

GABELLI DIVIDEND & INCOME TRUST
Form N-Q
November 29, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY
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: September 30, 2010

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q 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 the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments.

The Schedule(s) of Investments is attached herewith.

The Gabelli Dividend & Income Trust
Third Quarter Report September 30, 2010

Mario J. Gabelli, CFA Barbara G. Marcin, CFA Robert D. Leininger, CFA

To Our Shareholders,

During the third quarter of 2010, The Gabelli Dividend & Income Trust's (the Fund) total return was 15.1% on a net asset value (NAV) basis, compared with 11.3% and 11.1% for the Standard & Poor's (S&P) 500 Index and the Dow Jones Industrial Average, respectively. The total return for the Fund's publicly traded shares was 17.8% during the third quarter of 2010.

Enclosed is the investment portfolio as of September 30, 2010.

Comparative Results

Average Annual Returns through September 30, 2010 (a) (Unaudited)

| | Quarter | Year to Date | 1 Year | 3 Year | 5 Year | Since Inception (11/28/03) |
|--|---------|--------------|--------|---------|--------|----------------------------|
| Gabelli Dividend & Income Trust | | | | | | |
| NAV Total Return (b) | 15.09% | 6.20% | 13.05% | (7.27)% | 1.18% | 4.05% |
| Investment Total Return (c) | 17.81 | 10.83 | 18.93 | (5.56) | 2.42 | 2.28 |
| S&P 500 Index | 11.30 | 3.91 | 10.18 | (7.15) | 0.64 | 3.17 |
| Dow Jones Industrial Average | 11.13 | 5.57 | 14.12 | (5.37) | 3.11 | 4.06 |
| Nasdaq Composite Index | 12.30 | 4.38 | 11.60 | (4.29) | 1.94 | 2.81 |

- (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. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.
- (b) Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.
- (c) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00. We have separated the portfolio managers' 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 managers' commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of

investments, will be available on our website at www.gabelli.com.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS
September 30, 2010 (Unaudited)

| Shares | | Market Value |
|---------------|---|---------------------|
| | COMMON STOCKS 90.9% | |
| | Aerospace 2.0% | |
| 10,000 | Goodrich Corp. | \$ 737,300 |
| 40,000 | Kaman Corp. | 1,048,400 |
| 164,000 | Rockwell Automation Inc. | 10,123,720 |
| 2,000,000 | Rolls-Royce Group plc | 18,960,691 |
| 80,000 | The Boeing Co. | 5,323,200 |
| | | 36,193,311 |
| | Agriculture 0.2% | |
| 100,000 | Archer-Daniels-Midland Co. | 3,192,000 |
| | Automotive 0.1% | |
| 100,000 | Ford Motor Co. | 1,224,000 |
| 27,100 | Navistar International Corp. | 1,182,644 |
| | | 2,406,644 |
| | Automotive: Parts and Accessories 1.0% | |
| 27,000 | BorgWarner Inc. | 1,420,740 |
| 370,000 | Genuine Parts Co. | 16,498,300 |
| | | 17,919,040 |
| | Building and Construction 0.0% | |
| 30,000 | Layne Christensen Co. | 776,700 |
| | Business Services 0.7% | |
| 165,000 | Diebold Inc. | 5,129,850 |
| 120,000 | Intermec Inc. | 1,471,200 |
| 34,000 | Lender Processing Services Inc. | 1,129,820 |
| 20,000 | MasterCard Inc., Cl. A | 4,480,000 |
| 18,000 | PHH Corp. | 379,080 |
| 126,000 | Trans-Lux Corp. (a) | 61,740 |
| | | 12,651,690 |

| | | |
|-----------|--|------------|
| | Cable and Satellite 1.5% | |
| 440,000 | Cablevision Systems Corp., Cl. A | 11,523,600 |
| 16,000 | Cogeco Inc. | 489,843 |
| 5,000 | DIRECTV, Cl. A | 208,150 |
| 240,000 | DISH Network Corp., Cl. A | 4,598,400 |
| 50,000 | EchoStar Corp., Cl. A | 954,000 |
| 80,000 | Liberty Global Inc., Cl. A | 2,464,800 |
| 33,000 | Liberty Global Inc., Cl. C | 1,008,480 |
| 162,000 | Rogers Communications Inc., Cl. B | 6,063,660 |
| | | 27,310,933 |
| | Communications Equipment 0.1% | |
| 30,000 | Thomas & Betts Corp. | 1,230,600 |
| | Computer Hardware 0.1% | |
| 30,000 | SanDisk Corp. | 1,099,500 |
| | Computer Software and Services 0.6% | |
| 180,000 | McAfee Inc. | 8,506,800 |
| 60,000 | Microsoft Corp. | 1,469,400 |
| 90,000 | Yahoo! Inc. | 1,275,300 |
| | | 11,251,500 |
| | Consumer Products 3.8% | |
| 185,000 | Alberto-Culver Co. | 6,965,250 |
| 20,000 | Altria Group Inc. | 480,400 |
| 45,000 | Avon Products Inc. | 1,444,950 |
| 400,000 | Eastman Kodak Co. | 1,680,000 |
| 90,000 | Fortune Brands Inc. | 4,430,700 |
| 50,000 | Hanesbrands Inc. | 1,293,000 |
| 75,000 | Harman International Industries Inc. | 2,505,750 |
| 200,000 | Kimberly-Clark Corp. | 13,010,000 |
| 25,000 | Philip Morris International Inc. | 1,400,500 |
| 1,000,000 | Swedish Match AB | 26,675,173 |
| 145,000 | The Procter & Gamble Co. | 8,695,650 |
| | | 68,581,373 |
| | Consumer Services 0.1% | |
| 19,500 | Dollar Thrifty Automotive Group Inc. | 977,730 |
| | Diversified Industrial 3.2% | |

