

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

GABELLI DIVIDEND & INCOME TRUST
Form N-CSRS
September 08, 2005

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: June 30, 2005

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

ITEM 1. REPORTS TO STOCKHOLDERS.

The Report to Shareholders is attached herewith.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

[LOGO OMITTED]
THE GABELLI
DIVIDEND &
INCOME TRUST

THE GABELLI DIVIDEND & INCOME TRUST

Semi-Annual Report
June 30, 2005

TO OUR SHAREHOLDERS,

The Gabelli Dividend & Income Trust's ("the Trust") total return during the second quarter was 3.6% on a net asset value ("NAV") basis, compared to a 1.4% gain for the Standard & Poor's ("S&P") 500 Index. Year to date through June 30, 2005, the Trust's total return was 4.7% on an NAV basis versus a 0.8% decline for the S&P 500 Index. The Trust's market price rose 5.5% during the second quarter and 7.0% for the first half of 2005. The Trust's market price on June 30, 2005 was \$18.58, which equates to an 9.1% discount to its NAV of \$20.44.

Enclosed are the financial statements and the investment portfolio as of June 30, 2005.

COMPARATIVE RESULTS

AVERAGE ANNUAL RETURNS THROUGH JUNE 30, 2005 (A)

| | Quarter ----- | Year to Date ---- |
|---|------------------|-------------------------|
| GABELLI DIVIDEND & INCOME TRUST NAV RETURN (B) | 3.64% | 4.68% |
| GABELLI DIVIDEND & INCOME TRUST INVESTMENT RETURN (C) | 5.45 | 6.99 |
| S&P 500 Index | 1.37 | (0.81) |
| Dow Jones Industrial Average | (1.62) | (3.50) |
| Nasdaq Composite Index | 2.89 | (5.45) |

- (a) RETURNS REPRESENT PAST PERFORMANCE AND DO NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURNS AND THE PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE. WHEN SHARES ARE SOLD, THEY MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA PRESENTED. VISIT WWW.GABELLI.COM FOR PERFORMANCE INFORMATION AS OF THE MOST RECENT MONTH END. INVESTORS SHOULD CONSIDER THE INVESTMENT OBJECTIVES, RISKS AND CHARGES AND EXPENSES OF THE FUND CAREFULLY BEFORE INVESTING. PERFORMANCE FIGURES FOR PERIODS LESS THAN ONE YEAR ARE NOT ANNUALIZED. 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.
- (b) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN NAV, REINVESTMENT OF DISTRIBUTIONS AT NAV ON THE EX-DIVIDEND DATE AND ARE NET OF EXPENSES. SINCE INCEPTION RETURN BASED ON AN INITIAL NAV OF \$19.06.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

(c) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN CLOSING MARKET VALUES ON THE NEW YORK STOCK EXCHANGE AND REINVESTMENT OF DISTRIBUTIONS ON THE PAYABLE DATE. SINCE INCEPTION RETURN BASED ON AN INITIAL OFFERING PRICE OF \$20.00.

We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

THE GABELLI DIVIDEND & INCOME TRUST SUMMARY OF PORTFOLIO HOLDINGS (UNAUDITED)

The following table presents portfolio holdings as a percent of total investments:

| | |
|---|-------|
| Financial Services | 13.1% |
| U.S. Government Obligations | 12.5% |
| Energy and Utilities: Oil | 12.2% |
| Energy and Utilities: Integrated | 11.8% |
| Repurchase Agreements | 8.6% |
| Telecommunications | 6.4% |
| Energy and Utilities: Electric | 6.2% |
| Energy and Utilities: Natural Gas | 3.6% |
| Food and Beverage | 3.5% |
| Diversified Industrial | 2.9% |
| Health Care | 2.2% |
| Entertainment | 1.7% |
| Consumer Products | 1.4% |
| Automotive: Parts and Accessories | 1.3% |
| Retail | 1.3% |
| Specialty Chemicals | 1.2% |
| Machinery | 1.1% |
| Cable and Satellite | 1.1% |
| Broadcasting | 1.0% |
| Transportation | 0.9% |
| Hotels and Gaming | 0.8% |
| Energy and Utilities | 0.6% |
| Agriculture | 0.6% |
| Computer Software and Services | 0.6% |
| Aerospace | 0.6% |
| Equipment and Supplies | 0.6% |
| Metals and Mining | 0.5% |
| Wireless Communications | 0.3% |
| Communications Equipment | 0.3% |
| Energy and Utilities: Water | 0.3% |
| Real Estate Investment Trusts | 0.2% |
| Business Services | 0.2% |
| Publishing | 0.2% |
| Aviation: Parts and Services | 0.1% |
| Closed-End Funds | 0.1% |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

100.0%

=====

THE GABELLI DIVIDEND & INCOME TRUST (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, THE LAST OF WHICH WAS FILED FOR THE QUARTER ENDED MARCH 31, 2005. SHAREHOLDERS MAY OBTAIN THIS INFORMATION AT 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 AND MAY ALSO BE REVIEWED AND COPIED AT THE COMMISSION'S PUBLIC REFERENCE ROOM IN WASHINGTON, DC. INFORMATION ON THE OPERATION OF THE PUBLIC REFERENCE ROOM MAY BE OBTAINED BY CALLING 1-800-SEC-0330.

PROXY VOTING

The Fund files Form N-PX with its complete proxy voting record for the 12 months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies and procedures are available without charge, upon request, (i) by calling 800-GABELLI (800-422-3554); (ii) by writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; and (iii) by visiting the Securities and Exchange Commission's website at www.sec.gov.

SHAREHOLDER MEETING -- MAY 9, 2005 -- FINAL RESULTS

The Annual Meeting of Shareholders was held on May 9, 2005 at the Hyatt Regency in Old Greenwich, Connecticut. At that meeting, common and preferred shareholders voting together as a single class elected Frank J. Fahrenkopf, Jr., Anthonie C. van Ekris and Salvatore J. Zizza as Trustees of the Trust. There were 85,563,542 votes, 85,642,850 votes and 85,663,733 votes cast in favor of each Trustee and 1,382,981 votes, 1,303,673 votes and 1,282,790 votes were withheld for each Trustee, respectively. In addition, preferred shareholders voting as a single class elected Anthony J. Colavita and James R. Conn as Trustees of the Trust. There were 3,135,151 and 3,134,216 votes cast in favor of each Trustee and 38,079 and 39,104 votes were withheld for each Trustee, respectively.

Mario J. Gabelli, Mario d'Urso, Michael J. Melarkey, Karl Otto Pohl, Salvatore M. Salibello and Edward T. Tokar continue to serve in their capacities as Trustees of the Trust.

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

2

THE GABELLI DIVIDEND & INCOME TRUST SCHEDULE OF INVESTMENTS JUNE 30, 2005 (UNAUDITED)

| SHARES | COST | MARKET VALUE |
|---------------------------------|------------|-----------------|
| COMMON STOCKS -- 74.3% | | |
| AEROSPACE -- 0.4% | | |
| 10,000 Goodrich Corp. | \$ 281,823 | \$ 409,600 |
| 30,000 Kaman Corp., Cl. A | 382,348 | 541,200 |
| 350,000 Titan Corp.+ | 6,788,991 | 7,959,000 |
| | 7,453,162 | 8,909,800 |
| | | |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | | |
|-----------|--|-------------|-------------|
| 1,000 | Textron Inc. | 51,500 | 75,850 |
| 1,051,000 | Tomkins plc | 5,080,148 | 4,924,237 |
| 24,000 | Tomkins plc, ADR | 472,419 | 456,480 |
| | | ----- | ----- |
| | | 43,868,483 | 49,160,950 |
| | | ----- | ----- |
| | ENERGY AND UTILITIES: ELECTRIC -- 6.2% | | |
| 30,000 | Allegheny Energy Inc.+ ... | 438,040 | 756,600 |
| 120,000 | ALLETE Inc. | 3,983,448 | 5,988,000 |
| 305,000 | American Electric Power Co. Inc. | 9,047,393 | 11,245,350 |
| 20,000 | Cleco Corp. | 349,431 | 431,400 |
| 377,000 | DPL Inc. | 7,269,715 | 10,348,650 |
| 17,500 | DTE Energy Co. | 667,957 | 818,475 |
| 270,000 | Duquesne Light Holdings Inc. | 4,812,167 | 5,043,600 |
| 237,000 | Electric Power Development Co. Ltd. ... | 6,918,340 | 6,859,345 |
| 210,000 | FPL Group Inc. | 7,085,085 | 8,832,600 |
| 610,000 | Great Plains Energy Inc. . | 18,714,180 | 19,452,900 |
| 600,000 | Pepco Holdings Inc. | 11,391,942 | 14,364,000 |
| 220,000 | Pinnacle West Capital Corp. | 8,566,123 | 9,779,000 |
| 500,000 | Southern Co. | 14,779,215 | 17,335,000 |
| 500,000 | Unisource Energy Corp. ... | 12,298,314 | 15,375,000 |
| | | ----- | ----- |
| | | 106,321,350 | 126,629,920 |
| | | ----- | ----- |
| | ENERGY AND UTILITIES: INTEGRATED -- 11.8% | | |
| 12,000 | Alliant Energy Corp. | 305,115 | 337,800 |
| 410,000 | Ameren Corp. | 18,428,777 | 22,673,000 |
| 35,000 | Avista Corp. | 610,184 | 650,650 |
| 11,000 | Black Hills Corp. | 335,198 | 405,350 |
| 22,800 | Central Vermont Public Service Corp. | 446,712 | 421,800 |
| 32,100 | CH Energy Group Inc. | 1,481,792 | 1,561,023 |
| 108,000 | Chubu Electric Power Co. Inc. | 2,458,019 | 2,590,208 |
| 121,500 | Chugoku Electric Power Co. Inc. | 2,194,052 | 2,371,720 |
| 330,000 | Cinergy Corp. | 12,511,142 | 14,790,600 |
| 167,000 | CONSOL Energy Inc. | 3,852,748 | 8,947,860 |
| 200,000 | Consolidated Edison Inc. | 8,201,972 | 9,368,000 |
| 4,000 | Dominion Resources Inc. .. | 271,053 | 293,560 |
| 200,000 | Duke Energy Corp. | 4,255,621 | 5,946,000 |
| 430,000 | Edison SpA+ | 1,002,090 | 957,475 |
| 150,000 | El Paso Corp. | 1,485,360 | 1,728,000 |

See accompanying notes to financial statements.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

| SHARES | COST | MARKET VALUE |
|--------|-------|-----------------|
| ----- | ----- | ----- |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

