

DIVIDEND & INCOME FUND
Form N-Q
November 12, 2013

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: 811-8747

DIVIDEND AND INCOME FUND
(Exact name of registrant as specified in charter)

11 Hanover Square, 12th Floor
New York, NY 10005
(Address of principal executive offices) (Zip Code)

John F. Ramírez, Esq.
Dividend and Income Fund
11 Hanover Square
New York, NY 10005
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-212-785-0900

Date of Fiscal Year End: 12/31

Date of Reporting Period: 9/30/2013

Item 1. Schedule of Investments

DIVIDEND AND INCOME FUND
SCHEDULE OF PORTFOLIO INVESTMENTS
September 30, 2013
(Unaudited)

| Shares | | Cost | Value |
|--------|--|------------|--------------|
| | COMMON STOCKS (74.14%) (a) | | |
| | Aircraft Engines & Engine Parts (0.77%) | | |
| 10,000 | United Technologies Corp. | \$ 727,426 | \$ 1,078,200 |

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| | | | |
|--------|---|-----------|-----------|
| | Beverages (1.37%) | | |
| 30,000 | Coca-Cola Company | 835,674 | 1,136,400 |
| 10,000 | PepsiCo, Inc. | 529,400 | 795,000 |
| | | 1,365,074 | 1,931,400 |
| | Biological Products (0.96%) | | |
| 12,100 | Amgen Inc. | 783,805 | 1,354,474 |
| | Cable & Other Pay Television Services (1.00%) | | |
| 21,400 | Time Warner Inc. | 781,678 | 1,408,334 |
| | Cigarettes (1.35%) | | |
| 30,000 | Altria Group, Inc. | 634,550 | 1,030,500 |
| 10,000 | Philip Morris International, Inc. | 485,376 | 865,900 |
| | | 1,119,926 | 1,896,400 |
| | Computer & Office Equipment (0.26%) | | |
| 2,000 | International Business Machines Corporation | 258,964 | 370,360 |
| | Computer Communications Equipment (0.69%) | | |
| 41,300 | Cisco Systems, Inc. | 783,771 | 967,246 |
| | Construction, Mining & Materials Handling Machinery & Equipment (0.86%) | | |
| 13,500 | Dover Corp. | 781,673 | 1,212,705 |
| | Converted Paper & Paperboard Products (0.84%) | | |
| 12,500 | Kimberly-Clark Corp. | 890,751 | 1,177,750 |
| | Crude Petroleum & Natural Gas (0.54%) | | |
| 8,160 | Occidental Petroleum Corporation | 527,752 | 763,286 |
| | Deep Sea Foreign Transportation of Freight (0.87%) | | |
| 50,000 | Seaspan Corp. | 347,030 | 1,223,500 |
| | Dolls & Stuffed Toys (0.74%) | | |
| 25,000 | Mattel, Inc. | 610,742 | 1,046,500 |
| | Electric Services (1.85%) | | |
| 11,000 | Entergy Corp. | 693,431 | 695,090 |
| 18,600 | FirstEnergy Corp. | 785,714 | 677,970 |
| 30,000 | Southern Company | 1,094,052 | 1,235,400 |
| | | 2,573,197 | 2,608,460 |

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| | | | |
|---|--------------------------------------|-----------|-----------|
| Electromedical & Electrotherapeutic Apparatus (0.76%) | | | |
| 20,200 | Medtronic, Inc. | 788,000 | 1,075,650 |
| Electronic & Other Electrical Equipment (3.76%) | | | |
| 20,000 | Emerson Electric Company | 747,590 | 1,294,000 |
| 111,900 | General Electric Company (b) | 1,949,675 | 2,673,291 |
| 41,400 | Koninklijke Philips Electronics N.V. | 783,100 | 1,335,150 |
| | | 3,480,365 | 5,302,441 |
| Electronic & Other Services Combined (0.91%) | | | |
| 17,000 | Exelon Corp. | 715,134 | 503,880 |
| 19,100 | PG&E Corp. | 784,489 | 781,572 |
| | | 1,499,623 | 1,285,452 |
| Fire, Marine & Casualty Insurance (1.33%) | | | |
| 20,000 | Ace Ltd. | 829,324 | 1,871,200 |
| Food & Kindred Products (1.76%) | | | |
| 25,000 | Campbell Soup Co. | 783,645 | 1,017,750 |
| 22,000 | Kraft Foods Group, Inc.* | 964,842 | 1,153,680 |
| 10,000 | Mondelez International, Inc. | 168,344 | 314,200 |
| | | 1,916,831 | 2,485,630 |
| Grain Mill Products (0.85%) | | | |
| 25,000 | General Mills, Inc. * | 1,062,157 | 1,198,000 |
| Investment Advice (0.45%) | | | |
| 20,000 | Invesco Ltd. | 437,950 | 638,000 |
| Life Insurance (1.33%) | | | |
| 40,000 | MetLife, Inc. | 699,693 | 1,878,000 |
| Malt Beverages (0.57%) | | | |
| 16,000 | Molson Coors Brewing Company | 707,427 | 802,080 |
| Measuring & Controlling Devices, NEC (0.81%) | | | |
| 10,700 | Rockwell Automation, Inc. | 780,522 | 1,144,258 |
| Miscellaneous Fabricated Metal Products (0.78%) | | | |
| 10,100 | Parker-Hannifin Corp. | 787,011 | 1,098,072 |
| Motor Vehicle Parts & Accessories (1.47%) | | | |
| 25,000 | Honeywell International, Inc. | 889,529 | 2,076,000 |