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| | | |
|---------|------------------------------|------------|
| 100,000 | Bouygues SA | 4,292,199 |
| 150,000 | Cooper Industries plc | 7,339,500 |
| 520,000 | General Electric Co. | 8,450,000 |
| 280,000 | Honeywell International Inc. | 12,303,200 |
| 95,000 | ITT Corp. | 4,448,850 |
| 126,000 | Owens-Illinois Inc. | 3,535,560 |
| 7,000 | Sulzer AG | 812,090 |
| 300,000 | Textron Inc. | 6,168,000 |
| 275,620 | Tyco International Ltd. | 10,123,523 |
| | | 57,472,922 |
| | Electronics 1.5% | |
| 940,000 | Intel Corp. | 18,076,200 |
| 100,000 | Texas Instruments Inc. | 2,714,000 |
| 200,000 | Tyco Electronics Ltd. | 5,844,000 |
| | | 26,634,200 |

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2010 (Unaudited)

| Shares | | Market Value |
|---------|---|-----------------|
| | COMMON STOCKS (Continued) | |
| | Energy and Utilities: Electric 4.7% | |
| 40,000 | Allegheny Energy Inc. | \$ 980,800 |
| 85,000 | ALLETE Inc. | 3,096,550 |
| 230,000 | American Electric Power Co. Inc. | 8,332,900 |
| 720 | Brookfield Infrastructure Partners LP | 13,968 |
| 300,000 | DPL Inc. | 7,839,000 |
| 40,000 | Edison International | 1,375,600 |
| 270,000 | Electric Power Development Co. Ltd. | 8,118,112 |
| 695,000 | Great Plains Energy Inc. | 13,135,500 |
| 365,000 | Integrays Energy Group Inc. | 19,001,900 |
| 105,000 | Pepco Holdings Inc. | 1,953,000 |
| 230,000 | Pinnacle West Capital Corp. | 9,492,100 |
| 100,000 | Southern Co. | 3,724,000 |
| 222,000 | UniSource Energy Corp. | 7,421,460 |
| | | 84,484,890 |
| | Energy and Utilities: Integrated 10.8% | |
| 12,000 | Alliant Energy Corp. | 436,200 |
| 150,000 | Ameren Corp. | 4,260,000 |
| 50,000 | Avista Corp. | 1,044,000 |
| 55,000 | Black Hills Corp. | 1,716,000 |
| 40,000 | CH Energy Group Inc. | 1,766,400 |
| 108,000 | Chubu Electric Power Co. Inc. | 2,668,951 |
| 228,000 | CONSOL Energy Inc. | 8,426,880 |
| 185,000 | Consolidated Edison Inc. | 8,920,700 |
| 70,000 | Dominion Resources Inc. | 3,056,200 |
| 160,000 | Duke Energy Corp. | 2,833,600 |
| 400,000 | Edison SpA | 502,495 |
| 630,000 | El Paso Corp. | 7,799,400 |
| 126,000 | Endesa SA | 3,372,700 |
| 450,000 | Enel SpA | 2,398,642 |
| 60,000 | Exelon Corp. | 2,554,800 |
| 125,000 | FirstEnergy Corp. | 4,817,500 |
| 116,000 | Hawaiian Electric Industries Inc. | 2,614,640 |
| 250,000 | Hera SpA | 476,797 |
| 121,500 | Hokkaido Electric Power Co. Inc. | 2,418,939 |
| 121,500 | Hokuriku Electric Power Co. | 2,774,066 |
| 105,000 | Iberdrola SA, ADR | 3,219,300 |
| 100,000 | Korea Electric Power Corp., ADR | 1,293,000 |
| 121,500 | Kyushu Electric Power Co. Inc. | 2,774,066 |

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| | | |
|---------|--------------------------------------|------------|
| 22,000 | Maine & Maritimes Corp. | 987,800 |
| 72,000 | MGE Energy Inc. | 2,850,480 |
| 35,102 | National Grid plc, ADR | 1,500,259 |
| 220,000 | NextEra Energy Inc. | 11,965,800 |
| 235,000 | NiSource Inc. | 4,089,000 |
| 525,000 | NSTAR | 20,658,750 |
| 400,000 | OGE Energy Corp. | 15,948,000 |
| 25,000 | Ormat Technologies Inc. | 729,250 |
| 300,000 | Progress Energy Inc. | 13,326,000 |
| 245,000 | Public Service Enterprise Group Inc. | 8,104,600 |
| 121,500 | Shikoku Electric Power Co. Inc. | 3,485,775 |
| 15,000 | TECO Energy Inc. | 259,800 |
| 121,500 | The Chugoku Electric Power Co. Inc. | 2,397,107 |
| 50,000 | The Empire District Electric Co. | 1,007,500 |
| 121,500 | The Kansai Electric Power Co. Inc. | 2,950,174 |
| 108,000 | The Tokyo Electric Power Co. Inc. | 2,634,020 |
| 121,500 | Tohoku Electric Power Co. Inc. | 2,686,739 |
| 200,000 | Vectren Corp. | 5,174,000 |
| 450,000 | Westar Energy Inc. | 10,903,500 |
| 85,000 | Wisconsin Energy Corp. | 4,913,000 |
| 150,000 | Xcel Energy Inc. | 3,445,500 |