COMMON STOCKS (CONTINUED)
ENERGY AND UTILITIES: INTEGRATED (CONTINUED)

| | | | | |
|---------|----------------------------|----|-------------|-------------|
| 6,500 | Empire District | | | |
| | Electric Co. | \$ | 144,112 | \$ 155,740 |
| 300,000 | Enel SpA | | 2,324,318 | 2,613,936 |
| 47,000 | Enel SpA, ADR | | 1,839,336 | 2,040,270 |
| 139,500 | Energy East Corp. | | 3,166,127 | 4,042,710 |
| 220,000 | FirstEnergy Corp. | | 7,886,725 | 10,584,200 |
| 130,000 | Hawaiian Electric | | | |
| | Industries Inc. | | 3,045,840 | 3,485,300 |
| 250,000 | Hera SpA | | 552,073 | 696,596 |
| 121,500 | Hokkaido Electric | | | |
| | Power Co. Inc. | | 2,282,208 | 2,486,746 |
| 121,500 | Hokuriku Electric | | | |
| | Power Co. | | 2,131,359 | 2,316,946 |
| 121,500 | Kansai Electric | | | |
| | Power Co. Inc. | | 2,333,021 | 2,442,927 |
| 69,500 | Korea Electric Power | | | |
| | Corp., ADR | | 995,325 | 1,089,065 |
| 121,500 | Kyushu Electric | | | |
| | Power Co. Inc. | | 2,374,466 | 2,640,114 |
| 25,000 | Maine & Maritimes Corp. .. | | 746,488 | 612,500 |
| 4,000 | MGE Energy Inc. | | 132,594 | 145,520 |
| 40,000 | National Grid | | | |
| | Transco plc, ADR | | 1,588,564 | 1,950,800 |
| 260,000 | NiSource Inc. | | 5,433,717 | 6,429,800 |
| 600,000 | NSTAR | | 14,242,809 | 18,498,000 |
| 500,000 | OGE Energy Corp. | | 12,037,779 | 14,470,000 |
| 60,000 | Ormat Technologies Inc. .. | | 900,000 | 1,146,000 |
| 330,000 | Progress Energy Inc. | | 14,816,426 | 14,929,200 |
| 310,000 | Public Service Enterprise | | | |
| | Group Inc. | | 13,620,343 | 18,854,200 |
| 220,000 | Scottish Power plc, | | | |
| | ADR | | 6,417,661 | 7,832,000 |
| 121,500 | Shikoku Electric | | | |
| | Power Co. Inc. | | 2,264,565 | 2,421,017 |
| 2,000 | TECO Energy Inc. | | 27,648 | 37,820 |
| 121,500 | Tohoku Electric | | | |
| | Power Co. Inc. | | 2,112,763 | 2,590,817 |
| 108,000 | Tokyo Electric | | | |
| | Power Co. Inc. | | 2,545,172 | 2,575,602 |
| 1,000 | TXU Corp. | | 28,289 | 83,090 |
| 60,000 | Vectren Corp. | | 1,483,577 | 1,723,800 |
| 450,000 | Westar Energy Inc. | | 8,854,560 | 10,813,500 |
| 90,000 | Wisconsin Energy Corp. ... | | 2,844,518 | 3,510,000 |
| 150,000 | WPS Resources Corp. | | 6,859,066 | 8,437,500 |
| 800,000 | Xcel Energy Inc. | | 13,706,887 | 15,616,000 |
| | | | ----- | ----- |
| | | | 197,578,171 | 240,314,762 |
| | | | ----- | ----- |

| | | | MARKET |
|---------|---|------------|------------|
| SHARES | | COST | VALUE |
| ----- | | ----- | ----- |
| | ENERGY AND UTILITIES: NATURAL GAS -- 3.6% | | |
| 8,500 | AGL Resources Inc. | \$ 231,031 | \$ 328,525 |
| 100,000 | Atmos Energy Corp. | 2,487,349 | 2,880,000 |
| 14,800 | Delta Natural Gas Co. Inc. | 374,076 | 382,728 |
| 6,000 | Energen Corp. | 124,550 | 210,300 |
| 380,000 | KeySpan Corp. | 13,740,598 | 15,466,000 |
| 20,000 | Kinder Morgan Energy | | |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | | |
|---------|------------------------------------|------------|------------|
| | Partners LP | 824,553 | 1,018,400 |
| 50,000 | Laclede Group Inc. | 1,380,807 | 1,588,000 |
| 300,000 | National Fuel Gas Co. | 7,226,378 | 8,673,000 |
| 215,000 | Nicor Inc. | 7,320,919 | 8,851,550 |
| 220,000 | ONEOK Inc. | 4,686,840 | 7,183,000 |
| 250,000 | Peoples Energy Corp. | 10,457,700 | 10,865,000 |
| 300,000 | SEMCO Energy Inc.+ | 1,686,087 | 1,797,000 |
| 200,000 | Sempra Energy | 5,764,549 | 8,262,000 |
| 12,000 | South Jersey Industries Inc. | 497,736 | 733,440 |
| 20,000 | Southern Union Co.+ | 457,198 | 491,000 |
| 167,800 | Southwest Gas Corp. | 4,009,556 | 4,280,578 |
| | | ----- | ----- |
| | | 61,269,927 | 73,010,521 |
| | | ----- | ----- |
| | ENERGY AND UTILITIES: OIL -- 12.2% | | |
| 10,000 | Amerada Hess Corp. | 830,468 | 1,065,100 |
| 7,000 | Anadarko Petroleum Corp. | 391,850 | 575,050 |
| 38,000 | Apache Corp. | 1,678,926 | 2,454,800 |
| 20,000 | Baker Hughes Inc. | 759,763 | 1,023,200 |
| 26,900 | BG Group plc, ADR | 1,049,832 | 1,119,040 |
| 160,000 | BP plc, ADR | 7,479,063 | 9,980,800 |
| 80,000 | Burlington Resources Inc. | 3,248,465 | 4,419,200 |
| 5,000 | Chesapeake Energy Corp. .. | 65,489 | 114,000 |
| 150,000 | Chevron Corp. | 7,889,415 | 8,388,000 |
| 1,000 | Cimarex Energy Co.+ | 28,300 | 38,910 |
| 420,000 | ConocoPhillips | 15,095,391 | 24,145,800 |
| 20,000 | Cooper Cameron Corp.+ | 1,103,787 | 1,241,000 |
| 60,000 | Devon Energy Corp. | 2,266,223 | 3,040,800 |
| 290,000 | Diamond Offshore | | |
| | Drilling Inc. | 6,904,634 | 15,494,700 |
| 75,000 | Eni SpA, ADR | 6,854,713 | 9,615,000 |
| 225,000 | Exxon Mobil Corp. | 10,427,149 | 12,930,750 |
| 200,000 | Halliburton Co. | 5,839,449 | 9,564,000 |
| 140,000 | Kaneb Services LLC | 6,027,731 | 6,059,200 |
| 89,994 | Kerr-McGee Corp. | 4,654,992 | 6,867,442 |
| 283,000 | Marathon Oil Corp. | 8,736,357 | 15,103,710 |
| 200,000 | Murphy Oil Corp. | 7,688,489 | 10,446,000 |
| 2,000 | Nabors Industries Ltd.+ .. | 97,350 | 121,240 |
| 5,000 | Noble Corp. | 254,820 | 307,550 |
| 190,000 | Occidental Petroleum Corp. | 9,068,488 | 14,616,700 |
| 10,000 | PetroChina Co. Ltd., ADR | 647,279 | 734,500 |
| 500 | PetroKazakhstan Inc., | | |
| | Cl. A | 18,675 | 18,290 |
| 54,000 | Premcor Inc. | 3,702,949 | 4,005,720 |

See accompanying notes to financial statements.