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|--------|--|-----------|------------|
| | Motor Vehicles & Passenger Car Bodies (0.77%) | | |
| 19,600 | PACCAR Inc. | 788,028 | 1,090,936 |
| | National Commercial Banks (2.96%) | | |
| 36,800 | JPMorgan Chase & Co. | 774,303 | 1,902,192 |
| 27,000 | U.S. Bancorp * | 880,419 | 987,660 |
| 30,000 | Wells Fargo & Company * | 1,044,225 | 1,239,600 |
| | | 2,698,947 | 4,129,452 |
| | Natural Gas Transmission (0.63%) | | |
| 25,000 | Kinder Morgan, Inc. * | 924,542 | 889,250 |
| | Natural Gas Transmission & Distribution (0.73%) | | |
| 30,000 | Spectra Energy Corp. * | 825,096 | 1,026,900 |
| | Paints, Varnishes, Lacquers, Enamels & Allied Products (1.01%) | | |
| 8,501 | PPG Industries, Inc. * | 537,142 | 1,420,177 |
| | Petroleum Refining (2.00%) | | |
| 7,200 | Chevron Corp. | 782,448 | 874,800 |
| 11,000 | ConocoPhillips | 557,868 | 764,610 |
| 10,000 | Exxon Mobil Corp. | 738,274 | 860,400 |
| 5,500 | Phillips 66 | 173,935 | 318,010 |
| | | 2,252,525 | 2,817,820 |
| | Pharmaceutical Preparations (8.08%) | | |
| 30,000 | Abbott Laboratories | 728,258 | 995,700 |
| 30,000 | AbbVie Inc. * | 793,789 | 1,341,900 |
| 55,000 | Bristol-Myers Squibb Company | 1,241,872 | 2,545,400 |
| 23,100 | Johnson & Johnson | 1,492,730 | 2,002,539 |
| 40,300 | Merck & Co., Inc. (b) | 1,463,305 | 1,918,683 |
| 37,924 | Pfizer Inc. * | 750,477 | 1,088,798 |
| 21,900 | Sanofi | 787,206 | 1,108,797 |
| 11,952 | Zoetis Inc. * | 238,972 | 371,946 |
| | | 7,496,609 | 11,373,763 |
| | Plastic Materials, Resins & Nonvulcanelastomers (1.38%) | | |
| 20,000 | E.I. du Pont de Nemours and Company | 751,716 | 1,171,200 |
| 20,000 | Dow Chemical Company | 580,754 | 768,000 |
| | | 1,332,470 | 1,939,200 |
| | Radio & TV Broadcasting & Communications Equipment (0.48%) | | |
| 10,000 | QUALCOMM, Inc. | 383,189 | 673,600 |

