
144A 8.875% 4/15/21 #	30,000	30,900
Tenet Healthcare		
144A 5.125%		
5/1/25 #	175,000	170,406
8.125% 4/1/22	155,000	162,558
		2,690,124
Insurance 0.51%		
Acrisure 144A 7.00% 11/15/25 #	20,000	18,700
AssuredPartners 144A 7.00% 8/15/25 #	40,000	39,200
HUB International 144A 7.00%		
5/1/26 #	50,000	50,143
NFP 144A 6.875% 7/15/25 #	40,000	39,700
USIS Merger Sub 144A 6.875%		
5/1/25 #	295,000	297,950
		445,693
Media 4.39%		
Altice France 144A		
7.375% 5/1/26 #	200,000	195,750
AMC Networks 4.75% 8/1/25	200,000	188,500
CCO Holdings		
144A 5.125%		
5/1/27 #	120,000	112,650
144A 5.50%		
5/1/26 #	30,000	29,034
144A 5.75%		
2/15/26 #	160,000	157,152
	250,000	246,406

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSRS

144A 5.875%		
5/1/27 #		
Cequel Communications Holdings I 144A 7.75% 7/15/25 #	200,000	208,000
Gray Television 144A 5.875% 7/15/26 #	290,000	274,775
Lamar Media 5.75% 2/1/26	167,000	169,714
Nexstar Broadcasting 144A 5.625%		
8/1/24 #	385,000	377,550
Nielsen Co. Luxembourg 144A 5.00% 2/1/25 #	385,000	372,488
Radiate Holdco 144A 6.625% 2/15/25 #	20,000	18,400
Sinclair Television Group 144A 5.125% 2/15/27 #	195,000	182,325
Sirius XM Radio 144A 5.00% 8/1/27 #	395,000	377,280
144A 5.375% 4/15/25 #	205,000	203,206
Tribune Media 5.875% 7/15/22	170,000	172,763
	Principal	Value
	amount^o	(US \$)

Corporate Bonds (continued)

Media (continued)		
UPC Holding 144A 5.50% 1/15/28 #	200,000	\$ 183,500
Virgin Media Secured Finance 144A 5.25% 1/15/26 #	200,000	188,250
VTR Finance 144A 6.875% 1/15/24 #	200,000	204,480
		3,862,223

Services 4.43%		
Advanced Disposal Services 144A 5.625% 11/15/24 #	215,000	215,537
Aramark Services 144A 5.00% 2/1/28 #	65,000	62,725
Ashtead Capital 144A 4.375% 8/15/27 #	330,000	306,075
Avis Budget Car Rental 144A 6.375%		
4/1/24 #	135,000	132,975
Covanta Holding 5.875% 7/1/25	210,000	202,975
ESH Hospitality 144A 5.25% 5/1/25 #	290,000	279,299
GEO Group		
5.875% 1/15/22	500,000	510,625
5.875% 10/15/24	65,000	64,517
6.00% 4/15/26	150,000	147,375
Herc Rentals 144A 7.75% 6/1/24 #	206,000	221,965
Iron Mountain US Holdings 144A 5.375% 6/1/26 #	215,000	205,325
KAR Auction Services 144A 5.125%		
6/1/25 #	95,000	90,487
Prime Security Services Borrower 144A 9.25% 5/15/23 #	411,000	436,564
Scientific Games International 10.00% 12/1/22	370,000	398,216
Staples 144A 8.50% 9/15/25 #	10,000	9,395
TMS International 144A 7.25%		
8/15/25 #	10,000	10,375
United Rentals North America		
5.50% 5/15/27	585,000	580,613
5.875% 9/15/26	20,000	20,525
		3,895,568

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSRS

Technology & Electronics 1.68%		
CDK Global 5.00% 10/15/24	175,000	179,035
CDW Finance 5.00% 9/1/25	95,000	94,316
CommScope Technologies		
144A 5.00%		
3/15/27 #	235,000	220,313
144A 6.00%		
6/15/25 #	125,000	125,937
First Data 144A 5.75% 1/15/24 #	185,000	186,387
Infor US 6.50% 5/15/22	185,000	188,931
RP Crown Parent 144A 7.375% 10/15/24 #	20,000	20,650

