

# **The Gabelli Dividend & Income Trust**

## **Annual Report — December 31, 2021**

### **To Our Shareholders,**

For the year ended December 31, 2021, the net asset value (NAV) total return of The Gabelli Dividend & Income Trust (the Fund) was 24.7%, compared with a total return of 28.7% for the Standard & Poor's (S&P) 500 Index. The total return for the Fund's publicly traded shares was 32.8%. The Fund's NAV per share was \$29.73, while the price of the publicly traded shares closed at \$27.00 on the New York Stock Exchange (NYSE). See page 3 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2021.

### **Investment Objective (Unaudited)**

The Gabelli Dividend & Income Trust is a diversified, closed-end management investment company. The Fund's investment objective is to seek a high level of total return with an emphasis on dividends and income. In making stock selections, the Fund's investment adviser looks for securities that have a superior yield and capital gains potential.

### **Performance Discussion (Unaudited)**

During the first quarter of 2021, there were a number of strong performers in (y)our portfolio. One of the best performers was Herc, an equipment rental supplier. Herc has benefited from an economy that is gradually reopening, and also from expectations of a large infrastructure spending bill from the Biden administration. Two other top performers during the quarter were financial stocks American Express and JP Morgan, both of which were helped by a gradual uptick in long-term interest rates and the prospects of a growing economy. After performing well during the full year 2020, both Amazon and Apple were laggards in the first quarter of 2021.

During the second quarter of 2021, y(our) portfolio generated healthy gains as the overall stock market continued to perform well. Growth stocks in general performed better than value stocks during the quarter, and that was also true within y(our) portfolio. Given the huge amount of fiscal and monetary stimulus in 2021 to deal with the COVID global pandemic, earnings in 2021 remained very strong. Stocks that did well in the second quarter included Alphabet, the parent company of Google, and Microsoft, the multinational technology company. Underperformers included Sony, the Japanese conglomerate with substantial positions in the electronics and entertainment industries, and Deere, the farm equipment company, Energizer, the battery company, and Hewlett-Packard Enterprises, the information technology company.

As permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website ([www.gabelli.com](http://www.gabelli.com)), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. To elect to receive all future reports on paper free of charge, please contact your financial intermediary, or, if you invest directly with the Fund, you may call 800-422-3554 or send an email request to [info@gabelli.com](mailto:info@gabelli.com).

Growth stocks generally outperformed value stocks in the third quarter and the overall stock market, as measured by the S&P 500 total return, was up by less than 1%. The Federal Reserve indicated that it would soon start the process of tapering the bond buying program as the economy continues to heal and inflation becomes more of an issue. During the third quarter, the 10-year U.S. Treasury Note shifted from 1.4% at the end of the second quarter to 1.46% at the end of the third quarter.

In the fourth quarter of 2021, as has been the recent trend, growth stocks generally outperformed value stocks. Large caps stocks significantly outperformed small cap stocks in the fourth quarter as the Russell 2000 Index, a proxy for small cap stocks, was up a mere 2.1%. The Federal Reserve indicated that their bond buying program would end in March, and many expect that the Fed will begin to raise short term interest rates at that time to help combat inflationary pressures. During the fourth quarter, the 10-year U.S. Treasury bond yield stayed about the same, ending the quarter at 1.44%.

The top contributors to performance in 2021 included Alphabet Inc., Cl. A and Cl. C (2.96% of net assets as of December 31, 2021), the parent company of Google which saw its largest gain since 2009 as consumers increasingly relied on Google's digital products and services throughout the Covid-19 pandemic. Microsoft Corp. (2.54%), continued to see strong growth in the intelligent cloud, productivity and business processes, and it's Windows software. American Express Co. (1.92%), benefitted from increased travel and entertainment spending as pandemic restrictions eased in 2021.

The top detractors for 2021 included PayPal Holdings Inc. (0.91%), which saw the impact of global supply chain shortages, weakened consumer confidence in the absence of stimulus payments, and more people shopping in-store. ITO EN Ltd. (0.51%), a Japanese multinational drinks company specializing in tea production, distribution, and sales which saw weaker than expected earnings and profit margins, hampered by the strength of the U.S. dollar. And lastly, Verizon Communications Inc. (0.95%), which disappointed in the highly competitive wireless business with sluggish sales growth and lower company revenues.

Thank you for your investment in The Gabelli Dividend & Income Trust.

We appreciate your confidence and trust.

## Comparative Results

### Average Annual Returns through December 31, 2021 (a) (Unaudited)

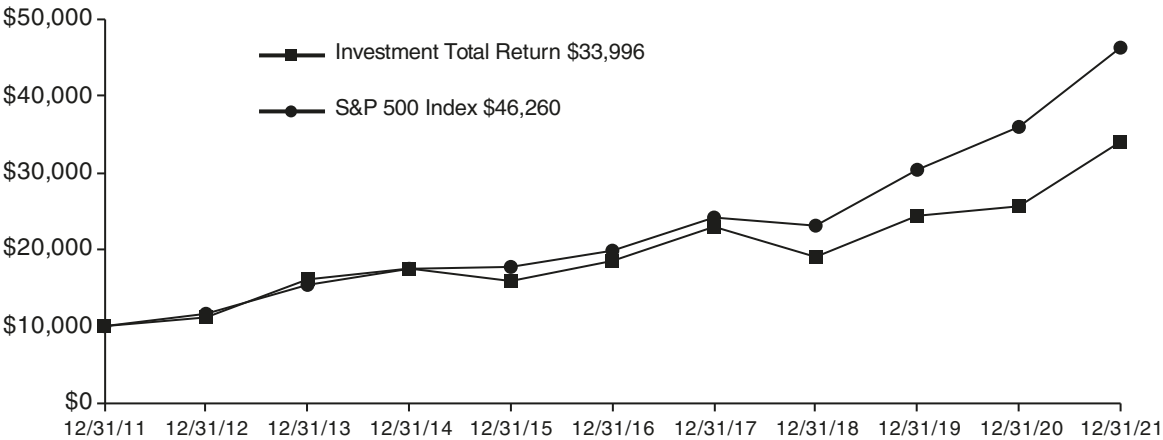
	1 Year	5 year	10 year	15 year	Since Inception (11/28/03)
<b>The Gabelli Dividend &amp; Income Trust (GDV)</b>					
<b>NAV Total Return (b)</b> . . . . .	24.74%	11.71%	11.93%	7.83%	8.87%
<b>Investment Total Return (c)</b> . . . . .	32.81	12.96	13.02	8.84	8.95
S&P 500 Index . . . . .	28.71	18.47	16.55	10.66	10.88
Dow Jones Industrial Average . . . . .	20.80	15.50	14.17	10.09	10.18