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|---------|---|-----------|-----------|
| | Radio Telephone Communications (0.50%) | | |
| 20,000 | Vodafone Group PLC ADR | 453,234 | 703,600 |
| | Railroads, Line-Haul Operating (1.45%) | | |
| 34,100 | CSX Corp. | 785,517 | 877,734 |
| 15,000 | Norfolk Southern Corp. * | 1,042,125 | 1,160,250 |
| | | 1,827,642 | 2,037,984 |
| | Real Estate Investment Trusts (3.70%) | | |
| 10,600 | AvalonBay Communities, Inc. * | 1,418,947 | 1,347,154 |
| 22,650 | Mid-America Apartment Communities, Inc. * | 1,420,551 | 1,415,625 |
| 200,000 | Newcastle Investment Corp. * | 681,224 | 1,124,000 |
| 200,000 | New Residential Investment Corp. * | 771,976 | 1,324,000 |
| | | 4,292,698 | 5,210,779 |
| | Refuse Systems (0.44%) | | |
| 15,000 | Waste Management, Inc. | 532,822 | 618,600 |
| | Retail - Eating Places (0.61%) | | |
| 9,000 | McDonald's Corp. | 888,124 | 865,890 |
| | Retail - Grocery Stores (0.93%) | | |
| 32,300 | The Kroger Co. | 782,471 | 1,302,982 |
| | Retail - Variety Stores (0.73%) | | |
| 16,000 | Target Corp. | 660,150 | 1,023,680 |
| | Retail - Women's Clothing Stores (2.34%) | | |
| 54,000 | L Brands, Inc. (b) | 475,950 | 3,299,400 |
| | Savings Institution, Federally Chartered (0.61%) | | |
| 60,000 | People's United Financial, Inc. | 826,108 | 862,800 |
| | Security & Commodity Brokers, Dealers, Exchanges & Services (0.45%) | | |
| 15,000 | NYSE Euronext * | 372,671 | 629,700 |
| | Semiconductors & Related Devices (4.55%) | | |
| 23,000 | Analog Devices, Inc. | 726,743 | 1,082,150 |
| 120,000 | Intel Corp. | 2,608,156 | 2,750,400 |
| 35,000 | Microchip Technology, Inc. | 998,143 | 1,410,150 |
| 127,300 | STMicroelectronics N.V. | 786,574 | 1,171,160 |
| | | 5,119,616 | 6,413,860 |

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| | | | |
|---------|---|-----------|-----------|
| | Services - Business Services (1.51%) | | |
| 40,000 | Lender Processing Services, Inc. | 733,684 | 1,330,800 |
| 42,900 | The Western Union Company | 785,465 | 800,514 |
| | | 1,519,149 | 2,131,314 |
| | Services - Engineering, Accounting, Research, Management (0.29%) | | |
| 10,000 | Paychex, Inc. (c) | 309,491 | 406,400 |
| | Services - Miscellaneous Repair Services (0.05%) | | |
| 756 | Aquilex Holdings LLC Units * (d) | 496,372 | 71,359 |
| | Services - Prepackaged Software (0.71%) | | |
| 30,000 | Microsoft Corp. (b) | 900,672 | 999,300 |
| | Soap, Detergent, Cleaning Preparations, Perfumes, Cosmetics (0.64%) | | |
| 12,000 | The Procter & Gamble Company | 739,290 | 907,080 |
| | Specialty Cleaning, Polishing and Sanitation Preparations (0.68%) | | |
| 11,700 | Clorox Co. | 788,186 | 956,124 |
| | Surety Insurance (1.09%) | | |
| 100,000 | Old Republic International Corp. * | 1,167,370 | 1,540,000 |
| | Surgical & Medical Instruments & Apparatus (3.19%) | | |
| 20,000 | 3M Company | 1,133,436 | 2,388,200 |
| 15,700 | Baxter International Inc. | 785,058 | 1,031,333 |
| 10,700 | Becton, Dickinson and Company | 782,308 | 1,070,214 |
| | | 2,700,802 | 4,489,747 |
| | Telephone Communications (2.80%) | | |
| 45,000 | AT&T, Inc. (b) | 1,672,513 | 1,521,900 |
| 25,000 | CenturyLink, Inc.* | 1,009,687 | 784,500 |
| 35,000 | Verizon Communications, Inc. | 1,206,032 | 1,633,100 |
| | | 3,888,232 | 3,939,500 |
| | Trucking & Courier Services (No Air) (0.78%) | | |
| 12,000 | United Parcel Service, Inc. * | 909,767 | 1,096,440 |
| | Water Transportation (0.55%) | | |
| 23,800 | Carnival Corp. | 785,476 | 776,832 |
| | Wholesale - Groceries & Related Products (0.62%) | | |