192,162,330

Energy and Utilities: Natural Gas 4.4%

| | | |
|---------|----------------------------------|------------|
| 17,000 | Atmos Energy Corp. | 497,250 |
| 22,000 | Delta Natural Gas Co. Inc. | 676,500 |
| 6,000 | Energen Corp. | 274,320 |
| 160,356 | GDF Suez, Strips | 219 |
| 20,000 | Kinder Morgan Energy Partners LP | 1,370,000 |
| 400,000 | National Fuel Gas Co. | 20,724,000 |
| 190,000 | Nicor Inc. | 8,705,800 |
| 200,000 | ONEOK Inc. | 9,008,000 |
| 180,000 | Sempra Energy | 9,684,000 |
| 35,000 | South Jersey Industries Inc. | 1,731,450 |
| 140,000 | Southern Union Co. | 3,368,400 |
| 190,000 | Southwest Gas Corp. | 6,382,100 |
| 610,000 | Spectra Energy Corp. | 13,755,500 |
| 43,000 | The Laclede Group Inc. | 1,480,060 |

77,657,599

Energy and Utilities: Oil 10.0%

| | | |
|---------|--------------------------|------------|
| 70,000 | Anadarko Petroleum Corp. | 3,993,500 |
| 37,000 | Apache Corp. | 3,617,120 |
| 44,000 | BG Group plc, ADR | 3,890,040 |
| 110,000 | BP plc, ADR | 4,528,700 |
| 100,774 | Chesapeake Energy Corp. | 2,282,531 |
| 225,000 | Chevron Corp. | 18,236,250 |

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| | | |
|---------|-----------------------------------|------------|
| 318,000 | ConocoPhillips | 18,262,740 |
| 78,000 | Devon Energy Corp. | 5,049,720 |
| 168,000 | Eni SpA, ADR | 7,254,240 |
| 205,000 | Exxon Mobil Corp. | 12,666,950 |
| 36,000 | Hess Corp. | 2,128,320 |
| 470,000 | Marathon Oil Corp. | 15,557,000 |
| 136,000 | Murphy Oil Corp. | 8,421,120 |
| 232,000 | Occidental Petroleum Corp. | 18,165,600 |
| 5,000 | PetroChina Co. Ltd., ADR | 582,100 |
| 100,000 | Petroleo Brasileiro SA, ADR | 3,627,000 |
| 270,000 | Repsol YPF SA, ADR | 6,947,100 |
| 185,000 | Royal Dutch Shell plc, Cl. A, ADR | 11,155,500 |

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2010 (Unaudited)

| Shares | | Market Value |
|---------------|--|---------------------|
| | COMMON STOCKS (Continued) | |
| | Energy and Utilities: Oil (Continued) | |
| 775,000 | Statoil ASA, ADR | \$ 16,259,500 |
| 150,000 | Sunoco Inc. | 5,475,000 |
| 185,000 | Total SA, ADR | 9,546,000 |
| | | 177,646,031 |
| | Energy and Utilities: Services 3.4% | |
| 200,000 | ABB Ltd., ADR | 4,224,000 |
| 74,000 | Cameron International Corp. | 3,179,040 |
| 102,000 | Diamond Offshore Drilling Inc. | 6,912,540 |
| 520,000 | Halliburton Co. | 17,196,400 |
| 5,000 | Nabors Industries Ltd. | 90,300 |
| 10,000 | Noble Corp. | 337,900 |
| 38,000 | Oceaneering International Inc. | 2,046,680 |
| 180,000 | Rowan Companies Inc. | 5,464,800 |
| 120,000 | Schlumberger Ltd. | 7,393,200 |
| 45,000 | Transocean Ltd. | 2,893,050 |
| 650,000 | Weatherford International Ltd. | 11,115,000 |
| | | 60,852,910 |
| | Energy and Utilities: Water 0.8% | |
| 11,000 | American States Water Co. | 393,580 |
| 360,000 | American Water Works Co. Inc. | 8,377,200 |
| 74,000 | Aqua America Inc. | 1,509,600 |
| 6,000 | Artesian Resources Corp., Cl. A | 114,420 |
| 3,000 | California Water Service Group | 110,850 |
| 11,500 | Connecticut Water Service Inc. | 275,425 |
| 2,500 | Consolidated Water Co. Ltd. | 23,700 |
| 6,000 | Middlesex Water Co. | 101,040 |
| 60,000 | Pennichuck Corp. | 1,380,600 |
| 90,000 | SJW Corp. | 2,216,700 |
| 12,000 | The York Water Co. | 192,360 |
| 25,000 | United Utilities Group plc, ADR | 450,000 |
| | | 15,145,475 |
| | Entertainment 0.9% | |