- (a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value changes versus funds that do not employ leverage. 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](http://www.gabelli.com) for performance information as of the most recent month end. The S&P 500 Index (is an) unmanaged indicator of stock market performance. The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. Dividends are considered reinvested. 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 adjustment for the spin-off 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 NYSE, reinvestment of distributions and adjustment for the spin-off. Since inception return is based on an initial offering price of \$20.00.

**Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.**

**COMPARISON OF CHANGE IN VALUE OF A \$10,000 INVESTMENT IN  
THE GABELLI DIVIDEND & INCOME TRUST (INVESTMENT TOTAL RETURN) AND S&P 500 INDEX  
(Unaudited)**

Average Annual Total Returns*			
	1 Year	5 Year	10 Year
Investment	32.81%	12.96%	13.02%



\* Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the sale of Fund shares.

## Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2021:

### The Gabelli Dividend & Income Trust

Financial Services .....	15.6%	Metals and Mining .....	1.2%
Health Care .....	9.7%	Consumer Services .....	1.1%
Food and Beverage.....	9.6%	Computer Hardware.....	1.0%
Computer Software and Services.....	7.9%	Broadcasting .....	1.0%
U.S. Government Obligations.....	6.9%	Energy and Utilities: Natural Gas .....	1.0%
Retail.....	3.7%	Transportation.....	0.8%
Consumer Products .....	3.6%	Automotive .....	0.6%
Electronics.....	3.5%	Energy and Utilities: Electric.....	0.6%
Diversified Industrial.....	3.3%	Aviation: Parts and Services.....	0.4%
Specialty Chemicals.....	2.5%	Hotels and Gaming .....	0.4%
Machinery .....	2.5%	Communications Equipment .....	0.3%
Automotive: Parts and Accessories.....	2.4%	Real Estate .....	0.3%
Business Services.....	2.3%	Energy and Utilities: Services .....	0.3%
Telecommunications.....	2.2%	Energy and Utilities: Water.....	0.3%
Energy and Utilities: Oil .....	2.2%	Energy and Utilities.....	0.2%
Entertainment .....	2.0%	Wireless Communications .....	0.1%
Environmental Services.....	2.0%	Publishing .....	0.0%*
Building and Construction .....	1.6%	Paper and Forest Products .....	0.0%*
Equipment and Supplies.....	1.5%	Closed-End Funds.....	0.0%*
Energy and Utilities: Integrated.....	1.4%	Agriculture .....	0.0%*
Aerospace.....	1.4%		<u>100.0%</u>
Semiconductors.....	1.3%		
Cable and Satellite .....	1.3%		

\* Amount represents less than 0.05%.

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-PORT. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-PORT is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

### Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how each Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