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| | | | |
|---|---|------------|-------------|
| 27,500 | Sysco Corp. * | 877,382 | 875,325 |
| Total common stocks | | 73,982,444 | 104,413,192 |
| Principal Amount | | | |
| CORPORATE BONDS AND NOTES (6.83%) (a) | | | |
| Cable & Other Pay Television Services (0.38%) | | | |
| 500,000 | CCO Holdings LLC, 7.00%, 1/15/19 | 499,660 | 530,625 |
| Cogeneration Services & Small Power Producers (0.34%) | | | |
| 450,000 | Covanta Holding Corp., 7.25%, 12/1/20 | 456,439 | 484,785 |
| Electric Services (0.73%) | | | |
| 650,000 | Edison Mission Energy, 7.00%, 5/15/17 | 650,694 | 433,875 |
| 566,930 | Elwood Energy LLC, 8.159%, 7/5/26 | 597,173 | 598,111 |
| | | 1,247,867 | 1,031,986 |
| Fats & Oils (0.39%) | | | |
| 500,000 | Darling International Inc., 8.50%, 12/15/18 (b) | 515,836 | 555,000 |
| Hospital & Medical Service Plans (0.19%) | | | |
| 250,000 | Health Net, Inc., 6.375%, 6/1/17 | 239,959 | 266,875 |
| Ice Cream & Frozen Desserts (0.40%) | | | |
| 500,000 | Dean Foods Company, 9.75%, 12/15/18 | 504,174 | 568,750 |
| Natural Gas Transmission (1.00%) | | | |
| 500,000 | Energy Transfer Equity LP, 7.50%, 10/15/20 | 511,718 | 537,500 |
| 500,000 | Niska Gas Storage US LLC, 8.875%, 3/15/18 | 507,868 | 520,000 |
| 350,000 | Southern Star Central Corp., 6.75%, 3/1/16 | 335,440 | 354,375 |
| | | 1,355,026 | 1,411,875 |
| Oil & Gas Field Exploration Services (0.37%) | | | |
| 500,000 | CGG-Veritas, 7.75%, 5/15/17 | 507,582 | 515,625 |
| Papers & Allied Products (0.37%) | | | |
| 500,000 | Cascades, Inc., 7.75%, 12/15/17 | 493,581 | 525,000 |

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| | | | |
|---------|--|---------------|-------------|
| | Personal Credit Institutions (0.56%) | | |
| 740,000 | Credit Acceptance Corp., 9.125%, 2/1/17 | 752,329 | 788,100 |
| | Services - Equipment Rental & Leasing, NEC (0.39%) | | |
| 500,000 | Aircastle Ltd., 9.75%, 8/1/18 | 502,305 | 555,000 |
| | Services - Miscellaneous Amusement & Recreation (0.59%) | | |
| 750,000 | Cedar Fair LP, 9.125%, 8/1/18 | 752,806 | 825,938 |
| | Services - Prepackaged Software (0.31%) | | |
| 400,000 | Scientific Games International, Inc., 9.25%, 6/15/19 | 423,862 | 433,000 |
| | Special Industry Machinery (0.38%) | | |
| 500,000 | Novelis, Inc., 8.375%, 12/15/17 | 504,245 | 538,125 |
| | Wholesale - Electronic Parts & Equipment, NEC (0.22%) | | |
| 300,000 | Brightstar Corp., 9.50%, 12/1/16 (e) | 300,000 | 315,000 |
| | Wholesale - Petroleum & Petroleum Products (0.21%) | | |
| 275,000 | Crosstex Energy LP, 8.875%, 2/15/18 | 275,406 | 293,563 |
| | Total corporate bonds and notes | 9,331,077 | 9,639,247 |
| | MASTER LIMITED PARTNERSHIPS (2.31%) (a) | | |
| | Natural Gas Transmission (2.31%) | | |
| 39,000 | Energy Transfer Partners, L.P. (b) | 1,979,798 | 2,030,730 |
| 20,000 | Enterprise Products Partners LP (b) | 374,214 | 1,220,800 |
| | Total master limited partnerships | 2,354,012 | 3,251,530 |
| | PREFERRED STOCK (0%) | | |
| | Financial (0%) | | |
| 80,000 | Solar Cayman Ltd. (a) (c) (d) | 568,802 | 0 |
| | MONEY MARKET FUND (0.02%) | | |
| 21,846 | SSgA Money Market Fund, 7 day annualized yield 0.01% | 21,846 | 21,846 |
| | Total investments (83.30%) | \$ 86,258,181 | 117,325,815 |
| | Other assets in excess of liabilities (16.70%) | | 23,519,775 |

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| | |
|----------------------|----------------|
| Net assets (100.00%) | \$ 140,845,590 |
|----------------------|----------------|

| | |
|---|----------|
| Net asset value per share (applicable to 8,597,619 shares issued and outstanding) | \$ 16.38 |
|---|----------|

(a) All or a portion of these securities have been segregated as collateral pursuant to the bank credit facility, except for, those denoted by a * symbol. As of September 30, 2013, the value of securities pledged as collateral was \$95,239,551.