8

Table of Contents

	Principal amount^o	Value (US \$)
Corporate Bonds (continued)		
Technology & Electronics (continued)		
Sensata Technologies UK Financing 144A 6.25% 2/15/26 #	200,000	\$ 209,250
Solera 144A 10.50% 3/1/24 #	140,000	156,058
Symantec 144A 5.00% 4/15/25 #	95,000	92,070
		1,472,947
Telecommunications 1.98%		
CenturyLink 6.75% 12/1/23	190,000	191,187
CyrusOne 5.375% 3/15/27	170,000	171,700
Level 3 Financing 5.375% 5/1/25	220,000	213,400
Sprint		
7.125% 6/15/24	190,000	191,900
7.625% 3/1/26	10,000	10,300
7.875% 9/15/23	103,000	108,356
Sprint Communications 7.00% 8/15/20	136,000	141,120
T-Mobile USA		
6.375% 3/1/25	85,000	89,029
6.50% 1/15/26	220,000	230,175
Zayo Group		
144A 5.75% 1/15/27 #	75,000	72,750
6.375% 5/15/25	315,000	320,513
		1,740,430
Transportation 0.23%		
XPO Logistics 144A 6.125% 9/1/23 #	201,000	206,216
		206,216
Utilities 1.46%		
AES		
5.50% 4/15/25	160,000	162,400
6.00% 5/15/26	25,000	25,906
Calpine		
144A 5.25% 6/1/26 #	265,000	251,419
5.50% 2/1/24	100,000	91,375
5.75% 1/15/25	160,000	146,000

Edgar Filing: DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC - Form N-CSRS

144A 5.875% 1/15/24 #	20,000	20,000
Emera 6.75% 6/15/76 μ	180,000	191,466
Enel 144A 8.75% 9/24/73 #μ	200,000	226,750
Vistra Energy 144A 8.00% 1/15/25 #	158,000	171,825
		1,287,141

Total Corporate Bonds
(cost \$34,636,889) **34,111,150**

	Number of shares	Value (US \$)
Master Limited Partnership 0.79%		
Ares Management	12,800	\$ 283,520
Brookfield Infrastructure Partners	10,700	407,670
Total Master Limited Partnership (cost \$346,500)		691,190

Preferred Stock 0.77%

Bank of America 6.50% μy	220,000	233,750
Colony NorthStar 8.50% y	8,300	208,662
DDR 6.50% y	2,500	57,875
GMAC Capital Trust I 8.128% (LIBOR03M + 5.785%) 2/15/40	2,000	52,220
Washington Prime Group 6.875% y	5,800	121,278
Total Preferred Stock (cost \$625,732)		673,785

Warrant 0.00%

Wheeler Real Estate Investment Trust strike price \$44, expiration date 4/29/19	7,617	164
Total Warrant (cost \$63)		164

	Principal amount ^o
Short-Term Investments 2.92%	
Discount Note 0.56%≠	
Federal Home Loan Bank 1.476% 6/1/18	496,305
	496,305

Repurchase Agreements 2.36%

Bank of America Merrill Lynch 1.70%, dated 5/31/18, to be repurchased on 6/1/18, repurchase price \$282,446 (collateralized by US government obligations 0.00% 0.875% 4/15/19 11/15/45; market value \$288,082)

282,433

282,433

(continues)

9

Table of Contents

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc.

	Principal amount ^o	Value (US \$)
Short-Term Investments (continued)		
Repurchase Agreements (continued)		
Bank of Montreal 1.65%, dated 5/31/18, to be repurchased on 6/1/18, repurchase price \$847,338 (collateralized by US government obligations 0.00% 3.625% 7/19/18 5/15/47; market value \$864,245)	847,299	\$ 847,299
BNP Paribas 1.75%, dated 5/31/18, to be repurchased on 6/1/18, repurchase price \$941,031 (collateralized by US government obligations 0.00% 3.625% 10/31/18 2/15/46; market value \$959,805)	940,985	940,985
		2,070,717
Total Short-Term Investments (cost \$2,567,022)		2,567,022
Total Value of Securities 144.69% (cost \$106,134,920)		\$ 127,223,838

- # Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At May 31, 2018, the aggregate value of Rule 144A securities was \$17,970,814, which represents 20.44% of the Fund's net assets. See Note 9 in Notes to financial statements.
- = The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the disclosure table located in Note 3 in Notes to financial statements.
- ≠ The rate shown is the effective yield at the time of purchase.
- ° Principal amount shown is stated in US dollars unless noted that the security is denominated in another currency.
- μ Fixed to variable rate investment. The rate shown reflects the fixed rate in effect at May 31, 2018. Rate will reset at a future date.
- y No contractual maturity date.
Non-income producing security.
Variable rate investment. Rates reset periodically. Rates shown reflect the rate in effect at May 31, 2018. For securities based on a published reference rate and spread, the reference rate and spread are indicated in their description above. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their description above.