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| | | |
|-----------|---|------------|
| 8,000 | Grupo Televisa SA, ADR | 151,360 |
| 90,000 | Madison Square Garden Inc., Cl. A | 1,897,200 |
| 250,000 | Take-Two Interactive Software Inc. | 2,535,000 |
| 200,000 | Time Warner Inc. | 6,130,000 |
| 210,000 | Vivendi | 5,739,973 |
| | | 16,453,533 |
| | Environmental Services 0.7% | |
| 1,250 | Suez Environnement Co. SA | 23,090 |
| 12,375 | Veolia Environnement | 325,933 |
| 350,000 | Waste Management Inc. | 12,509,000 |
| | | 12,858,023 |
| | Equipment and Supplies 1.3% | |
| 95,000 | CIRCOR International Inc. | 3,002,000 |
| 57,000 | Lufkin Industries Inc. | 2,502,300 |
| 65,000 | Mueller Industries Inc. | 1,721,850 |
| 397,000 | RPC Inc. | 8,400,520 |
| 200,000 | Tenaris SA, ADR | 7,684,000 |
| | | 23,310,670 |
| | Financial Services 11.5% | |
| 166,000 | Aflac Inc. | 8,583,860 |
| 80,000 | AllianceBernstein Holding LP | 2,112,800 |
| 450,000 | American Express Co. | 18,913,500 |
| 300,000 | AmeriCredit Corp. | 7,338,000 |
| 10,000 | Astoria Financial Corp. | 136,300 |
| 590,000 | Bank of America Corp. | 7,734,900 |
| 22,000 | BlackRock Inc. | 3,745,500 |
| 1,500,000 | Citigroup Inc. | 5,850,000 |
| 18,000 | CME Group Inc. | 4,688,100 |
| 90,000 | Deutsche Bank AG | 4,943,700 |
| 470,000 | Discover Financial Services | 7,839,600 |
| 100,909 | Fidelity National Financial Inc., Cl. A | 1,585,280 |
| 230,000 | Fidelity National Information Services Inc. | 6,239,900 |
| 64,000 | HSBC Holdings plc, ADR | 3,237,760 |
| 90,000 | Hudson City Bancorp Inc. | 1,103,400 |
| 125,000 | Invesco Ltd. | 2,653,750 |
| 485,000 | JPMorgan Chase & Co. | 18,463,950 |
| 200,000 | Legg Mason Inc. | 6,062,000 |
| 40,000 | M&T Bank Corp. | 3,272,400 |
| 78,000 | Moody's Corp. | 1,948,440 |
| 110,000 | Morgan Stanley | 2,714,800 |
| 80,000 | National Australia Bank Ltd., ADR | 1,963,200 |
| 180,000 | New York Community Bancorp Inc. | 2,925,000 |

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| | | |
|---------|--------------------------------------|-------------|
| 240,000 | NewAlliance Bancshares Inc. | 3,028,800 |
| 200,000 | PNC Financial Services Group Inc. | 10,382,000 |
| 100,000 | Popular Inc. | 290,000 |
| 225,000 | SLM Corp. | 2,598,750 |
| 46,000 | State Street Corp. | 1,732,360 |
| 130,000 | T. Rowe Price Group Inc. | 6,508,450 |
| 540,000 | The Bank of New York Mellon Corp. | 14,110,200 |
| 73,000 | The Blackstone Group LP | 926,370 |
| 290,000 | The Travelers Companies Inc. | 15,109,000 |
| 370,000 | Waddell & Reed Financial Inc., Cl. A | 10,123,200 |
| 10,000 | Webster Financial Corp. | 175,600 |
| 530,000 | Wells Fargo & Co. | 13,318,900 |
| 19,260 | Willis Group Holdings plc | 593,593 |
| 160,000 | Wilmington Trust Corp. | 1,436,800 |
| | | 204,390,163 |

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2010 (Unaudited)

| Shares | | Market Value |
|---------------|-------------------------------------|---------------------|
| | COMMON STOCKS (Continued) | |
| | Food and Beverage 10.7% | |
| 80,000 | Campbell Soup Co. | \$ 2,860,000 |
| 350,000 | China Mengniu Dairy Co. Ltd. | 1,082,635 |
| 235,000 | ConAgra Foods Inc. | 5,155,900 |
| 60,000 | Constellation Brands Inc., Cl. A | 1,061,400 |
| 300,082 | Danone | 17,948,711 |
| 1,900,000 | Davide Campari Milano SpA | 11,364,411 |
| 270,000 | Dr. Pepper Snapple Group Inc. | 9,590,400 |
| 540,000 | General Mills Inc. | 19,731,600 |
| 80,000 | H.J. Heinz Co. | 3,789,600 |
| 220,000 | ITO EN Ltd. | 3,613,081 |
| 1,000 | Kellogg Co. | 50,510 |
| 300,000 | Kikkoman Corp. | 3,309,775 |
| 750,000 | Kraft Foods Inc., Cl. A | 23,145,000 |
| 150,000 | Morinaga Milk Industry Co. Ltd. | 643,268 |
| 200,000 | NISSIN FOODS HOLDINGS CO. LTD. | 7,223,287 |
| 1,400,000 | Parmalat SpA | 3,591,897 |
| 339,450 | Parmalat SpA, GDR (b)(c) | 872,149 |
| 55,000 | PepsiCo Inc. | 3,654,200 |
| 74,000 | Pernod-Ricard SA | 6,178,940 |
| 19,319 | Remy Cointreau SA | 1,301,163 |
| 1,250,000 | Sara Lee Corp. | 16,787,500 |
| 310,000 | The Coca-Cola Co. | 18,141,200 |
| 340,000 | The Hershey Co. | 16,180,600 |
| 430,000 | YAKULT HONSHA Co. Ltd. | 13,279,109 |
| | | 190,556,336 |
| | Health Care 3.3% | |
| 37,000 | Abbott Laboratories | 1,932,880 |
| 240,000 | Boston Scientific Corp. | 1,471,200 |
| 235,000 | Bristol-Myers Squibb Co. | 6,370,850 |
| 110,000 | Covidien plc | 4,420,900 |
| 100,000 | Crucell NV, ADR | 3,326,000 |
| 120,000 | Eli Lilly & Co. | 4,383,600 |
| 50,000 | Johnson & Johnson | 3,098,000 |
| 70,000 | Mead Johnson Nutrition Co. | 3,983,700 |
| 150,000 | Merck & Co. Inc. | 5,521,500 |
| 112,500 | Owens & Minor Inc. | 3,201,750 |
| 705,000 | Pfizer Inc. | 12,104,850 |
| 26,000 | Schiff Nutrition International Inc. | 213,200 |