# The Gabelli Dividend & Income Trust

## Schedule of Investments — December 31, 2021

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS — 92.5%</b>					
<b>Aerospace — 1.4%</b>					
146,500	Aerjet Rocketdyne Holdings Inc. .... \$	2,170,486 \$	101,075	Herc Holdings Inc. .... \$	2,877,774 \$
14,000	HEICO Corp. ....	1,239,818	205,700	Johnson Controls International plc ....	8,686,543
70,000	Howmet Aerospace Inc. ....	1,357,386	11,200	Sika AG. ....	1,438,180
25,000	Kaman Corp. ....	742,013	5,200	United Rentals Inc.† ....	664,069
67,500	Rockwell Automation Inc. ....	2,385,009			16,316,799
1,240,000	Rolls-Royce Holdings plc† .	2,399,371			49,220,668
25,800	The Boeing Co.† ....	4,065,575	<b>Business Services — 2.3%</b>		
		14,359,658	27,000	Diebold Nixdorf Inc.† ....	125,487
			5,000	HP Inc. ....	138,100
			8,000	IHS Markit Ltd. ....	794,737
			15,000	Jardine Matheson Holdings Ltd. ....	873,589
<b>Agriculture — 0.0%</b>			50,000	JCDecaux SA† ....	1,470,120
5,000	Corteva Inc. ....	156,047	161,500	Mastercard Inc., Cl. A ....	14,051,631
			30,003	Steel Partners Holdings LP†	295,994
<b>Automotive — 0.6%</b>			25,000	Stericycle Inc.† ....	1,395,097
10,000	Daimler Truck Holding AG†	317,866	34,600	Visa Inc., Cl. A. ....	4,742,503
50,000	Ford Motor Co. ....	639,713			23,887,258
169,000	General Motors Co.† ....	8,220,149			71,853,032
76,000	PACCAR Inc. ....	3,489,307	<b>Cable and Satellite — 1.2%</b>		
12,000	Traton SE ....	325,029	14,500	AMC Networks Inc., Cl. A† .	387,912
		12,992,064	2,445	Charter Communications Inc., Cl. A† ....	347,387
			15,000	Cogeco Inc. ....	296,908
<b>Automotive: Parts and Accessories — 2.4%</b>			418,000	Comcast Corp., Cl. A. ....	17,408,806
48,676	Aptiv plc† ....	2,983,377	184,090	DISH Network Corp., Cl. A†	5,329,050
314,132	Dana Inc. ....	5,891,698	8,000	EchoStar Corp., Cl. A† ....	255,156
125,700	Garrett Motion Inc.† ....	763,501	2,622	Liberty Latin America Ltd., Cl. A† ....	45,148
295,000	Genuine Parts Co. ....	20,235,563	57,621	Liberty Latin America Ltd., Cl. C† ....	914,650
6,000	Lear Corp. ....	713,500	90,000	Rogers Communications Inc., Cl. B. ....	2,537,884
20,000	O'Reilly Automotive Inc.† .	4,727,092	85,000	WideOpenWest Inc.† ....	569,820
185,600	Tenneco Inc., Cl. A† ....	1,717,046			28,092,721
10,200	Visteon Corp.† ....	854,259			37,080,658
		37,886,036	<b>Communications Equipment — 0.3%</b>		
<b>Aviation: Parts and Services — 0.4%</b>			24,000	Arista Networks Inc.† ....	1,343,278
61,000	L3Harris Technologies Inc. .	6,525,210	76,000	Corning Inc. ....	930,977
			5,000	QUALCOMM Inc. ....	682,308
<b>Broadcasting — 1.0%</b>			47,500	Telesat Corp.† ....	1,689,486
433,700	Grupo Televisa SAB, ADR . .	4,883,199	75,932	Telesat Corp., New York† . .	3,620,896
50,121	Liberty Broadband Corp., Cl. C† ....	4,280,722			8,266,945
15,000	Liberty Global plc, Cl. A† . .	382,640	<b>Computer Hardware — 1.0%</b>		
420,070	Liberty Global plc, Cl. C† . .	10,787,450	170,600	Apple Inc. ....	9,519,515
100,000	Liberty Media Corp. - Liberty SiriusXM, Cl. C† ....	3,638,083	17,500	Micron Technology Inc. ....	972,900
90,000	Sinclair Broadcast Group Inc., Cl. A. ....	2,690,052	18,000	NCR Corp.† ....	761,170
		26,662,146			11,253,585
					32,647,167
<b>Building and Construction — 1.6%</b>			<b>Computer Software and Services — 7.9%</b>		
12,000	Arcosa Inc. ....	382,951	26,500	Activision Blizzard Inc. ....	1,902,269
22,000	Carrier Global Corp. ....	793,731	18,800	Adobe Inc.† ....	6,062,870
79,000	Fortune Brands Home & Security Inc. ....	1,473,551			