Summary of abbreviations:

ICE Intercontinental Exchange

LIBOR London Interbank Offered Rate

LIBOR03M ICE LIBOR USD 3 Month

REIT Real Estate Investment Trust

USD US Dollar

See accompanying notes, which are an integral part of the financial statements.

10

Table of Contents

Statement of assets and liabilities

Delaware Investments® Dividend and Income Fund, Inc.

May 31, 2018 (Unaudited)

Assets:

Investments, at value ¹	\$ 127,223,838
Foreign currencies, at value ²	201,127
Cash	13,786
Dividends and interest receivable	780,395
Receivable for securities sold	42,678
Foreign tax reclaims receivable	6,987
Other assets ³	65,058
Total assets	128,333,869

Liabilities:

Borrowing under line of credit	40,000,000
Contingent Liabilities ³	216,859
Investment management fees payable to affiliates	59,944
Audit and tax fees payable	56,941
Other accrued expenses	36,450
Payable for securities purchased	18,672
Interest expense payable on line of credit	14,722
Legal fees payable to affiliates	1,270
Accounting and administration expenses payable to affiliates	751
Directors' fees and expenses payable to affiliates	512
Reports and statements to shareholders expenses payable to affiliates	65
Total liabilities	40,406,186

Total Net Assets	\$ 87,927,683
-------------------------	----------------------

Net Assets Consist of:

Common stock, \$0.01 par value, 500,000,000 shares authorized to the Fund	\$ 65,099,493
Distributions in excess of net investment income	(1,760,298)
Accumulated net realized gain on investments	3,505,436
Net unrealized appreciation of investments	21,088,918
Net unrealized depreciation of foreign currencies	(5,866)
Total Net Assets	\$ 87,927,683

Net Asset Value**Common Shares**

Net assets	\$ 87,927,683
Shares of beneficial interest outstanding	7,688,159
Net asset value per share	\$ 11.44

¹ Investments, at cost \$ 106,134,920

² Foreign currencies, at cost 207,118

³ See Note 11 in Notes to financial statements.

See accompanying notes, which are an integral part of the financial statements.

Table of Contents

Statement of operations

Delaware Investments® Dividend and Income Fund, Inc.

Six months ended May 31, 2018 (Unaudited)

Investment Income:

Interest	\$ 1,155,375
Dividends	1,044,667
Foreign tax withheld	(2,553)
	2,197,489

Expenses:

Interest expense	497,111
Management fees	357,589
Reports and statements to shareholders expenses	40,308
Dividend disbursing and transfer agent fees and expenses	37,948
Accounting and administration expenses	26,090
Legal fees	23,537
Audit and tax fees	21,044
Custodian fees	2,045
Directors fees and expenses	2,042
Registration fees	290
Other expenses	23,411
	1,031,415
Less expenses paid indirectly	(72)
Total operating expenses	1,031,343
Net Investment Income	1,166,146

Net Realized and Unrealized Gain (Loss):

Net realized gain (loss) on:	
Investments	3,964,107
Foreign currencies	(1,629)
Foreign currency exchange contracts	1,215
Net realized gain	3,963,693
Net change in unrealized appreciation (depreciation) of:	
Investments	(4,650,495)
Foreign currencies	(5,427)

Net change in unrealized appreciation (depreciation)	(4,655,922)
Net Realized and Unrealized Loss	(692,229)
Net Increase in Net Assets Resulting from Operations	\$ 473,917

See accompanying notes, which are an integral part of the financial statements.

Table of Contents

Statements of changes in net assets

Delaware Investments® Dividend and Income Fund, Inc.