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| | | |
|---------|--|------------|
| 40,000 | St. Jude Medical Inc. | 1,573,600 |
| 60,000 | Watson Pharmaceuticals Inc. | 2,538,600 |
| 75,000 | Zimmer Holdings Inc. | 3,924,750 |
| | | 58,065,380 |
| | Hotels and Gaming 0.3% | |
| 15,000 | Accor SA | 547,721 |
| 75,000 | Boyd Gaming Corp. | 543,750 |
| 800,000 | Ladbrokes plc | 1,686,512 |
| 60,000 | Las Vegas Sands Corp. | 2,091,000 |
| | | 4,868,983 |
| | Machinery 0.7% | |
| 200,000 | CNH Global NV | 7,328,000 |
| 70,000 | Deere & Co. | 4,884,600 |
| | | 12,212,600 |
| | Manufactured Housing and Recreational Vehicles 0.0% | |
| 16,000 | Skyline Corp. | 324,160 |
| | Metals and Mining 1.0% | |
| 16,000 | Agnico-Eagle Mines Ltd. | 1,136,480 |
| 280,000 | Alcoa Inc. | 3,390,800 |
| 20,000 | Alliance Holdings GP LP | 865,200 |
| 6,000 | Arch Coal Inc. | 160,260 |
| 8,000 | BHP Billiton Ltd., ADR | 610,560 |
| 125,000 | Freeport-McMoRan Copper & Gold Inc. | 10,673,750 |
| 25,000 | Peabody Energy Corp. | 1,225,250 |
| | | 18,062,300 |
| | Paper and Forest Products 0.5% | |
| 400,000 | International Paper Co. | 8,700,000 |
| | Publishing 0.1% | |
| 702,600 | Il Sole 24 Ore | 1,266,239 |
| | Real Estate 0.0% | |
| 18,000 | Brookfield Asset Management Inc., Cl. A | 510,660 |

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| Retail 2.2% | | |
|--------------------|---|------------|
| 220,000 | CVS Caremark Corp. | 6,923,400 |
| 142,000 | Ingles Markets Inc., Cl. A | 2,358,620 |
| 105,000 | Macy's Inc. | 2,424,450 |
| 400,000 | Safeway Inc. | 8,464,000 |
| 300,000 | Sally Beauty Holdings Inc. | 3,360,000 |
| 90,000 | The Great Atlantic & Pacific Tea Co. Inc. | 356,400 |
| 35,000 | Wal-Mart Stores Inc. | 1,873,200 |
| 330,000 | Walgreen Co. | 11,055,000 |
| 75,000 | Whole Foods Market Inc. | 2,783,250 |
| | | 39,598,320 |

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2010 (Unaudited)

| Shares/ Units | | Market Value |
|------------------|--|-----------------|
| | COMMON STOCKS (Continued) | |
| | Specialty Chemicals 1.4% | |
| 2,000 | Airgas Inc. | \$ 135,900 |
| 5,000 | Arkema, ADR | 255,300 |
| 100,000 | Ashland Inc. | 4,877,000 |
| 155,000 | E. I. du Pont de Nemours and Co. | 6,916,100 |
| 380,000 | Ferro Corp. | 4,898,200 |
| 100,000 | Olin Corp. | 2,016,000 |
| 190,000 | The Dow Chemical Co. | 5,217,400 |
| | | 24,315,900 |
| | Telecommunications 6.5% | |
| 610,000 | AT&T Inc. | 17,446,000 |
| 300,000 | BCE Inc. | 9,750,000 |
| 33,000 | Belgacom SA | 1,286,862 |
| 45,000 | Bell Aliant Regional Communications Income Fund | 1,131,451 |
| 10,000 | CenturyLink Inc. | 394,600 |
| 735,000 | Deutsche Telekom AG, ADR | 10,018,050 |
| 200,000 | Fastweb SpA | 4,888,622 |
| 55,000 | France Telecom SA, ADR | 1,184,150 |
| 200,000 | Frontier Communications Corp. | 1,634,000 |
| 30,000 | Hellenic Telecommunications Organization SA | 215,939 |
| 219,800 | Hellenic Telecommunications Organization SA, ADR | 775,894 |
| 215,000 | Portugal Telecom SGPS SA | 2,869,441 |
| 2,200,000 | Sprint Nextel Corp. | 10,186,000 |
| 80,000 | Telecom Italia SpA, ADR | 1,114,400 |
| 15,000 | Telefonica SA, ADR | 1,112,250 |
| 165,000 | Telefonos de Mexico SAB de CV, Cl. L, ADR | 2,463,450 |
| 110,000 | Telekom Austria AG | 1,655,533 |
| 38,000 | Telephone & Data Systems Inc. | 1,246,400 |
| 100,000 | Telephone & Data Systems Inc., Special | 2,835,000 |
| 125,000 | Telstra Corp. Ltd., ADR | 1,586,250 |
| 76,100 | TELUS Corp., Non-Voting | 3,222,835 |
| 1,000,000 | Verizon Communications Inc. | 32,590,000 |
| 40,000 | VimpelCom Ltd., ADR | 594,000 |
| 265,000 | Vodafone Group plc, ADR | 6,574,650 |
| | | 116,775,777 |
| | Transportation 0.5% | |