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2021

Shares	Cost	Market Value	Shares	Cost	Market Value		
<b>COMMON STOCKS (Continued)</b>			3,000	Kimberly-Clark Corp..... \$	319,775 \$	428,760	
<b>Computer Software and Services (Continued)</b>			5,000	Spectrum Brands Holdings Inc. ....	394,980	508,600	
1,000	Alibaba Group Holding Ltd., ADR† .....	\$ 216,505 \$	118,790	8,220,000	Swedish Match AB .....	12,474,171	65,514,752
4,439	Alphabet Inc., Cl. A† .....	3,850,750	12,859,960	9,000	The Estee Lauder Companies Inc., Cl. A ...	1,751,585	3,331,800
23,025	Alphabet Inc., Cl. C† .....	30,090,839	66,624,910	74,000	The Procter & Gamble Co. .	4,308,080	12,104,920
8,445	Amazon.com Inc.† .....	17,641,379	28,158,501			51,465,239	114,417,222
48,300	Applied Materials Inc. ....	3,799,721	7,600,488	<b>Consumer Services — 1.0%</b>			
4,000	Backblaze Inc., Cl. A† .....	68,720	67,560	22,000	Ashtead Group plc .....	423,833	1,769,415
24,000	Black Knight Inc.† .....	440,553	1,989,360	21,700	Blink Charging Co.† .....	678,860	575,267
4,000	Check Point Software Technologies Ltd.† .....	454,950	466,240	60,050	Meta Platforms Inc., Cl. A†	16,879,971	20,197,817
20,000	Cisco Systems Inc. ....	839,275	1,267,400	325,000	Qurate Retail Inc., Cl. A ...	2,762,404	2,470,000
32,000	Cloudflare Inc., Cl. A† .....	1,492,052	4,208,000	90,000	Terminix Global Holdings Inc.† .....	2,793,153	4,070,700
24,000	CrowdStrike Holdings Inc., Cl. A† .....	3,779,505	4,914,000	7,000	Travel + Leisure Co.....	238,201	386,890
20,000	CyrusOne Inc., REIT .....	548,519	1,794,400	133,372	Vroom Inc.† .....	2,386,447	1,439,084
30,000	eBay Inc. ....	678,428	1,995,000			26,162,869	30,909,173
6,000	Fiserv Inc.† .....	656,793	622,740	<b>Diversified Industrial — 3.3%</b>			
500,000	Hewlett Packard Enterprise Co. ....	6,827,746	7,885,000	8,000	American Outdoor Brands Inc.† .....	194,325	159,440
50,000	Kyndryl Holdings Inc.† .....	1,135,460	905,000	47,000	Ampco-Pittsburgh Corp.† ..	124,571	235,000
46,897	Limelight Networks Inc.† ..	121,229	160,857	97,500	Ardagh Metal Packaging SA† .....	970,849	880,425
60,000	Mandiant Inc.† .....	847,000	1,052,400	93,000	Bouygues SA. ....	3,237,800	3,334,177
1,000	McAfee Corp., Cl. A. ....	20,000	25,790	2,000	Crane Co. ....	190,580	203,460
202,849	Microsoft Corp. ....	17,675,378	68,222,176	22,700	Eaton Corp. plc .....	880,958	3,923,014
4,000	MKS Instruments Inc. ....	592,007	696,680	36,000	Emerson Electric Co. ....	3,007,658	3,346,920
75,000	N-able Inc.† .....	988,507	832,500	8,750	General Electric Co. ....	708,469	826,613
1,000	Oracle Corp. ....	87,280	87,210	200,000	Griffon Corp. ....	3,718,158	5,696,000
165,800	Otonomo Technologies Ltd.† .....	1,071,382	678,122	198,000	Honeywell International Inc.	23,494,069	41,284,980
4,500	SAP SE, ADR. ....	580,385	630,495	3,000	Hyster-Yale Materials Handling Inc. ....	140,910	123,300
10,400	ServiceNow Inc.† .....	3,260,379	6,750,744	51,000	ITT Inc. ....	973,582	5,211,690
15,300	Snowflake Inc., Cl. A† .....	4,489,162	5,182,875	12,000	Li-Cycle Holdings Corp.† ..	131,672	119,520
95,031	SolarWinds Corp. ....	1,824,504	1,348,490	10,000	nVent Electric plc .....	140,660	380,000
18,000	Trimble Inc.† .....	1,533,285	1,569,420	15,000	Pentair plc. ....	425,273	1,095,450
3,000	Unity Software Inc.† .....	239,283	428,970	8,000	Proto Labs Inc.† .....	629,945	410,800
19,757	Vimeo Inc.† .....	617,500	354,836	5,000	Sulzer AG .....	308,034	493,031
8,000	VMware Inc., Cl. A .....	1,074,040	927,040	330,000	Textron Inc. ....	12,208,127	25,476,000
101,500	ZoomInfo Technologies Inc.† .....	5,784,444	6,516,300	19,500	The Sherwin-Williams Co..	3,495,769	6,867,120
		121,292,099	249,366,027	300,000	Toray Industries Inc. ....	2,270,748	1,778,145
<b>Consumer Products — 3.6%</b>			36,000	Trinity Industries Inc. ....	739,138	1,087,200	
150,000	Authentic Equity Acquisition Corp.† .....	1,500,000	1,502,250	15,000	Vantage Towers AG.....	435,502	549,895
30,000	Church & Dwight Co. Inc. .	1,199,580	3,075,000			58,426,797	103,482,180
448,000	Edgewell Personal Care Co.	23,277,328	20,478,080	<b>Electronics — 3.5%</b>			
141,000	Energizer Holdings Inc. ....	5,553,199	5,654,100	18,300	Analog Devices Inc. ....	2,698,102	3,216,591
99,000	Hanesbrands Inc. ....	471,699	1,655,280	64,500	ChargePoint Holdings Inc.†	1,425,514	1,228,725
16,000	Kimball International Inc., Cl. B .....	214,842	163,680	50,000	Flex Ltd.† .....	906,871	916,500
				119,000	Intel Corp. ....	6,786,954	6,128,500

See accompanying notes to financial statements.



# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2021

Shares	Cost	Market Value	Shares	Cost	Market Value	
<b>COMMON STOCKS (Continued)</b>						
<b>Electronics (Continued)</b>						
74,300	Mirion Technologies Inc.† . . . \$ 746,690	\$ 777,921	47,000	Shikoku Electric Power Co. Inc. . . . . . . . . . . . \$ 857,121	\$ 330,957	
160,000	Resideo Technologies Inc.† . . . 1,354,245	4,164,800	35,000	The Chugoku Electric Power Co. Inc. . . . . . . . . . . . 581,072	283,274	
426,000	Sony Group Corp., ADR . . . . . 16,446,937	53,846,400	16,000	The Kansai Electric Power Co. Inc. . . . . . . . . . . . 197,975	149,387	
38,000	TE Connectivity Ltd. . . . . . . . 1,106,583	6,130,920	40,000	Tohoku Electric Power Co. Inc. . . . . . . . . . . . 575,383	283,752	
78,500	Texas Instruments Inc. . . . . . . 2,559,822	14,794,895			31,548,658	44,721,964
25,000	Thermo Fisher Scientific Inc. . . . . . . . . . . . 8,104,519	16,681,000	<b>Energy and Utilities: Natural Gas — 1.0%</b>			
2,500	Universal Display Corp. . . . . . . 444,760	412,575	16,000	APA Corp. . . . . . . . . . . . 185,550	430,240	
		108,298,827	200,000	Enterprise Products Partners LP . . . . . 3,891,915	4,392,000	
<b>Energy and Utilities: Electric — 0.6%</b>			61,000	Kinder Morgan Inc. . . . . . . . 1,536,983	967,460	
11,000	ALLETE Inc. . . . . . . . . . . . 360,106	729,850	167,000	National Fuel Gas Co. . . . . . . 8,190,299	10,677,980	
5,000	American Electric Power Co. Inc. . . . . . . . . . . . 184,350	444,850	30,000	National Grid plc . . . . . . . . 469,640	430,348	
21,000	Electric Power Development Co. Ltd. . . . . . . . . . . . 489,023	278,771	22,000	National Grid plc, ADR . . . . . 1,086,983	1,591,040	
189,000	Eergy Inc. . . . . . . . . . . . . 10,110,570	12,967,290	14,000	ONEOK Inc. . . . . . . . . . . . 567,297	822,640	
12,000	Pinnacle West Capital Corp. . . . . 468,584	847,080	38,000	Sempra Energy . . . . . . . . . . 1,214,017	5,026,640	
60,000	The AES Corp. . . . . . . . . . . 617,140	1,458,000	30,000	South Jersey Industries Inc. . . . 476,644	783,600	
7,000	WEC Energy Group Inc. . . . . . . 460,120	679,490	42,000	Southwest Gas Holdings Inc. . . . . . . . . . . . 1,103,049	2,942,100	
		12,689,893	69,000	UGI Corp. . . . . . . . . . . . . 2,701,156	3,167,790	
<b>Energy and Utilities: Integrated — 1.4%</b>					21,423,533	31,231,838
145,000	Avangrid Inc. . . . . . . . . . . . 6,779,819	7,232,600	<b>Energy and Utilities: Oil — 2.2%</b>			
22,000	Chubu Electric Power Co. Inc. . . . . . . . . . . . 354,517	231,800	86,000	Chevron Corp. . . . . . . . . . . . 8,052,653	10,092,100	
20,000	Endesa SA. . . . . . . . . . . . . 506,664	459,954	144,000	ConocoPhillips . . . . . . . . . . 6,544,256	10,393,920	
228,000	Enel SpA . . . . . . . . . . . . . . 1,036,727	1,828,987	65,000	Devon Energy Corp. . . . . . . . 856,057	2,863,250	
50,000	Eversource Energy . . . . . . . . . 4,178,779	4,549,000	123,000	Eni SpA, ADR . . . . . . . . . . . 4,396,603	3,400,950	
23,000	Hawaiian Electric Industries Inc. . . . . . . . . . . . 594,426	954,500	19,200	Enviva Inc. . . . . . . . . . . . . 934,079	1,352,064	
410,000	Hera SpA. . . . . . . . . . . . . . . 822,663	1,708,900	375,000	Equinor ASA, ADR. . . . . . . . 6,897,752	9,873,750	
12,000	Hokkaido Electric Power Co. Inc. . . . . . . . . . . . 87,044	53,517	117,000	Exxon Mobil Corp. . . . . . . . . 6,643,234	7,159,230	
45,000	Iberdrola SA, ADR. . . . . . . . . . 952,490	2,124,450	15,700	Hess Corp. . . . . . . . . . . . . . 975,265	1,162,271	
115,000	Korea Electric Power Corp., ADR† . . . . . . . . . . . 1,568,135	1,051,100	140,000	Marathon Petroleum Corp. . . . . 4,389,406	8,958,600	
26,000	Kyushu Electric Power Co. Inc. . . . . . . . . . . . 288,709	193,706	24,000	Occidental Petroleum Corp. . . . . 301,085	695,760	
28,000	MGE Energy Inc. . . . . . . . . . . 599,144	2,303,000	1,000	PetroChina Co. Ltd., ADR . . . . 40,300	44,210	
48,000	NextEra Energy Inc. . . . . . . . . 2,156,472	4,481,280	20,000	Petroleo Brasileiro SA, ADR . . . . 205,518	219,600	
65,000	NextEra Energy Partners LP . . . . . 3,107,215	5,486,000	52,000	Phillips 66 . . . . . . . . . . . . . 4,107,964	3,767,920	
49,000	NiSource Inc. . . . . . . . . . . . . 397,054	1,352,890	75,000	Repsol SA, ADR . . . . . . . . . . 1,487,593	888,338	
1,000	NorthWestern Corp. . . . . . . . . 64,660	57,160	82,000	Royal Dutch Shell plc, Cl. A, ADR . . . . . . . . . . . 4,354,358	3,558,800	
57,500	OGE Energy Corp. . . . . . . . . . . 685,360	2,206,850	600	Texas Pacific Land Corp. . . . . . 738,666	749,322	
11,000	Ormat Technologies Inc. . . . . . . 165,000	872,300	70,000	TotalEnergies SE, ADR . . . . . 3,318,049	3,462,200	
260,000	PG&E Corp.† . . . . . . . . . . . 2,616,544	3,156,400			54,242,838	68,642,285
30,000	PNM Resources Inc. . . . . . . . . 1,469,605	1,368,300	<b>Energy and Utilities: Services — 0.3%</b>			
30,000	Public Service Enterprise Group Inc. . . . . . . . . . . 906,080	2,001,900	10,000	Dril-Quip Inc.† . . . . . . . . . . 198,072	196,800	
			205,000	Halliburton Co. . . . . . . . . . . 6,658,734	4,688,350	
			90,000	Oceaneering International Inc.† . . . . . . . . . . . 1,355,805	1,017,900	

See accompanying notes to financial statements.



# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2021

Shares		Cost	Market Value	Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>							
<b>Energy and Utilities: Services (Continued)</b>							
135,000	Schlumberger NV . . . . .	\$ 4,675,970	\$ 4,043,250	90,000	Sealed Air Corp. . . . .	\$ 2,301,314	\$ 6,072,300
		12,888,581	9,946,300	25,800	The L.S. Starrett Co., Cl. A†	125,379	241,230
				94,000	The Timken Co. . . . .	3,524,661	6,513,260
						23,052,886	47,793,798
<b>Energy and Utilities: Water — 0.3%</b>				<b>Financial Services — 15.6%</b>			
11,000	American States Water Co. . . . .	138,388	1,137,840	7,000	Alleghany Corp.† . . . . .	2,577,465	4,673,130
6,000	American Water Works Co. Inc. . . . .	715,889	1,133,160	316,108	American Express Co. . . . .	28,067,436	51,715,269
14,000	Essential Utilities Inc. . . . .	613,002	751,660	80,000	American International Group Inc. . . . .	4,752,080	4,548,800
191,000	Mueller Water Products Inc., Cl. A . . . . .	1,817,558	2,750,400	393,000	Bank of America Corp. . . . .	7,877,199	17,484,570
36,000	Severn Trent plc . . . . .	927,080	1,436,008	55,000	Berkshire Hathaway Inc., Cl. B† . . . . .	10,460,548	16,445,000
24,000	SJW Group . . . . .	428,495	1,756,800	20,400	BlackRock Inc. . . . .	4,495,468	18,677,424
7,500	The York Water Co. . . . .	97,903	373,350	75,000	Blackstone Inc. . . . .	3,161,650	9,704,250
6,000	United Utilities Group plc, ADR . . . . .	168,600	176,460	28,500	Brookfield Asset Management Inc., Cl. A . . . . .	128,980	1,720,830
		4,906,915	9,515,678	196	Brookfield Asset Management Reinsurance Partners Ltd., Cl. A . . . . .	10,388	12,275
<b>Entertainment — 2.0%</b>				22,000	Cannae Holdings Inc.† . . . . .	275,343	773,300
5,000	Discovery Inc., Cl. A† . . . . .	117,878	117,700	180,000	Citigroup Inc. . . . .	8,532,456	10,870,200
70,000	Discovery Inc., Cl. C† . . . . .	2,304,248	1,603,000	50,000	Cohen & Steers Inc. . . . .	1,856,317	4,625,500
61,333	Fox Corp., Cl. A . . . . .	1,949,372	2,263,188	19,000	Cullen/Frost Bankers Inc. . . . .	1,383,862	2,395,330
58,000	Fox Corp., Cl. B . . . . .	1,905,227	1,987,660	9,000	EXOR NV . . . . .	536,309	809,064
131,631	Liberty Media Corp.- Liberty Braves, Cl. A† . . . . .	3,635,950	3,784,391	18	Farmers & Merchants Bank of Long Beach . . . . .	126,871	144,540
60,280	Madison Square Garden Entertainment Corp.† . . . . .	2,844,443	4,240,095	42,000	Fidelity National Financial Inc. . . . .	430,073	2,191,560
45,000	Madison Square Garden Sports Corp.† . . . . .	3,596,801	7,817,850	21,000	Franklin Resources Inc. . . . .	701,954	703,290
19,400	Netflix Inc.† . . . . .	8,104,112	11,687,336	200,000	Graf Acquisition Corp. IV† . . . . .	2,000,000	1,990,000
17,400	Take-Two Interactive Software Inc.† . . . . .	2,897,301	3,092,328	40,000	H&R Block Inc. . . . .	722,109	942,400
65,500	The Walt Disney Co.† . . . . .	8,406,300	10,145,295	13,000	HSBC Holdings plc, ADR. . . . .	522,136	391,950
100,000	Universal Music Group NV . . . . .	1,816,756	2,821,203	22,249	Interactive Brokers Group Inc., Cl. A . . . . .	839,448	1,767,016
40,500	ViacomCBS Inc., Cl. A . . . . .	1,605,724	1,351,485	155,000	Invesco Ltd. . . . .	3,318,821	3,568,100
225,000	ViacomCBS Inc., Cl. B . . . . .	6,340,841	6,790,500	100,000	Janus Henderson Group plc . . . . .	3,167,496	4,194,000
350,000	Vivendi SE . . . . .	3,954,825	4,737,868	345,417	JPMorgan Chase & Co. . . . .	23,179,424	54,696,782
		49,479,778	62,439,899	65,000	KeyCorp. . . . .	856,314	1,503,450
<b>Environmental Services — 2.0%</b>				30,000	Kinnevik AB, Cl. B† . . . . .	402,728	1,071,523
188,000	Republic Services Inc. . . . .	6,981,261	26,216,600	55,000	KKR & Co. Inc. . . . .	1,110,737	4,097,500
27,380	Veolia Environnement SA . . . . .	391,008	1,005,613	41,000	M&T Bank Corp. . . . .	3,185,346	6,296,780
97,222	Waste Connections Inc. . . . .	4,631,690	13,248,442	262,226	Morgan Stanley . . . . .	8,263,235	25,740,104
129,000	Waste Management Inc. . . . .	5,313,975	21,530,100	3,400	MSCI Inc. . . . .	982,837	2,083,146
		17,317,934	62,000,755	70,000	National Australia Bank Ltd., ADR . . . . .	810,381	738,500
<b>Equipment and Supplies — 1.5%</b>				130,000	Navient Corp. . . . .	927,744	2,758,600
57,000	CIRCOR International Inc.† . . . . .	1,714,975	1,549,260	85,000	New York Community Bancorp Inc. . . . .	1,323,378	1,037,850
26,800	Danaher Corp. . . . .	5,392,549	8,817,468	91,000	Northern Trust Corp. . . . .	4,076,449	10,884,510
83,000	Flowserve Corp. . . . .	3,173,739	2,539,800				
143,000	Graco Inc. . . . .	2,822,553	11,528,660				
144,000	Mueller Industries Inc. . . . .	3,129,018	8,547,840				
437,000	RPC Inc.† . . . . .	868,698	1,983,980				