(b) All or portion of these securities are on loan pursuant to the Lending Agreement in the aggregate amount of \$8,023,284.

(c) Non-income producing.

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

(e) These securities are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

| | |
|-----|-----------------------------|
| ADR | American Depositary Receipt |
| LLC | Limited Liability Company |
| LP | Limited Partnership |
| PLC | Public Limited Company |

Notes to Schedule of Portfolio Investments (Unaudited)

Security Valuation

Portfolio securities are valued by various methods depending on the primary market or exchange on which they trade. Most equity securities for which the primary markets is the United States are valued at the official closing price, last sale price or, if no sale has occurred, at the closing bid price. Most equity securities for which the primary market is outside the United States are valued using the official closing price or the last sale price in the principal market in which they are traded. If the last sale price on the local exchange is unavailable, the last evaluated quote or closing bid price normally is used. Debt obligations with remaining maturities of 60 days or less are valued at cost adjusted for amortization of premiums and accretion of discounts. Certain of the securities in which the Fund may invest are priced through pricing services that may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features, and ratings on comparable securities. Bonds may be valued according to prices quoted by a bond dealer that offers pricing services. Open end investment companies are valued at their net asset value. Securities for which quotations are not readily available or reliable and other assets may be valued as determined in good faith by Bexil Advisers LLC, the Fund's Investment Manager, under the direction of or pursuant to procedures established by the Fund's Board of Trustees, called fair value pricing. Due to the inherent uncertainty of valuation, these values may differ from the value that would have been used had a readily available market for the securities existed. These differences in valuation could be material. A security's valuation may differ depending on the method used for determining value. The use of fair value pricing by the Fund may cause the net asset value of its shares to differ from the net asset value that would be calculated using market prices. A fair value price is an estimate and there is no assurance that such price will be at or close to the price at which a security is next quoted or next trades.

Value Measurements

Inputs to valuation methods are prioritized by a three level hierarchy as follows:

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Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities including securities actively traded on a securities exchange.

Level 2 – observable inputs other than quoted prices included in level 1 that are observable for the asset or liability which may include quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

Level 3 - unobservable inputs for the asset or liability including the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for investments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing investments are not an indication of the risk associated with investing in those securities.

The following is a description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis:

Equity securities (common and preferred stock) – Most publicly traded equity securities are valued normally at the most recent official closing price, last sale price, evaluated quote, or closing bid price. To the extent these securities are actively traded and valuation adjustments are not applied, they may be categorized in level 1 of the fair value hierarchy. Preferred stock and other equities on inactive markets or valued by reference to similar instruments may be categorized in level 2.

Corporate bonds and notes - The fair value of corporate bonds and notes are estimated using various techniques which may consider, among other things, recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer. Although most corporate bonds and notes may be categorized in level 2 of the fair value hierarchy, in instances where lower relative weight is placed on transaction prices, quotations, or similar observable inputs, they may be categorized in level 3.

Restricted and/or illiquid securities - Restricted and/or illiquid securities for which quotations are not readily available or reliable may be valued with fair value pricing as determined in good faith by the Investment Manager under the direction of or pursuant to procedures established by the Fund's Board of Trustees. Restricted securities issued by publicly traded companies are generally valued at a discount to similar publicly traded securities. Restricted or illiquid securities issued by nonpublic entities may be valued by reference to comparable public entities or fundamental data relating to the issuer or both or similar inputs. Depending on the relative significance of valuation inputs, these instruments may be classified in either level 2 or level 3 of the fair value hierarchy.

The following is a summary of the inputs used as of September 30, 2013 in valuing the Fund's assets carried at fair value. Refer to the Schedule of Portfolio Investments for detailed information on specific investments.

| Level 1 | Level 2 | Level 3 | Total |
|---------|---------|---------|-------|
|---------|---------|---------|-------|

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| Assets | | | | |
|-----------------------------|---------------|-------------|----------|---------------|
| Investments at value | | | | |
| Common stock | \$104,341,833 | \$- | \$71,359 | \$104,413,192 |
| Corporate bonds and notes | - | 9,639,247 | - | 9,639,247 |
| Master limited partnerships | 3,251,530 | - | - | 3,251,530 |
| Preferred stock | - | - | 0 | 0 |
| Money market fund | 21,846 | - | - | 21,846 |
| | | | | |
| Total investments, at value | \$107,615,209 | \$9,639,247 | \$71,359 | \$117,325,815 |

There were no securities transferred from level 1 on December 31, 2012 to level 2 on September 30, 2013. Transfers from level 1 to level 2, or from level 2 to level 1 are valued utilizing values at the beginning of the period.