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| | | |
|---------------|---|---------------|
| 250,000 | GATX Corp. | 7,330,000 |
| 20,000 | Kansas City Southern | 748,200 |
| | | 8,078,200 |
| | Wireless Communications 0.3% | |
| 113,000 | United States Cellular Corp. | 5,194,610 |
| | TOTAL COMMON STOCKS | 1,621,189,232 |
| Shares | | |
| | CONVERTIBLE PREFERRED STOCKS 1.2% | |
| | Automotive 0.3% | |
| 110,000 | Ford Motor Co. Capital Trust II, 6.500% Cv. Pfd. | 5,270,100 |
| | Broadcasting 0.0% | |
| 15,266 | Emmis Communications Corp., 6.250% Cv. Pfd., Ser. A | 244,256 |
| | Building and Construction 0.0% | |
| 200 | Fleetwood Capital Trust, 6.000% Cv. Pfd. | 100 |
| | Energy and Utilities 0.3% | |
| 129,000 | El Paso Energy Capital Trust I, 4.750% Cv. Pfd. | 4,934,250 |
| | Financial Services 0.2% | |
| 1,500 | Doral Financial Corp., 4.750% Cv. Pfd. | 186,000 |
| 75,000 | Newell Financial Trust I, 5.250% Cv. Pfd. | 2,985,938 |
| | | 3,171,938 |
| | Telecommunications 0.4% | |
| 55,000 | Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B | 2,145,000 |
| 95,000 | Crown Castle International Corp., 6.250% Cv. Pfd. | 5,866,250 |
| | | 8,011,250 |
| | Transportation 0.0% | |
| 1,500 | GATX Corp., \$2.50 Cv. Pfd., Ser. A (d) | 219,750 |
| | TOTAL CONVERTIBLE PREFERRED STOCKS | 21,851,644 |
| | RIGHTS 0.0% | |

| | | |
|--------|---|----------------|
| | Financial Services 0.0% | |
| 90,000 | Deutsche Bank AG, expire 10/05/10 | 447,300 |
| | Health Care 0.0% | |
| 6,000 | Fresenius Kabi Pharmaceuticals Holding Inc., CVR, expire 12/31/10 | 210 |
| | TOTAL RIGHTS | 447,510 |
| | WARRANTS 0.0% | |
| | Food and Beverage 0.0% | |
| 650 | Parmalat SpA, GDR, expire 12/31/15 (b)(c)(d) | 438 |

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2010 (Unaudited)

| Principal Amount | | Market Value |
|---------------------------------|--|-------------------------|
| | CONVERTIBLE CORPORATE BONDS 1.6% | |
| | Aerospace 0.1% | |
| \$ 1,500,000 | GenCorp Inc., Sub. Deb. Cv., 4.063%, 12/31/39 (b) | \$ 1,359,375 |
| | Automotive: Parts and Accessories 0.0% | |
| 500,000 | Standard Motor Products Inc., Sub. Deb. Cv., 15.000%, 04/15/11 (d) | 500,500 |
| | Broadcasting 0.6% | |
| 10,000,000 | Sinclair Broadcast Group Inc., Sub. Deb. Cv., 6.000%, 09/15/12 | 9,875,000 |
| | Computer Hardware 0.2% | |
| 3,000,000 | SanDisk Corp., Cv., 1.000%, 05/15/13 | 2,767,500 |
| | Diversified Industrial 0.5% | |
| 8,800,000 | Griffon Corp., Sub. Deb. Cv., 4.000%, 01/15/17 (b) | 9,372,000 |
| | Financial Services 0.0% | |
| 200,000 | Janus Capital Group Inc., Cv., 3.250%, 07/15/14 | 229,000 |
| | Real Estate 0.0% | |
| 450,000 | Palm Harbor Homes Inc., Cv., 3.250%, 05/15/24 | 299,250 |
| | Retail 0.2% | |
| 5,300,000 | The Great Atlantic & Pacific Tea Co. Inc., Cv., 5.125%, 06/15/11 | 3,862,375 |
| | TOTAL CONVERTIBLE CORPORATE BONDS | 28,265,000 |
| | U.S. GOVERNMENT OBLIGATIONS 6.3% | |
| 112,992,000 | U.S. Treasury Bills, 0.060% to 0.230% , 10/21/10 to 03/17/11 | 112,962,517 |
| TOTAL INVESTMENTS 100.0% | | |
| (Cost \$1,640,311,698) | | \$ 1,784,716,341 |