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2021

Shares	Cost	Market Value	Shares	Cost	Market Value	
<b>COMMON STOCKS (Continued)</b>			531,000	Mondelēz International Inc., Cl. A . . . . .	\$ 19,872,042 \$ 35,210,610	
<b>Financial Services (Continued)</b>			30,000	Morinaga Milk Industry Co. Ltd. . . . .	588,860 1,423,976	
402,177	Oaktree Specialty Lending Corp. . . . .	\$ 2,486,554 \$ 3,000,240	5,015	Nathan's Famous Inc. . . . .	332,015 292,826	
129,700	PayPal Holdings Inc.† . . . .	14,049,151 24,458,826	22,000	Nestlé SA . . . . .	1,644,475 3,076,910	
80,000	Resona Holdings Inc. . . . .	381,969 311,154	35,000	Nestlé SA, ADR . . . . .	2,563,158 4,912,950	
10,000	S&P Global Inc. . . . .	3,387,551 4,719,300	130,000	Nissin Foods Holdings Co. Ltd. . . . .	4,438,279 9,481,874	
90,000	SLM Corp. . . . .	453,093 1,770,300	69,982	Nomad Foods Ltd.† . . . . .	1,810,557 1,776,843	
179,000	State Street Corp. . . . .	10,506,782 16,647,000	72,000	PepsiCo Inc. . . . .	9,015,335 12,507,120	
138,000	T. Rowe Price Group Inc. . .	9,963,533 27,136,320	61,000	Pernod Ricard SA . . . . .	5,202,267 14,688,358	
620,000	The Bank of New York Mellon Corp. . . . .	20,242,305 36,009,600	49,000	Post Holdings Inc.† . . . . .	4,053,663 5,523,770	
53,100	The Goldman Sachs Group Inc. . . . .	12,139,086 20,313,405	24,500	Remy Cointreau SA. . . . .	1,360,469 5,969,155	
92,500	The Hartford Financial Services Group Inc. . . . .	3,081,390 6,386,200	18,000	Suntory Beverage & Food Ltd. . . . .	573,702 650,961	
153,000	The PNC Financial Services Group Inc. . . . .	11,083,294 30,679,560	278,000	The Coca-Cola Co. . . . .	10,675,489 16,460,380	
92,500	The Travelers Companies Inc. . . . .	6,196,278 14,469,775	120,000	The Hain Celestial Group Inc.† . . . . .	3,634,648 5,113,200	
200,000	Trine II Acquisition Corp.† . .	2,000,000 2,026,000	24,000	The Kraft Heinz Co. . . . .	716,243 861,600	
32,500	W. R. Berkley Corp. . . . .	860,415 2,677,675	25,000	Unilever plc, ADR . . . . .	800,393 1,344,750	
584,500	Wells Fargo & Co. . . . .	20,823,716 28,044,310	237,000	Yakult Honsha Co. Ltd. . . . .	5,710,597 12,361,992	
3,000	Willis Towers Watson plc . .	229,509 712,470			156,283,838 300,767,184	
		248,947,608 490,618,678	<b>Health Care — 9.5%</b>			
<b>Food and Beverage — 9.6%</b>			30,500	Abbott Laboratories . . . . .	1,791,668 4,292,570	
12,000	Ajinomoto Co. Inc. . . . .	205,201 364,809	45,196	AbbVie Inc. . . . .	4,028,482 6,119,538	
12,500	Brown-Forman Corp., Cl. B . .	439,792 910,750	59,000	AmerisourceBergen Corp. . .	4,199,339 7,840,510	
73,000	Campbell Soup Co. . . . .	2,746,178 3,172,580	13,000	Anthem Inc. . . . .	2,548,777 6,026,020	
980,000	China Mengniu Dairy Co. Ltd. . . . .	1,211,207 5,555,078	45,000	Arena Pharmaceuticals Inc.† . . . . .	4,090,260 4,182,300	
60,500	Chr. Hansen Holding A/S. . . .	2,467,586 4,773,647	42,486	AstraZeneca plc, ADR . . . . .	2,346,406 2,474,810	
572,000	Conagra Brands Inc. . . . .	16,951,947 19,533,800	150,000	Aurinia Pharmaceuticals Inc.† . . . . .	2,272,486 3,430,500	
8,000	Constellation Brands Inc., Cl. A . . . . .	283,846 2,007,760	215,000	Bausch Health Cos. Inc.† . .	5,038,638 5,936,150	
158,000	Danone SA . . . . .	7,665,422 9,819,813	65,000	Baxter International Inc. . . .	3,469,285 5,579,600	
2,125,000	Davide Campari-Milano NV . .	6,472,347 31,100,262	22,000	Becton, Dickinson and Co. . .	5,005,502 5,532,560	
90,000	Diageo plc, ADR . . . . .	12,153,552 19,812,600	1,000	BioMarin Pharmaceutical Inc.† . . . . .	76,290 88,350	
70,954	Flowers Foods Inc. . . . .	1,053,433 1,949,106	6,000	Bio-Rad Laboratories Inc., Cl. A† . . . . .	1,855,100 4,533,420	
203,000	General Mills Inc. . . . .	11,346,632 13,678,140	135,000	Bristol-Myers Squibb Co. . .	7,862,628 8,417,250	
18,000	Heineken Holding NV . . . . .	747,987 1,663,007	34,393	Cardiovascular Systems Inc.† . . . . .	956,576 645,901	
260,000	ITO EN Ltd. . . . .	5,640,538 13,652,091	10,000	CareDx Inc.† . . . . .	530,200 454,800	
49,000	Kellogg Co. . . . .	3,585,719 3,156,580	35,000	Catalent Inc.† . . . . .	3,776,861 4,481,050	
120,000	Keurig Dr Pepper Inc. . . . .	1,412,776 4,423,200	3,000	Charles River Laboratories International Inc.† . . . . .	311,640 1,130,340	
330,000	Kirkman Corp. . . . .	3,882,314 27,741,459	12,000	Chemed Corp. . . . .	3,525,178 6,348,480	
20,000	Lamb Weston Holdings Inc. . . .	1,283,044 1,267,600	63,000	Cigna Corp. . . . .	11,773,940 14,466,690	
6,000	Landec Corp.† . . . . .	64,811 66,600	35,000	DaVita Inc.† . . . . .	2,192,140 3,981,600	
108,000	Maple Leaf Foods Inc. . . . .	2,081,739 2,498,186	500	Demant A/S† . . . . .	26,059 25,651	
6,000	McCormick & Co. Inc. . . . .	290,905 572,341				
30,000	Molson Coors Beverage Co., Cl. B . . . . .	1,304,670 1,390,500				