4

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

| SHARES | COST | MARKET VALUE |
|---------------------------------------|-------|-----------------|
| ----- | ----- | ----- |
| COMMON STOCKS (CONTINUED) | | |
| ENERGY AND UTILITIES: OIL (CONTINUED) | | |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | | |
|---------|--|---------------|---------------|
| 280,000 | Repsol YPF SA, ADR | \$ 5,930,532 | \$ 7,036,400 |
| 200,000 | Royal Dutch Petroleum Co. | 9,567,840 | 12,980,000 |
| 40,000 | Schlumberger Ltd. | 2,128,651 | 3,037,600 |
| 1,000 | Seitel Inc.+ | 1,285 | 1,460 |
| 940,000 | Statoil ASA, ADR | 10,512,511 | 19,082,003 |
| 100,000 | Sunoco Inc. | 8,156,500 | 11,368,000 |
| 102,000 | Total SA, ADR | 9,153,120 | 11,918,700 |
| 17,000 | Transocean Inc.+ | 803,094 | 917,490 |
| 290,000 | Unocal Corp. | 16,309,189 | 18,864,500 |
| | ----- | ----- | ----- |
| | | 175,372,769 | 248,696,655 |
| | ----- | ----- | ----- |
| | ENERGY AND UTILITIES: WATER -- 0.3% | | |
| 11,000 | American States Water Co. | 273,608 | 323,070 |
| 40,000 | Aqua America Inc. | 873,090 | 1,189,600 |
| 4,000 | Artesian Resources Corp., Cl. A | 113,635 | 118,440 |
| 3,000 | California Water Service Group | 94,710 | 112,620 |
| 5,000 | Connecticut Water Service Inc. | 128,138 | 124,950 |
| 6,000 | Middlesex Water Co. | 111,082 | 116,520 |
| 21,466 | Pennichuck Corp. | 417,619 | 410,430 |
| 45,800 | SJW Corp. | 1,536,525 | 2,153,058 |
| 11,500 | Southwest Water Co. | 136,325 | 136,045 |
| 36,000 | United Utilities plc, ADR | 774,333 | 861,480 |
| 11,000 | Veolia Environnement | 304,150 | 413,595 |
| 6,000 | York Water Co. | 115,031 | 126,840 |
| | ----- | ----- | ----- |
| | | 4,878,246 | 6,086,648 |
| | ----- | ----- | ----- |
| | ENTERTAINMENT -- 1.4% | | |
| 2,000 | Grupo Televisa SA, ADR ... | 79,516 | 124,180 |
| 500,000 | The Walt Disney Co. | 11,529,759 | 12,590,000 |
| 490,000 | Time Warner Inc.+ | 8,379,385 | 8,187,900 |
| 250,000 | Vivendi Universal SA, ADR | 7,761,402 | 7,832,500 |
| | ----- | ----- | ----- |
| | | 27,750,062 | 28,734,580 |
| | ----- | ----- | ----- |
| | EQUIPMENT AND SUPPLIES -- 0.5% | | |
| 115,000 | CIRCOR International Inc. | 2,094,187 | 2,837,050 |
| 1,100 | CUNO Inc.+ | 78,407 | 78,584 |
| 29,000 | Lufkin Industries Inc. ... | 457,313 | 1,043,420 |
| 46,800 | Mueller Industries Inc. .. | 2,071,647 | 1,268,280 |
| 198,000 | RPC Inc. | 1,966,659 | 3,350,160 |
| 11,000 | Weatherford International Ltd.+ | 520,533 | 637,780 |
| | ----- | ----- | ----- |
| | | 7,188,746 | 9,215,274 |
| | ----- | ----- | ----- |
| | | | MARKET |
| ----- | SHARES | ----- | VALUE |
| | | ----- | ----- |
| | FINANCIAL SERVICES -- 12.3% | | |
| 360,000 | Alliance Capital Management Holding LP | \$ 12,088,737 | \$ 16,826,400 |
| 360,000 | American Express Co. | 18,313,522 | 19,162,800 |
| 285,000 | American International | | |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | | |
|---------|--|------------|------------|
| | Group Inc. | 17,423,364 | 16,558,500 |
| 120,000 | AmSouth Bancorporation ... | 2,973,948 | 3,120,000 |
| 510,000 | Bank of America Corp. | 20,565,031 | 23,261,100 |
| 361,400 | Bank of New York Co. Inc. | 11,720,504 | 10,401,092 |
| 3,000 | BlackRock, Inc., Cl. A ... | 217,161 | 241,350 |
| 420,000 | Citigroup Inc. | 20,378,842 | 19,416,600 |
| 100,000 | Commercial Federal Corp. | 3,392,200 | 3,368,000 |
| 30,000 | Deutsche Bank AG, ADR | 2,456,595 | 2,337,000 |
| 100,200 | Fidelity National Financial Inc. | 4,276,588 | 3,576,138 |
| 145,000 | Fifth Third Bancorp | 6,516,066 | 5,975,450 |
| 100,000 | First Horizon National Corp. | 4,259,774 | 4,220,000 |
| 30,000 | Flushing Financial Corp. . | 580,605 | 552,000 |
| 27,000 | Hartford Financial Services Group Inc. | 1,748,090 | 2,019,060 |
| 55,000 | Hibernia Corp., Cl. A | 1,766,289 | 1,824,900 |
| 60,000 | Janus Capital Group Inc. | 896,299 | 902,400 |
| 510,000 | JPMorgan Chase & Co. | 18,568,142 | 18,013,200 |
| 50,000 | KeyCorp | 1,418,288 | 1,657,500 |
| 380,000 | MBNA Corp. | 10,017,562 | 9,940,800 |
| 15,000 | Merrill Lynch & Co. Inc. | 833,066 | 825,150 |
| 135,000 | Morgan Stanley | 6,866,538 | 7,083,450 |
| 180,000 | New York Community Bancorp Inc. | 3,510,993 | 3,261,600 |
| 4,000 | NewAlliance Bancshares Inc. | 59,954 | 56,200 |
| 30,000 | North Fork Bancorporation Inc. | 729,176 | 842,700 |
| 230,000 | PNC Financial Services Group Inc. | 12,320,902 | 12,525,800 |
| 130,000 | Popular Inc. | 3,082,073 | 3,274,700 |
| 1,000 | Progressive Corp. | 89,520 | 98,810 |
| 289,010 | Sovereign Bancorp Inc. ... | 6,349,625 | 6,456,484 |
| 293,800 | St. Paul Travelers Companies Inc. | 11,055,903 | 11,613,914 |
| 15,000 | Sterling Bancorp | 341,301 | 320,250 |
| 60,000 | T. Rowe Price Group Inc. | 3,056,819 | 3,756,000 |
| 6,334 | United Fire & Casualty Co. | 151,995 | 281,356 |
| 5,000 | Unitrin Inc. | 187,486 | 245,500 |
| 14,490 | Valley National Bancorp .. | 378,581 | 338,776 |
| 245,000 | Wachovia Corp. | 11,347,420 | 12,152,000 |

See accompanying notes to financial statements.

5

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

| SHARES | COST | MARKET VALUE |
|--------------------------------|-------|-----------------|
| ----- | ----- | ----- |
| COMMON STOCKS (CONTINUED) | | |
| FINANCIAL SERVICES (CONTINUED) | | |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | | |
|-----------|--|--------------|-----------------|
| 290,300 | Waddell & Reed Financial Inc., Cl. A | \$ 6,628,048 | \$ 5,370,550 |
| 32,000 | Washington Mutual Inc. ... | 1,266,593 | 1,302,080 |
| 3,500 | Webster Financial Corp. .. | 155,536 | 163,415 |
| 130,000 | Wells Fargo & Co. | 7,427,111 | 8,005,400 |
| 100,000 | Wilmington Trust Corp. ... | 3,578,188 | 3,601,000 |
| 87,300 | Zions Bancorporation | 5,691,463 | 6,419,169 |
| | | ----- | ----- |
| | | 244,685,898 | 251,368,594 |
| | | ----- | ----- |
| | FOOD AND BEVERAGE -- 3.5% | | |
| 120,000 | Anheuser-Busch Companies Inc. | 5,621,318 | 5,490,000 |
| 20,000 | Campbell Soup Co. | 564,258 | 615,400 |
| 150,000 | Coca-Cola Co. | 6,659,079 | 6,262,500 |
| 180,000 | ConAgra Foods Inc. | 4,818,670 | 4,168,800 |
| 450,000 | Dreyer's Grand Ice Cream Holdings Inc., Cl. A ... | 34,980,592 | 36,630,000 |
| 165,000 | General Mills Inc. | 7,568,765 | 7,720,350 |
| 80,000 | Heinz (H.J.) Co. | 2,950,151 | 2,833,600 |
| 1,000 | Kellogg Co. | 35,550 | 44,440 |
| 35,000 | Kraft Foods Inc., Cl. A .. | 1,114,741 | 1,113,350 |
| 290,000 | Sara Lee Corp. | 6,455,319 | 5,744,900 |
| 1,000 | Wrigley (Wm.) Jr. Co. | 55,998 | 68,840 |
| | | ----- | ----- |
| | | 70,824,441 | 70,692,180 |
| | | ----- | ----- |
| | HEALTH CARE -- 2.2% | | |
| 145,000 | Bristol-Myers Squibb Co. | 3,552,525 | 3,622,100 |
| 150,000 | Eli Lilly & Co. | 9,066,485 | 8,356,500 |
| 160,000 | Eon Labs Inc.+ | 4,850,300 | 4,902,400 |
| 220,000 | Merck & Co. Inc. | 8,376,601 | 6,776,000 |
| 50,000 | Owens & Minor Inc. | 1,240,047 | 1,617,500 |
| 585,000 | Pfizer Inc. | 17,779,446 | 16,134,300 |
| 85,000 | Renal Care Group Inc.+ ... | 3,908,289 | 3,918,500 |
| 10,000 | Wyeth | 398,480 | 445,000 |
| | | ----- | ----- |
| | | 49,172,173 | 45,772,300 |
| | | ----- | ----- |
| | HOTELS AND GAMING -- 0.8% | | |
| 2,000,000 | Hilton Group plc | 9,246,478 | 10,257,465 |
| 250,000 | Hilton Hotels Corp. | 4,259,449 | 5,962,500 |
| | | ----- | ----- |
| | | 13,505,927 | 16,219,965 |
| | | ----- | ----- |
| | MACHINERY -- 1.1% | | |
| 350,000 | CNH Global NV | 6,922,214 | 6,611,500 |
| 235,000 | Deere & Co. | 15,857,224 | 15,390,150 |
| | | ----- | ----- |
| | | 22,779,438 | 22,001,650 |
| | | ----- | ----- |
| | METALS AND MINING -- 0.4% | | |
| 10,000 | Arch Coal Inc. | 314,774 | 544,700 |
| 6,000 | BHP Billiton Ltd., ADR ... | 161,066 | 163,800 |
| | | | |
| | SHARES | COST | MARKET VALUE |
| | ----- | ----- | ----- |
| 1,000 | Fording Canadian Coal Trust | \$ 32,950 | \$ 92,200 |
| 120,000 | Freeport-McMoRan Copper | | |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | | |
|---------|---|------------|------------|
| | & Gold Inc., Cl. B | 4,389,476 | 4,492,800 |
| 24,000 | Inco Ltd. | 911,698 | 906,000 |
| 10,000 | Massey Energy Co. | 235,475 | 377,200 |
| 12,000 | Peabody Energy Corp. | 291,734 | 624,480 |
| 1,000 | Rio Tinto plc, ADR | 127,360 | 121,920 |
| 3,000 | Westmoreland Coal Co.+ ... | 52,605 | 61,740 |
| | | ----- | ----- |
| | | 6,517,138 | 7,384,840 |
| | | ----- | ----- |
| | PUBLISHING -- 0.2% | | |
| 200,000 | Reader's Digest Association Inc. | 2,978,081 | 3,300,000 |
| | | ----- | ----- |
| | REAL ESTATE -- 0.0% | | |
| 8,000 | Brascan Corp., Cl. A | 186,196 | 305,280 |
| | | ----- | ----- |
| | REAL ESTATE INVESTMENT TRUSTS -- 0.2% | | |
| 152,000 | Catellus Development Corp | 5,023,200 | 4,985,600 |
| | | ----- | ----- |
| | RETAIL -- 1.3% | | |
| 515,000 | Albertson's Inc. | 11,858,900 | 10,650,200 |
| 165,300 | Ingles Markets Inc., Cl. A | 1,871,885 | 2,276,181 |
| 17,500 | Neiman Marcus Group Inc., Cl. B | 1,690,180 | 1,692,250 |
| 550,000 | Safeway Inc. | 11,783,291 | 12,424,500 |
| | | ----- | ----- |
| | | 27,204,256 | 27,043,131 |
| | | ----- | ----- |
| | SPECIALTY CHEMICALS -- 1.2% | | |
| 65,000 | Ashland Inc. | 2,904,580 | 4,671,550 |
| 145,200 | Dow Chemical Co. | 5,775,117 | 6,465,756 |
| 215,000 | E.I. du Pont de Nemours and Co. | 9,586,273 | 9,247,150 |
| 200,000 | Ferro Corp. | 3,966,201 | 3,972,000 |
| 40,000 | Olin Corp. | 701,828 | 729,600 |
| | | ----- | ----- |
| | | 22,933,999 | 25,086,056 |
| | | ----- | ----- |
| | TELECOMMUNICATIONS -- 5.9% | | |
| 900,000 | AT&T Corp. | 17,011,477 | 17,136,000 |
| 650,000 | BCE Inc. | 14,200,755 | 15,392,000 |
| 205,000 | BellSouth Corp. | 5,462,246 | 5,446,850 |
| 74,000 | BT Group plc, ADR | 2,312,412 | 3,078,400 |
| 30,000 | CenturyTel Inc. | 881,776 | 1,038,900 |
| 155,000 | Citizens Communications Co | 2,101,394 | 2,083,200 |
| 15,000 | Commonwealth Telephone Enterprises Inc. | 753,222 | 628,650 |
| 50,000 | Compania de Telecomunicaciones de Chile SA, ADR | 607,686 | 508,500 |