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| | |
|--|------------------|
| Aggregate tax cost | \$ 1,651,478,431 |
| Gross unrealized appreciation | \$ 263,360,270 |
| Gross unrealized depreciation | (130,122,360) |
| Net unrealized appreciation/depreciation | \$ 133,237,910 |

- (a) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2010, the market value of Rule 144A securities amounted to \$11,603,962 or 0.65% of total investments. Except as noted in (c), these securities are liquid.
- (c) At September 30, 2010, the Fund held investments in restricted and illiquid securities amounting to \$872,587 or 0.05% of total investments, which were valued under methods approved by the Board of Trustees as follows:

| Acquisition | | Acquisition | Acquisition | 09/30/10 |
|-------------|---|-------------|-------------|-------------------------|
| Shares | Issuer | Date | Cost | Carrying Value Per Unit |
| 339,450 | Parmalat SpA, GDR | 12/02/03 | \$981,615 | \$ 2.5693 |
| 650 | Parmalat SpA, GDR, Warrants expire 12/31/15 | 11/09/05 | | 0.6738 |

- (d) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At September 30, 2010, the market value of fair valued securities amounted to \$720,688 or 0.04% of total investments.

Non-income producing security.

Represents annualized yield at date of purchase.

ADR American Depositary Receipt

CVR Contingent Value Right

GDR Global Depositary Receipt

| Geographic Diversification | % of Market Value | Market Value |
|----------------------------|-------------------|------------------|
| North America | 80.6% | \$ 1,438,113,907 |
| Europe | 15.2 | 272,152,412 |
| Japan | 3.4 | 60,976,467 |
| Asia/Pacific | 0.4 | 7,117,745 |
| Latin America | 0.4 | 6,355,810 |

| | | |
|-------------------|--------|------------------|
| Total Investments | 100.0% | \$ 1,784,716,341 |
|-------------------|--------|------------------|

See accompanying notes to schedule of investments.

7

THE GABELLI DIVIDEND & INCOME TRUST (the Fund)
NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)

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

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

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

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

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

Level 1 quoted prices in active markets for identical securities;

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

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

THE GABELLI DIVIDEND & INCOME TRUST
NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of September 30, 2010 is as follows:

| | Valuation Inputs | | Total |
|--|------------------------|-------------------------------------|-------------------------|
| | Level 1 | Level 2 | |
| | Quoted | Other | Market Value |
| | Prices | Significant Observable Inputs | at 9/30/10 |
| INVESTMENTS IN SECURITIES: | | | |
| ASSETS (Market Value): | | | |
| Common Stocks: | | | |
| Telecommunications | \$ 115,644,326 | \$ 1,131,451 | \$ 116,775,777 |
| Other Industries (a) | 1,504,413,455 | | 1,504,413,455 |
| Total Common Stocks | 1,620,057,781 | 1,131,451 | 1,621,189,232 |
| Convertible Preferred Stocks: | | | |
| Transportation | | 219,750 | 219,750 |
| Other Industries (a) | 21,631,894 | | 21,631,894 |
| Total Convertible Preferred Stocks | 21,631,894 | 219,750 | 21,851,644 |
| Rights (a) | 447,510 | | 447,510 |
| Warrants (a) | | 438 | 438 |
| Convertible Corporate Bonds | | 28,265,000 | 28,265,000 |
| U.S. Government Obligations | | 112,962,517 | 112,962,517 |
| TOTAL INVESTMENTS IN SECURITIES | | | |
| ASSETS | \$1,642,137,185 | \$ 142,579,156 | \$ 1,784,716,341 |

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

The Fund did not have significant transfers between Level 1 and Level 2 during the period ended September 30, 2010.

There were no Level 3 investments held at September 30, 2010 or December 31, 2009.

In January 2010, the Financial Accounting Standards Board (FASB) issued amended guidance to improve disclosure about fair value measurements which requires additional disclosures about transfers between Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). FASB also clarified existing disclosure requirements relating to the levels of disaggregation of fair value measurement and inputs and valuation techniques used to measure fair value. The amended guidance is effective for financial statements for fiscal years beginning after December 15, 2009 and interim periods within those fiscal years. Management has adopted the amended guidance and determined that there was no material impact to the Fund's financial statements except for additional disclosures made in the notes.

Disclosures about purchases, sales, issuances, and settlements in the rollforward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. Management is currently evaluating the impact of the additional disclosure requirements on the Fund's financial statements.

Foreign Currency Translations. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in

THE GABELLI DIVIDEND & INCOME TRUST
NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)

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

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

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

Restricted and Illiquid Securities. The Fund is not subject to an independent limitation on the amount it may invest in securities for which the markets are illiquid. Illiquid securities include securities the disposition of which is subject to substantial legal or contractual restrictions. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. For the restricted and illiquid securities the Fund held as of September 30, 2010, refer to the Schedule of Investments.

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

The Fund's derivative contracts held at September 30, 2010, if any, are not accounted for as hedging instruments under GAAP.

THE GABELLI DIVIDEND & INCOME TRUST
NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)

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

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

In the case of call options, these exercise prices are referred to as in-the-money, at-the-money, and out-of-the-money, respectively. The Fund may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline during the option period, (b) at-the-money call options when the Adviser expects that the price of the underlying security will remain stable, decline, or advance moderately during the option period, and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Fund limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option. Out-of-the-money, at-the-money, and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions. During the period ended September 30, 2010, the Fund had no investments in options.