The following is a reconciliation of assets for which significant unobservable inputs were used to determine fair value:

| | Common Stocks | Preferred Stocks | Total |
|--|------------------|---------------------|-------------|
| Balance at December 31, 2012 | \$204,152 | \$2,000 | \$206,152 |
| Proceeds from sales | (66,021) | - | (66,021) |
| Realized loss | (620,124) | - | (620,124) |
| Transfers into (out of) level 3 | - | - | - |
| Change in unrealized depreciation | 553,352 | (2,000) | 551,352 |
| | | | |
| Balance at September 30, 2013 | \$71,359 | \$0 | \$71,359 |
| | | | |
| Net change in unrealized depreciation attributable to assets still held as level 3 at September 30, 2013 | \$(21,641) | \$(2,000) | \$(23,641) |

The Investment Manager under the direction of the Fund's Board of Trustees considers various valuation approaches for valuing securities categorized within level 3 of the fair value hierarchy. The factors used in determining the value of the Fund's private investments may include, but are not limited to: the discounts applied to the selection of comparable investments due to the private nature of the investment; the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security's disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer or analysts; an analysis of the company's or issuer's financial statements; or an evaluation of the forces that influence the issuer and the market in which the security is purchased and sold. Significant changes in any of those inputs in isolation may result in a significantly lower or higher fair value measurement. The pricing of all fair value holdings is subsequently reported to the Fund's Board of Trustees.

The following table presents additional information about valuation methodologies and inputs used for investments that are measured at fair value and categorized with level 3 as of September 30, 2013:

| | Fair Value September 30, 2013 | Valuation Technique | Unobservable Input | Range |
|---------------|-------------------------------------|---------------------|--------------------|-------|
| Common stocks | \$ 71,359 | | | % |

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| | | | | |
|--|------|---|---|----------|
| Services - Miscellaneous Repair Services Preferred stock | | Share of taxable income and comparable exchange offer | Discount rate for lack of marketability | 75% - 90 |
| Financial | \$ 0 | Analysis of operating results and net asset value | Discount rate for lack of marketability | 100 % |

Cost for Federal Income Tax Purposes

As of September 30, 2013, for federal income tax purposes the aggregate cost of securities was \$86,258,181 and net unrealized appreciation was \$31,067,634, comprised of gross unrealized appreciation of \$33,120,929 and gross unrealized depreciation of \$2,053,295.

Illiquid and Restricted Securities

The Fund owns securities which have a limited trading market and/or certain restrictions on trading and, therefore, may be illiquid and/or restricted. Such securities have been valued using fair value pricing. Due to the inherent uncertainty of valuation, these values may differ from the values that would have been used had a readily available market for the securities existed. These differences in valuation could be material. Illiquid and/or restricted securities owned as of September 30, 2013, were as follows:

| | Acquisition Date | Cost | Value | | |
|-----------------------------|------------------|-------------|----------|------|---|
| Acquilex Holdings LLC Units | 12/23/09 | \$496,372 | \$71,359 | | |
| Solar Cayman Ltd. | 3/7/07 | 568,802 | 0 | | |
| Total | | \$1,065,174 | \$71,359 | | |
| Percent of net assets | | 0.76 | % | 0.05 | % |

Item 2. Controls and Procedures

- (a) The registrant's principal executive officer and principal financial officer 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")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.
- (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) 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

- (a) Certifications of the registrant's principal executive officer and principal financial officer as required by Rule 30a-2(a) under the 1940 Act.

Signatures

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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.

Dividend and Income Fund

By: /s/ Thomas B. Winmill
Thomas B. Winmill, President

Date: November 12, 2013

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: /s/ Thomas B. Winmill
Thomas B. Winmill, President

Date: November 12, 2013

By: /s/ Thomas O'Malley
Thomas O'Malley, Chief Financial Officer

Date: November 12, 2013

EXHIBIT INDEX

(a) Certifications of the registrant's principal executive and principal financial officer as required by Rule 30a-2(a) under the 1940 Act. (EX-99.CERT)