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

JUNE 30, 2005 (UNAUDITED)

| SHARES | | COST | MARKET VALUE |
|---------|---|---------------|---------------|
| ----- | | ----- | ----- |
| | COMMON STOCKS (CONTINUED) | | |
| | TELECOMMUNICATIONS (CONTINUED) | | |
| 100,000 | Deutsche Telekom AG, ADR | \$ 1,796,995 | \$ 1,842,000 |
| 55,000 | France Telecom SA, ADR ... | 1,338,443 | 1,602,700 |
| 220,000 | Hellenic Telecommunications Organization SA, ADR+ .. | 1,724,294 | 2,123,000 |
| 15,000 | Manitoba Telecom Services Inc. | 506,117 | 571,743 |
| 250,000 | MCI Inc. | 6,045,123 | 6,427,500 |
| 225,000 | Qwest Communications International Inc.+ | 775,852 | 834,750 |
| 300,000 | SBC Communications Inc. .. | 7,416,654 | 7,125,000 |
| 840,000 | Sprint Corp. | 15,078,016 | 21,075,600 |
| 345,000 | TDC A/S, ADR | 6,016,102 | 7,386,450 |
| 12,000 | Telecom Corp. of New Zealand Ltd., ADR | 322,396 | 403,080 |
| 42,000 | Telecom Italia SpA, ADR .. | 1,285,636 | 1,315,020 |
| 26,000 | Telefonica SA, ADR | 1,107,367 | 1,271,400 |
| 290,000 | Telefonos de Mexico SA de CV, Cl. L, ADR | 4,796,770 | 5,478,100 |
| 160,000 | Telstra Corp. Ltd., ADR .. | 2,939,066 | 3,096,000 |
| 130,000 | TELUS Corp., Non-Voting .. | 2,381,462 | 4,435,582 |
| 300,000 | Verizon Communications Inc | 10,168,118 | 10,365,000 |
| | | ----- | ----- |
| | | 107,029,379 | 120,665,425 |
| | | ----- | ----- |
| | TRANSPORTATION -- 0.7% | | |
| 8,000 | Frontline Ltd. | 238,294 | 321,920 |
| 210,000 | GATX Corp. | 5,512,154 | 7,245,000 |
| 24,000 | Golden Ocean Group Ltd.+ . | 14,400 | 15,610 |
| 98,200 | Overnite Corp. | 4,188,124 | 4,220,636 |
| 6,000 | Ship Finance International Ltd. | 122,491 | 113,460 |
| 42,000 | Teekay Shipping Corp. | 1,312,136 | 1,843,800 |
| | | ----- | ----- |
| | | 11,387,599 | 13,760,426 |
| | | ----- | ----- |
| | WIRELESS COMMUNICATIONS -- 0.3% | | |
| 18,598 | Crown Castle International Corp.+ ... | 297,598 | 377,911 |
| 120,000 | O2 plc+ | 265,967 | 292,943 |
| 110,000 | United States Cellular Corp.+ | 5,022,195 | 5,493,400 |
| 3,000 | Vimpel-Communications, ADR+ | 91,155 | 102,090 |
| | | ----- | ----- |
| | | 5,676,915 | 6,266,344 |
| | | ----- | ----- |
| | TOTAL COMMON STOCKS | 1,321,111,642 | 1,512,919,530 |
| | | ----- | ----- |
| SHARES | | COST | MARKET VALUE |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | | |
|---------|---|--------------|--------------|
| | PREFERRED STOCKS -- 0.1% | | |
| | CLOSED-END FUNDS -- 0.1% | | |
| 69,100 | General American Investors Co. Inc., 5.950% Cumulative Pfd., Ser. B | \$ 1,712,369 | \$ 1,733,719 |
| | | ----- | ----- |
| | CONVERTIBLE PREFERRED STOCKS -- 2.9% | | |
| | AEROSPACE -- 0.1% | | |
| 5,000 | Coltec Capital Trust, 5.250% Cv. Pfd. | 245,475 | 248,750 |
| 8,315 | Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B | 997,555 | 1,039,375 |
| | | ----- | ----- |
| | | 1,243,030 | 1,288,125 |
| | | ----- | ----- |
| | AUTOMOTIVE -- 0.0% | | |
| 20,000 | General Motors Corp., 4.500% Cv. Pfd., Ser. A | 518,910 | 486,400 |
| | | ----- | ----- |
| | AVIATION: PARTS AND SERVICES -- 0.1% | | |
| 28,000 | Sequa Corp., \$5.00 Cv. Pfd. | 2,618,490 | 2,744,000 |
| | | ----- | ----- |
| | BROADCASTING -- 0.0% | | |
| 20,460 | Emmis Communications Corp., 6.250% Cv. Pfd., Ser. A | 960,081 | 855,842 |
| | | ----- | ----- |
| | BUILDING AND CONSTRUCTION -- 0.0% | | |
| 200 | Fleetwood Capital Trust, 6.000% Cv. Pfd.+ | 6,210 | 9,600 |
| | | ----- | ----- |
| | BUSINESS SERVICES -- 0.1% | | |
| 30,000 | Allied Waste Industries Inc., 6.250% Cv. Pfd. | 1,631,522 | 1,382,100 |
| | | ----- | ----- |
| | DIVERSIFIED INDUSTRIAL -- 0.5% | | |
| 179,400 | Owens-Illinois Inc., 4.750% Cv. Pfd. | 5,956,159 | 7,269,288 |
| 80,502 | Smurfit-Stone Container Corp., 7.000% Cv. Pfd., Ser. A | 2,008,346 | 1,865,231 |
| 1,000 | U.S. Steel Corp., 7.000% Cv. Pfd., Ser. B | 88,510 | 110,935 |
| | | ----- | ----- |
| | | 8,053,015 | 9,245,454 |
| | | ----- | ----- |
| | ENERGY AND UTILITIES -- 0.6% | | |
| | Chesapeake Energy Corp., | | |
| 5,000 | 5.000% Cv. Pfd. (a) | 512,500 | 575,000 |
| 20,000 | 5.000% Cv. Pfd. | 2,193,750 | 2,967,400 |
| 2,700 | 6.000% Cv. Pfd. | 194,400 | 310,500 |
| 20,000 | CMS Energy Corp., 4.500% Cv. Pfd., Ser. B | 1,069,062 | 1,592,500 |
| 130,000 | El Paso Corp. Capital Trust I, 4.750% Cv. Pfd., Ser. C | 4,680,219 | 4,946,500 |

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

THE GABELLI DIVIDEND & INCOME TRUST
 SCHEDULE OF INVESTMENTS (CONTINUED)
 JUNE 30, 2005 (UNAUDITED)

| SHARES | | COST | MARKET VALUE |
|---------|--|--------------|-----------------|
| ----- | | ----- | ----- |
| | CONVERTIBLE PREFERRED STOCKS (CONTINUED) | | |
| | ENERGY AND UTILITIES (CONTINUED) | | |
| 40,000 | Hanover Compressor Capital Trust, 7.250% Cv. Pfd. | \$ 1,999,453 | \$ 1,910,000 |
| | | ----- | ----- |
| | | 10,649,384 | 12,301,900 |
| | | ----- | ----- |
| | ENTERTAINMENT -- 0.2% | | |
| 164,000 | Six Flags Inc., 7.250% Cv. Pfd., Ser. B | 3,804,043 | 3,335,760 |
| | | ----- | ----- |
| | FINANCIAL SERVICES -- 0.8% | | |
| 5,920 | Doral Financial Corp., 4.750% Cv. Pfd. (a) | 1,313,670 | 964,960 |
| 215,000 | National Australia Bank Ltd., 7.875% Cv. Pfd. | 8,179,114 | 8,385,000 |
| 138,900 | Newell Financial Trust, 5.250% Cv. Pfd. | 6,516,450 | 6,042,150 |
| | | ----- | ----- |
| | | 16,009,234 | 15,392,110 |
| | | ----- | ----- |
| | HEALTH CARE -- 0.0% | | |
| 10,000 | Omnicare Inc., 4.000% Cv. Pfd., Ser. B | 605,400 | 580,000 |
| | | ----- | ----- |
| | METALS AND MINING -- 0.1% | | |
| 9,750 | Arch Coal Inc., 5.000% Cv. Pfd. | 733,750 | 1,291,875 |
| 6,000 | Phelps Dodge Corp., 6.750% Cv. Pfd. | 1,002,916 | 1,177,500 |
| | | ----- | ----- |
| | | 1,736,666 | 2,469,375 |
| | | ----- | ----- |
| | REAL ESTATE INVESTMENT TRUSTS -- 0.0% | | |
| 2,100 | Equity Office Properties Trust, 5.250% Cv. Pfd., Ser. B | 104,120 | 107,583 |
| | | ----- | ----- |
| | TELECOMMUNICATIONS -- 0.4% | | |
| 39,500 | Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B | 1,682,413 | 1,781,450 |
| 121,000 | Crown Castle International Corp., 6.250% Cv. Pfd.+ | 5,568,000 | 5,853,375 |
| | | ----- | ----- |
| | | 7,250,413 | 7,634,825 |
| | | ----- | ----- |
| | TRANSPORTATION -- 0.0% | | |
| 1,500 | GATX Corp., \$2.50 Cv. Pfd. | 199,475 | 256,875 |
| 982 | Kansas City Southern, 4.250% Cv. Pfd. | 551,884 | 713,693 |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | 751,359 | 970,568 |
|------------------------|--|------------|--------------|
| ----- | | | |
| TOTAL CONVERTIBLE | | | |
| PREFERRED STOCKS | | | |
| | | 55,941,877 | 58,803,642 |
| ----- | | | |
| PRINCIPAL | | | MARKET |
| AMOUNT | | COST | VALUE |
| ----- | | | |
| | CONVERTIBLE CORPORATE BONDS -- 1.6% | | |
| | AEROSPACE -- 0.1% | | |
| \$ 1,000,000 | GenCorp Inc., Sub. Deb. Cv., 5.750%, 04/15/07 | \$ 991,378 | \$ 1,107,500 |
| ----- | | | |
| | AGRICULTURE -- 0.1% | | |
| 600,000 | Bunge Ltd. Financial Corp., Cv., 3.750%, 11/15/22 | 620,604 | 1,188,000 |
| ----- | | | |
| | AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.0% | | |
| 500,000 | Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09 | 478,477 | 475,000 |
| ----- | | | |
| | BROADCASTING -- 0.5% | | |
| 13,240,000 | Sinclair Broadcast Group Inc., Sub. Deb. Cv., 6.000%, 09/15/12 | 10,731,035 | 11,154,700 |
| ----- | | | |
| | BUSINESS SERVICES -- 0.1% | | |
| | Trans-Lux Corp., Sub. Deb. Cv., | | |
| 950,000 | 8.250%, 03/01/2012 | 946,705 | 954,750 |
| 2,000,000 | 7.500%, 12/01/2006 | 2,003,357 | 1,997,500 |
| ----- | | | |
| | | 2,950,062 | 2,952,250 |
| ----- | | | |
| | COMMUNICATIONS EQUIPMENT -- 0.3% | | |
| 3,600,000 | Agere Systems Inc., Sub. Deb. Cv., 6.500%, 12/15/09 | 3,720,472 | 3,645,000 |
| 2,000,000 | TriQuint Semiconductor Inc., Sub. Deb. Cv., 4.000%, 03/01/07 | 1,950,416 | 1,952,500 |
| ----- | | | |
| | | 5,670,888 | 5,597,500 |
| ----- | | | |
| | ENTERTAINMENT -- 0.1% | | |
| 1,000,000 | The Walt Disney Co., Cv., 2.125%, 04/15/23 | 1,024,858 | 1,031,250 |
| ----- | | | |
| | EQUIPMENT AND SUPPLIES -- 0.1% | | |
| 1,000,000 | Robbins & Myers Inc., Sub. Deb. Cv., 8.000%, 01/31/08 | 1,010,500 | 1,030,000 |
| ----- | | | |
| | FINANCIAL SERVICES -- 0.0% | | |
| 250,000 | AON Corp., Deb. Cv., 3.500%, 11/15/12 | 281,580 | 313,438 |
| ----- | | | |
| | FOOD AND BEVERAGE -- 0.0% | | |
| 1,550,000 | Parmalat Soparfi SA, | | |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | |
|--|---------|---------|
| Sub. Deb. Cv., 6.125%, 05/23/32+ (b) .. | 981,615 | 750,296 |
| | ----- | ----- |