Swap Agreements. The Fund may enter into equity, contract for difference, and interest rate swap or cap transactions for the purpose of increasing the income of the Fund or hedging or protecting its exposure to interest rate movements and movements in the securities markets. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an interest rate swap, the Fund would agree to pay periodically to the other party (which is known as the counterparty) a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund periodically a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on Series B Auction Market Cumulative Preferred Shares (Series B Shares). In an interest rate cap, the Fund 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 that counterparty payments of the difference based on the notional amount of such cap. Swap and cap transactions introduce additional risk because the Fund would remain obligated to pay preferred share dividends when due in accordance with the Statement of Preferences even if the counterparty defaulted. In a swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at the time a swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

THE GABELLI DIVIDEND & INCOME TRUST
NOTES TO SCHEDULE OF INVESTMENTS (Continued) (Unaudited)

The Fund held an interest rate swap agreement through June 2, 2010, with an average monthly notional amount while it was outstanding of approximately \$100,000,000. At September 30, 2010, there were no open interest rate swap agreements.

The Fund held an equity contract for difference swap agreement through January 29, 2010, with an average monthly notional amount while it was outstanding of approximately \$2,638,658. At September 30, 2010, there were no open equity contracts for difference swap agreements.

Futures Contracts. The Fund may engage in futures contracts for the purpose of certain hedging, yield enhancements, and risk management purposes. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the initial margin. Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are included in unrealized appreciation/depreciation on futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. During the period ended September 30, 2010, the Fund had no investments in futures contracts.

Forward Foreign Exchange Contracts. The Fund may engage in forward foreign exchange contracts for the purpose of protecting the value of its portfolio against uncertainty in the level of future currency exchange rates or hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. During the period ended September 30, 2010, the Fund had no investments in forward foreign exchange contracts.

Tax Information. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

At December 31, 2009, the Fund had net capital loss carryforwards for federal income tax purposes of \$129,734,874, which are available to reduce future required distributions of net capital gains to shareholders. \$22,445,283 of the loss carryforward is available through 2016; and \$107,289,591 is available through 2017.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund's fiscal year end may be treated as occurring on the first day of the following year. For the year ended December 31, 2009, the Fund had deferred capital losses of \$20,845,593.

**AUTOMATIC DIVIDEND REINVESTMENT
AND VOLUNTARY CASH PURCHASE PLANS**

Enrollment in the Plan

It is the policy of The Gabelli Dividend & Income Trust (the Fund) to automatically reinvest dividends payable to common shareholders. As a registered shareholder you automatically become a participant in the Fund's Automatic Dividend Reinvestment Plan (the Plan). The Plan authorizes the Fund to credit common 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 Fund. Plan participants may send their common shares certificates to Computershare Trust Company, N.A. (Computershare) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request in writing to:

The Gabelli Dividend & Income Trust
c/o Computershare
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 Computershare at (800) 336-6983.

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 distributions will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in street name at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of common 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 Fund'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 shares of 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 Fund's common shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange (NYSE) 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 shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy shares of common shares in the open market, or on the NYSE or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund 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.

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.

Voluntary Cash Purchase Plan

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

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Fund's common shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare 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 Computershare, P.O. Box 43010, Providence, RI 02940-3010 such that Computershare 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 Computershare at least 48 hours before such payment is to be invested.

Shareholders wishing to liquidate shares held at Computershare 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.

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

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

TRUSTEES AND OFFICERS
THE GABELLI DIVIDEND & INCOME TRUST
One Corporate Center, Rye, NY 10580-1422

Trustees

Mario J. Gabelli, CFA
Chairman & Chief Executive Officer,
GAMCO Investors, Inc.

Anthony J. Colavita
President,
Anthony J. Colavita, P.C.

James P. Conn
Former Managing Director &
Chief Investment Officer,
Financial Security Assurance Holdings Ltd.

Mario d Urso
Former Italian Senator

Frank J. Fahrenkopf, Jr.
President & Chief Executive Officer,
American Gaming Association

Michael J. Melarkey
Attorney-at-Law,
Avansino, Melarkey, Knobel & Mulligan

Salvatore M. Salibello
Certified Public Accountant,
Salibello & Broder, LLP

Edward T. Tokar
Senior Managing Director,
Beacon Trust Company

Anthonie C. van Ekris
Chairman, BALMAC International, Inc.

Salvatore J. Zizza
Chairman, Zizza & Co., Ltd.

Officers

Bruce N. Alpert
President

Carter W. Austin
Vice President

Peter D. Goldstein
Chief Compliance Officer

Agnes Mullady
Treasurer & Secretary

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

Custodian
 State Street Bank and Trust Company

Counsel
 Skadden, Arps, Slate, Meagher & Flom LLP

Transfer Agent and Registrar
 Computershare Trust Company, N.A.
Stock Exchange Listing

| | | | |
|---------------------|------------|-----------|-----------|
| | | 5.875% | 6.00% |
| | Common | Preferred | Preferred |
| NYSE Symbol: | GDV | GDV PrA | GDV PrD |
| Shares Outstanding: | 83,160,137 | 3,048,019 | 2,542,296 |

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

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com. 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 Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

Item 2. 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 last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 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 11/26/10

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 11/26/10

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

Agnes Mullady, Principal Financial Officer and Treasurer

Date 11/26/10

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