	Six months ended 5/31/18 (Unaudited)	Year ended 11/30/17
Increase (Decrease) in Net Assets from Operations:		
Net investment income	\$ 1,166,146	\$ 2,685,667
Net realized gain	3,963,693	3,873,819
Net change in unrealized appreciation (depreciation)	(4,655,922)	6,043,995
Net increase in net assets resulting from operations	473,917	12,603,481
Dividends and Distributions to Shareholders from:		
Net investment income	(2,879,215)	(3,803,615)
Net realized gain	(2,583,221)	
	(5,462,436)	(3,803,615)
Capital Share Transactions:		
Cost of shares repurchased ¹		(4,548,154)
Decrease in net assets derived from capital share transactions		(4,548,154)
Net Increase (Decrease) in Net Assets	(4,988,519)	4,251,712
Net Assets:		
Beginning of period	92,916,202	88,664,490
End of period	\$ 87,927,683	\$ 92,916,202
Distributions in excess of net investment income	\$ (1,760,298)	\$ (47,229)

¹ See Note 4 in Notes to financial statements.

See accompanying notes, which are an integral part of the financial statements.

Table of Contents

Statement of cash flows

Delaware Investments® Dividend and Income Fund, Inc.

Six months ended May 31, 2018 (Unaudited)

Net Cash (including Foreign Currency) Provided by (Used for) Operating Activities:

Net increase (decrease) in net assets resulting from operations	\$ 473,917
Adjustments to reconcile net increase (decrease) in net assets from operations to cash provided by (used for) operating activities:	
Amortization of premium and accretion of discount on investments, net	(27,024)
Proceeds from disposition of investment securities	22,448,233
Purchase of investment securities	(21,976,278)
(Purchase) Proceeds from disposition of short-term investment securities, net	3,778,216
Net realized (gain) loss on investments	(3,946,262)
Net change in unrealized (appreciation) depreciation of investments	4,668,640
Net change in unrealized (appreciation) depreciation of foreign currencies	5,427
(Increase) Decrease in receivable for securities sold	601,543
(Increase) Decrease in dividends and interest receivable	(4,068)
Adjustments for dividend income return of capital	2,765
(Increase) Decrease in foreign tax reclaims receivable	(317)
Increase (Decrease) in payable for securities purchased	(494,952)
Increase (Decrease) in Directors' fees and expenses payable to affiliates	(108)
Increase (Decrease) in accounting and administration expenses payable to affiliates	12
Increase (Decrease) in investment management fees payable to affiliates	715
Increase (Decrease) in reports and statements to shareholders expenses payable to affiliates	(5)
Increase (Decrease) in audit and tax fees payable	15,159
Increase (Decrease) in legal fees payable to affiliates	685
Increase (Decrease) in other accrued expenses	(67,450)
Increase (Decrease) in interest expense payable on line of credit	3,000
Total adjustments	5,007,931
Net cash provided by (used for) operating activities	5,481,848
Cash provided by (used for) financing activities:	
Cash dividends and distributions paid to shareholders	(5,462,436)
Net cash provided by (used for) financing activities	(5,462,436)
Effect of exchange rates on cash	(5,427)
Net increase (decrease) in cash	13,985

Cash at beginning of period*	200,928
Cash at end of period*	\$ 214,913
Cash paid for interest expense on line of credit	\$ 494,111

*Includes foreign currencies, at value as shown on the Statement of assets and liabilities.

See accompanying notes, which are an integral part of the financial statements.

Table of Contents

Financial highlights

Delaware Investments® Dividend and Income Fund, Inc.

Selected data for each share of the Fund outstanding throughout each period were as follows:

	Six months ended			Year ended		
	5/31/18¹	11/30/17	11/30/16	11/30/15	11/30/14	11/30/13
Net asset value, beginning of period	\$ 12.09	\$ 10.96	\$ 10.20	\$ 11.14	\$ 10.37	\$ 8.66
Income (loss) from investment operations:						
Net investment income ²	0.15	0.34	0.38	0.44	0.44	0.44
Net realized and unrealized gain (loss)	(0.09)	1.27	0.97	(0.75)	0.96	1.90
Total from investment operations	0.06	1.61	1.35	(0.31)	1.40	2.34
Less dividends and distributions from:						
Net investment income	(0.37)	(0.48)	(0.59)	(0.63)	(0.63)	(0.63)
Net realized gain	(0.34)					
Total dividends and distributions	(0.71)	(0.48)	(0.59)	(0.63)	(0.63)	(0.63)
Net asset value, end of period						