See accompanying notes to financial statements.

8

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2005 (UNAUDITED)

| PRINCIPAL AMOUNT | | COST | MARKET VALUE |
|---------------------|--|-------------|-----------------|
| ----- | | ----- | ----- |
| | CONVERTIBLE CORPORATE BONDS (CONTINUED) | | |
| | METALS AND MINING -- 0.0% | | |
| \$ 400,000 | Inco Ltd., Cv., Zero Coupon, 03/29/21 .. | \$ 405,729 | \$ 404,000 |
| | | ----- | ----- |
| | REAL ESTATE -- 0.0% | | |
| 100,000 | Palm Harbor Homes Inc., Cv., 3.250%, 05/15/2024 | 83,730 | 90,125 |
| 1,000,000 | 3.250%, 05/15/2024 (a) . | 972,058 | 901,250 |
| | | ----- | ----- |
| | | 1,055,788 | 991,375 |
| | | ----- | ----- |
| | TELECOMMUNICATIONS -- 0.1% | | |
| 2,000,000 | Nortel Networks Corp., Cv., 4.250%, 09/01/08 | 1,940,639 | 1,875,000 |
| | | ----- | ----- |
| | TRANSPORTATION -- 0.2% | | |
| 2,700,000 | GATX Corp., Cv., 7.500%, 02/01/07 | 2,955,692 | 3,148,875 |
| | | ----- | ----- |
| | TOTAL CONVERTIBLE CORPORATE BONDS | 31,098,845 | 32,019,184 |
| | | ----- | ----- |
| | CORPORATE BONDS -- 0.0% | | |
| | DIVERSIFIED INDUSTRIAL -- 0.0% | | |
| 1,000,000 | WHX Corp., 10.500%, 04/15/06 (b) .. | 959,111 | 975,000 |
| | | ----- | ----- |
| | SHORT-TERM OBLIGATIONS -- 21.1% | | |
| | REPURCHASE AGREEMENTS -- 8.6% | | |
| 100,000,000 | ABN Amro, 2.650%, dated 06/30/05, due 07/01/05, proceeds at maturity, \$100,007,361 (c) | 100,000,000 | 100,000,000 |
| 75,000,000 | Barclays Capital Inc., 2.850%, dated 06/30/05, due 07/01/05, proceeds at maturity, \$75,005,938 (d) | 75,000,000 | 75,000,000 |
| | | ----- | ----- |
| | | 175,000,000 | 175,000,000 |
| | | ----- | ----- |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| PRINCIPAL AMOUNT ----- | COST ----- | MARKET VALUE ----- |
|---|--------------------------------------|--------------------------|
| | U.S. GOVERNMENT OBLIGATIONS -- 12.5% | |
| \$255,606,000 U.S. Treasury Bills, 2.681% to 3.221%+, 07/07/05 to 10/20/05 ... | \$ 254,989,397 | \$ 254,982,040 |
| | ----- | ----- |
| TOTAL SHORT-TERM OBLIGATIONS | 429,989,397 | 429,982,040 |
| | ----- | ----- |
| TOTAL INVESTMENTS -- 100.0% | \$1,840,813,241 | 2,036,433,115 |
| | ===== | |
| LIABILITIES IN EXCESS OF OTHER ASSETS | | (3,754,448) |
| PREFERRED STOCK (3,208,800 preferred shares outstanding) | | (300,000,000) |
| | | ----- |
| NET ASSETS -- COMMON SHARES (84,777,505 common shares outstanding) | | \$1,732,678,667 |
| | | ===== |
| NET ASSET VALUE PER COMMON SHARE (\$1,732,678,667 / 84,777,505 shares outstanding) | | \$20.44 |
| | | ===== |

-
- (a) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2005, the Rule 144A securities are considered liquid and the market value amounted to \$2,441,210 or 0.12% of total investments.
- (b) Security in default.
- (c) Collateralized by U.S. Treasury Bonds, 5.250%, 7.500%, 8.000% and 8.125%, due 11/15/28, 11/15/24, 11/15/21 and 08/15/21, respectively, market values \$29,558,580, \$8,564,940, \$36,093,720 and \$27,782,760, respectively.
- (d) Collateralized by U.S. Treasury Bonds, 7.500%, due 11/15/24, market value \$76,500,000.
- + Non-income producing security.
- ++ Represents annualized yield at date of purchase.
- ADR American Depository Receipt

| | % OF MARKET VALUE ----- | MARKET VALUE ----- |
|----------------------------|----------------------------------|--------------------------|
| GEOGRAPHIC DIVERSIFICATION | | |
| United States | 89.7% | \$1,825,779,182 |
| Europe | 8.2 | 167,948,176 |
| Latin America | 0.4 | 7,923,870 |
| Japan | 1.4 | 29,295,442 |
| Asia/Pacific | 0.3 | 5,486,445 |
| | ----- | ----- |
| Total Investments | 100.0% | \$2,036,433,115 |
| | ===== | ===== |

See accompanying notes to financial statements.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2005 (UNAUDITED)

ASSETS:

| | |
|---|-----------------|
| Investments, at value (cost \$1,665,813,241) .. | \$1,861,433,115 |
| Repurchase agreements, at value (cost \$175,000,000) | 175,000,000 |
| Cash and foreign currency, at value (cost \$86,209) | 84,224 |
| Deposit at broker | 133 |
| Receivable for investments sold | 11,335,010 |
| Dividends and interest receivable | 3,064,386 |
| Unrealized appreciation on swap contracts | 225,163 |
| Other assets | 32,535 |
| | ----- |
| TOTAL ASSETS | 2,051,174,566 |
| | ----- |

LIABILITIES:

| | |
|--|------------|
| Dividends payable | 145,166 |
| Payable for investments purchased | 15,866,529 |
| Payable for investment advisory fees | 2,012,914 |
| Payable for offering expenses | 274,208 |
| Other accrued expenses and liabilities | 197,082 |
| | ----- |
| TOTAL LIABILITIES | 18,495,899 |
| | ----- |

PREFERRED STOCK:

| | |
|--|-------------|
| Series A Cumulative Preferred Stock (5.875%, \$25 liquidation value, \$0.001 par value, 3,200,000 shares authorized with 3,200,000 shares issued and outstanding) | 80,000,000 |
| Series B Cumulative Preferred Stock (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 4,000 shares authorized with 4,000 shares issued and outstanding) | 100,000,000 |
| Series C Cumulative Preferred Stock (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 4,800 shares authorized with 4,800 shares issued and outstanding) | 120,000,000 |
| | ----- |
| TOTAL PREFERRED STOCK | 300,000,000 |
| | ----- |

| | |
|---|-----------------|
| NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS | \$1,732,678,667 |
| | ===== |

NET ASSETS ATTRIBUTABLE TO COMMON

| | |
|---|---------------|
| SHAREHOLDERS CONSIST OF: | |
| Shares of beneficial interest, at par value .. | \$ 84,778 |
| Additional paid-in capital | 1,537,497,494 |
| Accumulated net realized loss on investments, options and foreign currency transactions .. | (734,730) |
| Net unrealized appreciation on investments and swap contracts | 195,843,053 |
| Net unrealized depreciation on foreign currency translations | (11,928) |
| | ----- |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | |
|--|-----------------|
| NET ASSETS | \$1,732,678,667 |
| | ===== |
| NET ASSET VALUE PER COMMON SHARE: | |
| (\$1,732,678,667 / 84,777,505 shares outstanding; | |
| unlimited number of shares authorized of | |
| \$0.001 par value) | |
| | \$20.44 |
| | ===== |

STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED)

| | |
|---|--------------|
| INVESTMENT INCOME: | |
| Dividends (net of foreign taxes of \$1,109,259) | \$27,119,796 |
| Interest | 6,673,353 |
| | ----- |
| TOTAL INVESTMENT INCOME | 33,793,149 |
| | ----- |
| EXPENSES: | |
| Investment advisory fees | 9,914,683 |
| Shareholder communications expenses | 223,790 |
| Payroll expenses | 114,217 |
| Trustees' fees | 91,342 |
| Legal and audit fees | 60,747 |
| Custodian fees | 73,545 |
| Shareholder services fees | 13,160 |
| Miscellaneous expenses | 403,653 |
| | ----- |
| TOTAL EXPENSES | 10,895,137 |
| LESS: | |
| Advisory fee reduction | (892,603) |
| Custodian fee credits | (13,096) |
| | ----- |
| TOTAL REDUCTIONS AND CREDITS | (905,699) |
| | ----- |
| TOTAL NET EXPENSES | 9,989,438 |
| | ----- |
| NET INVESTMENT INCOME | 23,803,711 |
| | ----- |
| NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, OPTIONS, SWAP CONTRACTS AND FOREIGN CURRENCY: | |
| Net realized gain on investments | 7,326,304 |
| Net realized gain on option contracts written | 55,449 |
| Net realized loss on foreign currency transactions | (27,452) |
| | ----- |
| Net realized gain on investments, option contracts written and foreign currency transactions | 7,354,301 |
| Net change in unrealized appreciation/depreciation on investments, swap contracts and foreign currency translations | 51,898,327 |
| | ----- |
| NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS, OPTIONS, SWAP CONTRACTS AND FOREIGN CURRENCY | 59,252,628 |
| | ----- |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | 83,056,339 |
| Total Distributions to Preferred Stock Shareholders | (5,469,829) |
| | ----- |
| NET INCREASE IN NET ASSETS ATTRIBUTABLE TO | |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

COMMON SHAREHOLDERS RESULTING
FROM OPERATIONS \$77,586,510
=====

See accompanying notes to financial statements.

10

THE GABELLI DIVIDEND & INCOME TRUST

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

| | SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED) ----- |
|---|---|
| OPERATIONS: | |
| Net investment income | \$ 23,803,711 |
| Net realized gain on investments, options and foreign currency transactions | 7,354,301 |
| Net change in unrealized appreciation on investments, swap contracts and foreign currency translations | 51,898,327 |
| | ----- |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | 83,056,339 |
| | ----- |
| DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS: | |
| Net investment income | (4,178,772) * |
| Net realized short-term gain on investments, options and foreign currency transactions | (101,606) * |
| Net realized long-term gains on investments, options and foreign currency transactions | (1,189,451) * |
| | ----- |
| TOTAL DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS | (5,469,829) |
| | ----- |
| NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS | 77,586,510 |
| | ----- |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS: | |
| Net investment income | (19,624,939) * |
| Net realized short-term gain on investments, options and foreign currency transactions | (477,174) * |
| Net realized long-term gains on investments, options and foreign currency transactions | (5,586,070) * |
| Return of capital | (25,190,320) * |
| | ----- |
| TOTAL DISTRIBUTIONS TO COMMON SHAREHOLDERS | (50,878,503) |
| | ----- |
| TRUST SHARE TRANSACTIONS: | |
| Net increase in net assets from common shares issued in offering | -- |
| Net decrease from repurchase of common stock | (732,684) |
| Offering costs for common shares charged to paid-in capital | -- |
| Offering costs for preferred shares charged to paid-in capital | -- |
| | ----- |
| NET INCREASE (DECREASE) IN NET ASSETS FROM TRUST SHARE TRANSACTIONS | (732,684) |
| | ----- |
| NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS | 25,975,323 |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS:

| | |
|---------------------------|-----------------|
| Beginning of period | 1,706,703,344 |
| | ----- |
| End of period | \$1,732,678,667 |
| | ===== |

* Amounts are subject to change and recharacterization at fiscal year end.

See accompanying notes to financial statements.

11

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

1. ORGANIZATION. The Gabelli Dividend & Income Trust (the "Trust" or the "Fund") is a non-diversified closed-end management investment company organized under the laws of the State of Delaware and registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust sold 7,184 shares to Gabelli Funds, LLC (the "Adviser") for \$137,214 on November 18, 2003. Investment operations commenced on November 28, 2003. See Note 5 for share transactions.

The Trust's investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. The Trust 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 preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

SECURITY VALUATION. Portfolio securities listed or traded on a nationally recognized securities exchange 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 the Adviser.

Portfolio securities primarily traded on foreign markets are generally valued at the preceding closing values of such securities on their respective exchanges or if after the close of the foreign markets, but prior to the close

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

of business on the day the securities are being valued, market conditions change significantly, certain foreign securities may be fair valued pursuant to procedures established by the Board. Debt instruments that are not credit impaired with remaining maturities of 60 days or less 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 valued at their fair value as determined by the Board. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the latest average of the bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. 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 valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons to the valuation and changes in valuation of similar securities, including a comparison of foreign securities to 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.

REPURCHASE AGREEMENTS. The Trust may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Trust takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Trust to resell, the obligation at an agreed-upon price and time, thereby determining the yield during

12

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

the Trust's holding period. The Trust will always receive and maintain securities as collateral whose market value, including accrued interest, will be at least equal to 102% of the dollar amount invested by the Trust in each agreement. The Trust will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Trust may be delayed or limited.

OPTIONS. The Trust may purchase or write call or put options on securities or indices. As a writer of put options, the Trust 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 Trust 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 Trust would realize a gain, to the extent of the premium, if the price of the financial instrument increases between those dates.

As a purchaser of put options, the Trust pays a premium for the right to sell to the seller of the put option the underlying security at a specified

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

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 Trust would realize a gain upon sale or exercise. If the price of the underlying security increases or stays the same, the Trust would realize a loss upon sale or at 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 Trust may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline moderately 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 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 Trust 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.

SWAP AGREEMENTS. The Trust may enter into interest rate swap or cap transactions. The use of interest rate swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an interest rate swap, the Trust would agree to pay to the other party to the interest rate swap (which is known as the "counterparty") periodically a fixed rate payment in exchange for the counterparty agreeing to pay to the Trust periodically a variable rate payment that is intended to approximate the Trust's variable rate payment obligation on the Series B and Series C Preferred Stock. In an interest rate cap, the Trust would pay a premium to the counterparty and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from the counterparty payments of the difference based on the notional amount of such cap. Interest rate swap and cap transactions introduce additional risk because the Trust would remain obligated to pay preferred stock dividends when due in accordance with the Articles Supplementary even if the counterparty defaulted. If there is a default by the counterparty to a swap contract, the Trust will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to the swap contracts or that, in the event of default, the Trust will succeed in pursuing contractual remedies. The Trust thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to the swap contracts. The creditworthiness of the swap contract counterparties is closely monitored in order to minimize this risk. Depending on the general state of short term interest rates and the returns on the Trust's portfolio securities at that point in time, such a default could negatively affect the Trust's ability

to make dividend payments for the Series B and Series C Preferred Stock. In addition, at the time an interest rate swap or cap transaction reaches its scheduled termination date, there is a risk that the Trust will not be able to obtain a replacement transaction or that the terms of the replacement will not

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the Trust's ability to make dividend payments on the Series B and Series C Preferred Stock.

The use of derivative instruments involves, to varying degrees, elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability on the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps is reported as unrealized gains or losses in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements. Swap agreements involve, to varying degrees, elements of market and counterparty risk, and exposure to loss in excess of the related amounts reflected in the Statement of Assets and Liabilities.

The Trust has entered into one interest rate swap agreement with Citibank N.A. Under the agreement the Trust receives a variable rate of interest and pays a respective fixed rate of interest on the nominal value of the swap. Details of the swap at June 30, 2005 are as follows:

| NOTIONAL AMOUNT ----- | FIXED RATE ----- | VARIABLE RATE* (RATE RESET MONTHLY) ----- | TERMINATION DATE ----- |
|-----------------------------|---------------------|---|------------------------------|
| \$100,000,000 | 4.01% | 3.15% | June 2, 2010 |

*Based on Libor (London Interbank Offered Rate).

FUTURES CONTRACTS. The Trust may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Such investments will only be made if they are economically appropriate to the reduction of risks involved in the management of the Trust's investments. Upon entering into a futures contract, the Trust 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 Trust each day, depending on the daily fluctuation of the value of the contract. The daily changes in the contract are included in unrealized appreciation/depreciation on investments and futures contracts. The Trust recognizes a realized gain or loss when the contract is closed. At June 30, 2005, there were no open futures contracts.

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

FORWARD FOREIGN EXCHANGE CONTRACTS. The Trust may engage in forward foreign exchange contracts for hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

currency translations. When the contract is closed, the Trust 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.

14

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Trust'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. These contracts may involve market risk in excess of the unrealized gain or loss reflected in the Statement of Assets and Liabilities. In addition, the Trust could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At June 30, 2005, there were no open forward foreign exchange contracts.

FOREIGN CURRENCY TRANSLATIONS. The books and records of the Trust are maintained in United States (U.S.) dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period, and purchases and sales of investment securities, income and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses, which result from 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 Trust and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

FOREIGN SECURITIES. The Trust 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 ability 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 those of securities of comparable U.S. issuers.

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

DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS. Distributions to common shareholders are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from that determined under U.S. generally accepted accounting principles. These differences are primarily due to differing

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

treatments of income and gains on various investment securities held by the Trust, timing differences and differing characterizations of distributions made by the Trust.

Distributions to shareholders of the Trust's 5.875% Series A Cumulative Preferred Stock, Series B Auction Market Cumulative Preferred Stock and Series C Auction Market Cumulative Preferred Stock ("Cumulative Preferred Stock") are recorded on a daily basis and are determined as described in Note 5.

For the year ended December 31, 2004, reclassifications were made to decrease accumulated net investment income by \$556,558 and to decrease accumulated net realized loss on investments, options and foreign currency transactions by \$556,558.

The tax character of distributions paid during the year ended December 31, 2004 was as follows:

| | YEAR ENDED | |
|---|-------------------|-------------|
| | DECEMBER 31, 2004 | |
| | COMMON | PREFERRED |
| DISTRIBUTIONS PAID FROM: | | |
| Ordinary income | | |
| (inclusive of short term capital gains) | \$ 42,201,712 | \$1,616,305 |
| Net long term capital gains | 11,550,650 | 442,384 |
| Non-taxable return of capital | 48,189,583 | -- |
| | | |
| Total distributions paid | \$101,941,945 | \$2,058,689 |
| | ===== | ===== |

15

THE GABELLI DIVIDEND & INCOME TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

PROVISION FOR INCOME TAXES. The Trust 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 Trust's policy 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.

Dividends and interest from non-U.S. sources received by the Trust are generally subject to non-U.S. withholding taxes at rates ranging up to 30%. Such withholding taxes may be reduced or eliminated under the terms of applicable U.S. income tax treaties, and the Trust intends to undertake any procedural steps required to claim the benefits of such treaties.

As of December 31, 2004, the components of accumulated earnings/(losses) on a tax basis were as follows:

| | |
|---|---------------|
| Net unrealized appreciation on investments | \$143,293,748 |
| Net unrealized appreciation on foreign currency | 1,898 |
| Other | (97,578) |
| | |
| Total | \$143,198,068 |
| | ===== |

The following summarizes the tax cost of investments, swap contracts, foreign currency and related unrealized appreciation/depreciation at June 30, 2005:

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | COST | GROSS UNREALIZED APPRECIATION | GROSS UNREALIZED DEPRECIATION | NET UNREALI APPRECIATI (DEPRECIATI |
|------------------------|-----------------|-------------------------------------|-------------------------------------|--|
| | ---- | ----- | ----- | ----- |
| Investments | \$1,842,522,919 | \$218,401,369 | \$ (24,491,173) | \$193,910,1 |
| Swap contracts | -- | 225,163 | -- | 225,1 |
| Foreign currency | 56,838 | -- | (11,928) | (11,9 |
| | | ----- | ----- | ----- |
| | | \$218,626,532 | \$ (24,503,101) | \$194,123,4 |
| | | ===== | ===== | ===== |

3. AGREEMENTS AND TRANSACTIONS WITH AFFILIATES. The Trust has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Trust will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Trust's average weekly net assets including liquidation value of the preferred stock. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Trust's portfolio and oversees the administration of all aspects of the Trust's business and affairs. The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Cumulative Preferred Stock if the total return of the net asset value of the Common Shares of the Trust, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate or net swap expense of the Cumulative Preferred Stock for the fiscal year.

The Trust's total return on the net asset value of the Common Shares is monitored on a monthly basis to assess whether the total return on the net asset value of the Common Shares exceeds the stated dividend rate of each particular series of Cumulative Preferred Stock for the period. For the six months ended June 30, 2005, the Trust's total return on the net asset value of the Common Shares exceeded the stated dividend rate or net swap expense of Series C Auction Market Cumulative Preferred Stock. Thus, management fees were accrued on these assets. The Trust's total return on the net asset value of the Common Shares did not exceed the stated dividend rate or net swap expense of 5.875% Series A Cumulative Preferred Stock and Series B Auction Market Cumulative Preferred Stock. Thus, management fees with respect to the liquidation value of those preferred stock assets in the amount of \$892,603 were not accrued.

During the six months ended June 30, 2005, Gabelli & Company, Inc. ("Gabelli & Company"), an affiliate of the Adviser, received \$391,100 in brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Trust.

16

THE GABELLI DIVIDEND & INCOME TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

The cost of calculating the Trust's net asset value per share is a Trust expense pursuant to the Advisory Agreement. During the six months ended June 30, 2005, the Trust reimbursed the Adviser \$22,500 in connection with the cost of computing the Trust's net asset value, which is included in miscellaneous expenses in the Statement of Operations.

The Trust is assuming its portion of the allocated cost of the Gabelli

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Funds' Chief Compliance Officer in the amount of \$14,108 for the period of January 1, 2005 through June 30, 2005 which is included in payroll expenses in the Statement of Operations.

4. PORTFOLIO SECURITIES. Costs of purchases and proceeds from the sales of securities, other than short-term securities, for the six months ended June 30, 2005 aggregated \$286,675,741 and \$111,396,351, respectively.

Option contracts written for the Trust during the six months ended June 30, 2005 was as follows:

| | NUMBER OF CONTRACTS | PREMIUMS |
|---|------------------------|-----------|
| Options outstanding at December 31, 2004 | 400 | \$ 56,549 |
| Options written | -- | -- |
| Options exercised | -- | -- |
| Options closed | (400) | (56,549) |
| | ---- | ----- |
| Options outstanding at June 30, 2005 | -- | \$ -- |
| | ==== | ===== |

5. CAPITAL. The Declaration of Trust permits the Trust to issue an unlimited number of Common Shares of beneficial interest (par value \$.001). The Board of the Trust authorized the repurchase 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 net asset value of the shares. During the six months ended June 30, 2005, the Trust repurchased 40,000 shares of beneficial interest in the open market at a cost of \$732,684 and an average discount of approximately 10.39% from its net asset value. All shares of beneficial interest repurchased have been retired.

Transactions in shares of beneficial interest were as follows:

| | SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED) | | YEAR END DECEMBER |
|---------------------------------|--|--------------|----------------------|
| | Shares | Amount | Shares |
| Shares issued in offering | -- | -- | 9,700,000 |
| Shares repurchased | (40,000) | \$ (732,684) | (245,700) |
| | ---- | ----- | ----- |
| Net increase | (40,000) | \$ (732,684) | 9,454,300 |
| | ==== | ===== | ===== |

The Trust's Declaration of Trust, as amended, authorize the issuance of an unlimited number of shares of \$0.001 par value Cumulative Preferred Stock. The Cumulative Preferred Stock 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 Cumulative Preferred Stock are cumulative. The Trust is required by the 1940 Act and by the Statements of Preferences to meet certain asset coverage tests with respect to the Cumulative Preferred Stock. If the Trust fails to meet these requirements and does not correct such failure, the Trust may be required to redeem, in part or in full, the 5.875% Series A, Series B Auction Market Cumulative Preferred Stock and Series C Auction Market Cumulative Preferred Stock at a redemption price of \$25, \$25,000, 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.

THE GABELLI DIVIDEND & INCOME TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

Additionally, failure to meet the foregoing asset coverage requirements could restrict the Trust's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Trust'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.

On October 12, 2004, the Trust received net proceeds of \$77,255,000 (after underwriting discounts of \$2,520,000 and estimated offering expenses of \$225,000) from the public offering of 3,200,000 shares of 5.875% Series A Cumulative Preferred Stock. Commencing October 12, 2009 and thereafter, the Trust, at its option, may redeem the 5.875% Series A Cumulative Preferred Stock in whole or in part at the redemption price at any time. During the six months ended June 30, 2005, the Trust did not repurchase any shares of 5.875% Series A Cumulative Preferred Stock. At June 30, 2005, 3,200,000 shares of the 5.875% Series A Cumulative Preferred Stock were outstanding and accrued dividends amounted to \$52,222.

On October 12, 2004, the Trust received net proceeds of \$217,425,000 (after underwriting discounts of \$2,200,000 and estimated offering expenses of \$375,000) from the public offering of 4,000 shares of Series B and 4,800 shares of Series C Auction Market Cumulative Preferred Stock, respectively. The dividend rate, as set by the auction process, which is generally held every 7 days, is expected to vary with short-term interest rates. The dividend rates of Series B Auction Market Cumulative Preferred Stock ranged from 2.00% to 3.50% from January 1, 2005 through June 30, 2005. The dividend rates of Series C Auction Market Cumulative Preferred Stock ranged from 2.21% to 3.51% from January 1, 2005 through June 30, 2005. Existing shareholders may submit an order to hold, bid or sell such shares on each auction date. Series B and C Auction Market Cumulative Preferred Stock shareholders may also trade shares in the secondary market. The Trust, at its option, may redeem the Series B and C Auction Market Cumulative Preferred Stock in whole or in part at the redemption price at any time. During the six months ended June 30, 2005, the Trust did not redeem any shares of Series B and C Auction Market Cumulative Preferred Stock. At June 30, 2005, 4,000 and 4,800 shares of the Series B and C Auction Market Cumulative Preferred Stock were outstanding with an annualized dividend rate of 3.50% and 3.15% and accrued dividends amounted to \$19,444 and \$73,500, respectively.

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

6. OTHER MATTERS. The Adviser and/or affiliates have received subpoenas from the Attorney General of the State of New York and the SEC requesting information on mutual fund shares trading practices. Gabelli Asset Management Inc., the

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Adviser's parent company, is responding to these requests for documents and testimony. The Trust does not believe that these matters will have a material adverse effect on the Trust's financial position or the results of its operations.

7. INDEMNIFICATIONS. The Trust enters into contracts that contain a variety of indemnifications. The Trust's maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

8. SUBSEQUENT EVENT. The Trust filed a registration statement with the Securities and Exchange Commission for an offering of fixed rate and auction market preferred stock. The actual amount of capital to be raised, the dividend rate(s) and the timing of the offering have not been determined and will be announced at a later date. The proceeds raised will be used for investment purposes.

18

THE GABELLI DIVIDEND & INCOME TRUST FINANCIAL HIGHLIGHTS

| SELECTED DATA FOR A COMMON SHARE OF BENEFICIAL INTEREST OUTSTANDING THROUGHOUT EACH PERIOD: | SIX MONTHS ENDED JUNE 30, 2005 (UNAUDITED) | YEAR ENDED DECEMBER 31, |
|--|--|----------------------------|
| | ----- | ----- |
| OPERATING PERFORMANCE: | | |
| Net asset value, beginning of period | \$ 20.12 | \$ 19.26 |
| | ----- | ----- |
| Net investment income | 0.28 | 0.40 |
| Net realized and unrealized gain on investments | 0.69 | 1.80 |
| | ----- | ----- |
| Total from investment operations | 0.97 | 2.20 |
| | ----- | ----- |
| DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS: | | |
| Net investment income | (0.05) (g) | (0.01) |
| Net realized gain on investments | (0.01) (g) | (0.01) |
| | ----- | ----- |
| Total distributions to preferred stock shareholders | (0.06) | (0.02) |
| | ----- | ----- |
| NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS | 0.91 | 2.18 |
| | ----- | ----- |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS: | | |
| Net investment income | (0.23) (g) | (0.39) |
| Net realized gain on investments | (0.07) (g) | (0.24) |
| Return of capital | (0.30) (g) | (0.57) |
| | ----- | ----- |
| Total distributions to common shareholders | (0.60) | (1.20) |
| | ----- | ----- |
| CAPITAL SHARE TRANSACTIONS: | | |
| Increase (decrease) in net asset value from common share transactions | 0.01 | (0.05) |
| Offering costs for common shares charged to paid-in capital | -- | (0.01) |
| Offering costs for preferred shares charged to paid-in capital | -- | (0.06) |
| | ----- | ----- |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | |
|---|----------|----------|
| Total from capital share transactions | 0.01 | (0.12) |
| | ----- | ----- |
| NET ASSET VALUE ATTRIBUTABLE TO COMMON SHAREHOLDERS, END OF PERIOD | \$ 20.44 | \$ 20.12 |
| | ===== | ===== |
| Net asset value total return *** | 4.68% | 11.56% |
| | ===== | ===== |
| Market value, end of period | \$ 18.58 | \$ 17.95 |
| | ===== | ===== |
| Total investment return **** | 6.99% | (4.15%) |
| | ===== | ===== |

19

THE GABELLI DIVIDEND & INCOME TRUST
FINANCIAL HIGHLIGHTS (CONTINUED)

SELECTED DATA FOR A COMMON SHARE OF
BENEFICIAL INTEREST OUTSTANDING
THROUGHOUT EACH PERIOD:

SIX MONTHS ENDED
JUNE 30, 2005
(UNAUDITED)

YEAR ENDED
DECEMBER 31,

RATIOS AND SUPPLEMENTAL DATA:

| | | |
|---|-------------|-------------|
| Net assets including liquidation value of preferred shares, end of period (in 000's) | \$2,032,679 | \$2,006,703 |
| Net assets attributable to common shares, end of period (in 000's) | \$1,732,679 | \$1,706,703 |
| Ratio of net investment income to average net assets attributable to common shares | 2.82%(c) | 2.17% |
| Ratio of operating expenses to average net assets attributable to common shares before fee reduction | 1.29%(c) | 1.12% |
| Ratio of operating expenses to average net assets attributable to common shares net of fee reduction (f) | 1.19%(c) | 1.12% |
| Ratio of operating expenses to average net assets including liquidation value of preferred shares before fee reduction | 1.10%(c) | 1.07% |
| Ratio of operating expenses to average net assets including liquidation value of preferred shares net of fee reduction (f) | 1.01%(c) | 1.07% |
| Portfolio turnover rate | 7.3% | 33.3% |
| 5.875% CUMULATIVE PREFERRED STOCK SERIES A | | |
| Liquidation value, end of period (in 000's) | \$ 80,000 | \$ 80,000 |
| Total shares outstanding (in 000's) | 3,200 | 3,200 |
| Liquidation preference per share | \$ 25.00 | \$ 25.00 |
| Average market value (d) | \$ 24.82 | \$ 24.68 |
| Asset coverage per share | \$ 169.39 | \$ 167.23 |
| AUCTION RATE SERIES B CUMULATIVE PREFERRED STOCK | | |
| Liquidation value, end of period (in 000's) | \$ 100,000 | \$ 100,000 |
| Total shares outstanding (in 000's) | 4 | 4 |
| Liquidation preference per share | \$ 25,000 | \$ 25,000 |
| Average market value (d) | \$ 25,000 | \$ 25,000 |
| Asset coverage per share | \$ 169,390 | \$ 167,225 |
| AUCTION RATE SERIES C CUMULATIVE PREFERRED STOCK | | |
| Liquidation value, end of period (in 000's) | \$ 120,000 | \$ 120,000 |
| Total shares outstanding (in 000's) | 5 | 5 |
| Liquidation preference per share | \$ 25,000 | \$ 25,000 |

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

| | | |
|--------------------------------|------------|------------|
| Average market value (d) | \$ 25,000 | \$ 25,000 |
| Asset coverage per share | \$ 169,390 | \$ 167,225 |
| ASSET COVERAGE (E) | 678% | 669 |

- (a) The Gabelli Dividend & Income Trust commenced investment operations on November 28, 2003.
- (b) The beginning NAV includes a \$0.04 reduction for costs associated with the initial public offering.
- (c) Annualized.
- (d) Based on weekly prices.
- (e) Asset coverage is calculated by combining all series of preferred stock.
- (f) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. For the six months ended June 30, 2005, the effect of the custodian fee credits was minimal.
- (g) Amounts are subject to change and recharacterization at fiscal year end.
- * Based on net asset value per share at commencement of operations of \$19.06 per share.
- ** Based on market value per share at initial public offering of \$20.00 per share.
- *** Based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend date. Total return for periods of less than one year are not annualized.
- **** Based on market value per share, adjusted for reinvestment of distributions on the payment date. Total return for periods of less than one year are not annualized.

See accompanying notes to financial statements.

20

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

ENROLLMENT IN THE PLAN

It is the Policy of The Gabelli Dividend & Income Trust ("Trust") to automatically reinvest dividends payable to common shareholders. As a "registered" shareholder you automatically become a participant in the Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Trust to issue shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Trust. Plan participants may send their stock certificates to EquiServe Trust Company ("EquiServe") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Dividend & Income Trust
c/o EquiServe
P.O. Box 43010
Providence, RI 02940-3010

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

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

SHAREHOLDERS WISHING TO LIQUIDATE REINVESTED SHARES held at EquiServe must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address and account number. The cost to liquidate shares is \$2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

If your shares are held in the name of a broker, bank or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in "street name" at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of Common Shares distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Trust's Common Shares is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued Common Shares valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Trust's Common Shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange trading day, the next trading day. If the net asset value of the Common Shares at the time of valuation exceeds the market price of the Common Shares, participants will receive Common Shares from the Trust valued at market price. If the Trust should declare a dividend or capital gains distribution payable only in cash, EquiServe will buy Common Shares in the open market, or on the New York Stock Exchange or elsewhere, for the participants' accounts, except that EquiServe will endeavor to terminate purchases in the open market and cause the Trust to issue shares at net asset value if, following the commencement of such purchases, the market value of the Common Shares exceeds the then current net asset value.

21

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for Federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

The Trust reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by EquiServe on at least 90 days' written notice to participants in the Plan.

VOLUNTARY CASH PURCHASE PLAN

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Trust. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to EquiServe for investments in the Trust's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. EquiServe will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. EquiServe will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to EquiServe, P.O. Box 43010, Providence, RI 02940-3010 such that EquiServe receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by EquiServe at least 48 hours before such payment is to be invested.

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

22

TRUSTEES AND OFFICERS
THE GABELLI DIVIDEND & INCOME TRUST
ONE CORPORATE CENTER, RYE, NY 10580-1422

TRUSTEES

Mario J. Gabelli, CFA
CHAIRMAN AND CHIEF EXECUTIVE OFFICER,
GABELLI ASSET MANAGEMENT INC.

Anthony J. Colavita
ATTORNEY-AT-LAW,
ANTHONY J. COLAVITA, P.C.

James P. Conn
FORMER CHIEF INVESTMENT OFFICER,
FINANCIAL SECURITY ASSURANCE HOLDINGS LTD.

Mario d'Urso
CHAIRMAN, MITTEL CAPITAL MARKETS SPA

Frank J. Fahrenkopf, Jr.
PRESIDENT AND CHIEF EXECUTIVE OFFICER,
AMERICAN GAMING ASSOCIATION

Michael J. Melarkey
ATTORNEY-AT-LAW,
AVANSINO, MELARKEY, KNOBEL & MULLIGAN

Karl Otto Pohl
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

Salvatore M. Salibello
CERTIFIED PUBLIC ACCOUNTANT,
SALIBELLO & BRODER

Edward T. Tokar

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

SENIOR MANAGING DIRECTOR, BEACON TRUST COMPANY

Anthonie C. van Ekris
CHAIRMAN, BALMAC INTERNATIONAL, INC.

Salvatore J. Zizza
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS

Bruce N. Alpert
PRESIDENT

Carter W. Austin
VICE PRESIDENT

Peter D. Goldstein
CHIEF COMPLIANCE OFFICER

James E. McKee
SECRETARY

Richard C. Sell, Jr.
TREASURER

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
EquiServe Trust Company

STOCK EXCHANGE LISTING

| | Common | 5.875% Preferred |
|---------------------|------------|------------------|
| NYSE-Symbol: | GDV | GDV PrA |
| Shares Outstanding: | 84,777,505 | 3,200,000 |

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

The Net Asset Value may be obtained each day by calling (914) 921-5071.

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

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Dividend & Income Trust may, from time

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

to time, purchase its common shares in the open market when the Dividend & Income Trust shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Dividend & Income Trust may also, from time to time, purchase its Series A Cumulative Preferred Shares in the open market when the shares are trading at a discount to the Liquidation Value of \$25.00.

THE GABELLI DIVIDEND & INCOME TRUST
ONE CORPORATE CENTER
RYE, NY 10580-1422
(914) 921-5070
WWW.GABELLI.COM

SEMI-ANNUAL REPORT
JUNE 30, 2005

GDV-SA-Q2/05

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS

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.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not yet 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 SHARES (OR UNITS) PURCHASED | (B) AVERAGE PRICE PAID PER SHARE (OR UNIT) | (C) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS | (D) APPROX SHARE YET B |
|---|---|--|---|---------------------------------|
| Month #1 01/01/05 through 01/31/05 | Common - N/A Preferred Series A - N/A | Common - N/A Preferred Series A - N/A | Common - N/A Preferred Series A - N/A | Comm Pref |
| Month #2 02/01/05 through 02/28/05 | Common - 10,000 Preferred Series A - N/A | Common - \$18.2049 Preferred Series A - N/A | Common - 10,000 Preferred Series A - N/A | Comm 10,0 Pref |
| Month #3 03/01/05 through 03/31/05 | Common - 20,000 Preferred Series A - N/A | Common - \$18.2995 Preferred Series A - N/A | Common - 20,000 Preferred Series A - N/A | Comm 20,0 Pref |
| Month #4 04/01/05 through 04/30/05 | Common - N/A Preferred Series A - N/A | Common - N/A Preferred Series A - N/A | Common - N/A Preferred Series A - N/A | Comm Pref |
| Month #5 05/01/05 through 05/31/05 | Common - N/A Preferred Series A - N/A | Common - N/A Preferred Series A - N/A | Common - N/A Preferred Series A - N/A | Comm Pref |
| Month #6 06/01/05 through 06/30/05 | Common - 10,000 Preferred Series A - N/A | Common - \$18.4446 Preferred Series A - N/A | Common - 10,000 Preferred Series A - N/A | Comm 10,0 Pref |
| Total | Common - 40,000 Preferred Series A - N/A | Common - \$18.3171 Preferred Series A - N/A | Common - 40,000 Preferred Series A - N/A | 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:

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

- 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 7(d)(2)(ii)(G) 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) Not applicable.

Edgar Filing: GABELLI DIVIDEND & INCOME TRUST - Form N-CSRS

- (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 September 7, 2005

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 September 7, 2005

By (Signature and Title)* /s/ Richard C. Sell

Richard C. Sell, Jr., Principal Financial Officer
& Treasurer

Date September 7, 2005

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