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2021

Shares		Cost	Market Value	Shares		Cost	Market Value
COMMON STOCKS (Continued)				Hotels and Gaming — 0.4%			
Health Care (Continued)				19,000	Accor SA† . . . . .	\$ 654,124	\$ 615,416
75,000	DENTSPLY SIRONA Inc. . . . .	\$ 4,145,672	\$ 4,184,250	80,000	Boyd Gaming Corp.† . . . . .	400,623	5,245,600
66,700	Edwards Lifesciences Corp.† . . . . .	5,924,948	8,640,985	20,000	Entain plc† . . . . .	259,138	455,605
45,000	Elanco Animal Health Inc.† . . . . .	464,472	1,277,100	22,000	Las Vegas Sands Corp.† . . . . .	1,307,662	828,080
43,000	Eli Lilly & Co. . . . .	1,600,952	11,877,460	400,000	Mandarin Oriental International Ltd.† . . . . .	680,880	896,000
185,000	Evolent Health Inc., Cl. A† . . . . .	1,856,727	5,118,950	64,000	MGM Resorts International . . . . .	1,702,634	2,872,320
15,000	Gerresheimer AG. . . . .	977,229	1,446,464	15,000	Ryman Hospitality Properties Inc., REIT† . . . . .	683,116	1,379,400
24,271	Gilead Sciences Inc. . . . .	1,727,270	1,762,317	5,000	Wyndham Hotels & Resorts Inc. . . . .	191,090	448,250
42,500	HCA Healthcare Inc. . . . .	4,118,997	10,919,100			5,879,267	12,740,671
25,000	Henry Schein Inc.† . . . . .	1,543,763	1,938,250	Machinery — 2.5%			
22,000	ICU Medical Inc.† . . . . .	4,616,498	5,221,480	21,000	Astec Industries Inc. . . . .	752,860	1,454,670
3,400	Illumina Inc.† . . . . .	932,366	1,293,496	140,000	CNH Industrial NV. . . . .	1,047,705	2,720,787
9,000	Incyte Corp.† . . . . .	710,304	660,600	1,350,000	CNH Industrial NV, New York . . . . .	11,009,828	26,230,500
35,000	Integer Holdings Corp.† . . . . .	1,517,403	2,995,650	66,500	Deere & Co. . . . .	4,732,050	22,802,185
9,900	Intuitive Surgical Inc.† . . . . .	2,145,457	3,557,070	6,000	Otis Worldwide Corp. . . . .	333,099	522,420
108,100	Johnson & Johnson . . . . .	10,509,814	18,492,667	30,312	Twin Disc Inc.† . . . . .	255,228	332,219
25,000	Laboratory Corp. of America Holdings† . . . . .	3,139,224	7,855,250	192,905	Xylem Inc. . . . .	9,319,743	23,133,168
17,500	McKesson Corp. . . . .	2,757,397	4,349,975			27,450,513	77,195,949
5,000	Medmix AG† . . . . .	154,471	247,805	Metals and Mining — 1.2%			
50,340	Medtronic plc . . . . .	4,623,336	5,207,673	65,000	Agnico Eagle Mines Ltd. . . . .	2,061,450	3,454,100
163,000	Merck & Co. Inc. . . . .	9,579,836	12,492,320	20,000	Alliance Resource Partners LP. . . . .	96,683	252,800
20,000	NeoGenomics Inc.† . . . . .	149,976	682,400	14,000	Arconic Corp.† . . . . .	165,291	462,140
220,000	Option Care Health Inc.† . . . . .	2,886,959	6,256,800	147,588	Barrick Gold Corp. . . . .	2,890,725	2,804,172
1,000	Organon & Co. . . . .	34,571	30,450	8,000	BHP Group Ltd., ADR . . . . .	217,549	482,800
42,781	Orthofix Medical Inc.† . . . . .	1,376,440	1,330,061	36,000	Franco-Nevada Corp. . . . .	1,500,629	4,978,726
100,000	Pacific Biosciences of California Inc.† . . . . .	2,600,360	2,046,000	195,000	Freeport-McMoRan Inc. . . . .	3,605,383	8,137,350
73,000	Patterson Cos. Inc. . . . .	1,798,342	2,142,550	272,000	Newmont Corp. . . . .	10,720,296	16,869,440
80,000	Perrigo Co. plc . . . . .	3,647,679	3,112,000			21,258,006	37,441,528
50,000	Personalis Inc.† . . . . .	498,350	713,500	Paper and Forest Products — 0.0%			
59,000	PetIQ Inc.† . . . . .	1,589,037	1,339,890	6,000	International Paper Co. . . . .	259,622	281,880
395,588	Pfizer Inc. . . . .	9,406,566	23,359,471	200	Keweenaw Land Association Ltd. . . . .	16,004	21,360
6,000	Quidel Corp.† . . . . .	801,562	809,940	545	Sylvamo Corp.† . . . . .	13,959	15,200
4,500	Regeneron Pharmaceuticals Inc.† . . . . .	2,101,495	2,841,840			289,585	318,440
15,000	Silk Road Medical Inc.† . . . . .	776,461	639,150	Publishing — 0.0%			
15,000	Stryker Corp. . . . .	1,929,225	4,011,300	1,000	Graham Holdings Co., Cl. B . . . . .	515,325	629,830
500	Teladoc Health Inc.† . . . . .	53,510	45,910	Real Estate — 0.3%			
65,000	Tenet Healthcare Corp.† . . . . .	1,687,480	5,309,850	14,000	Crown Castle International Corp., REIT . . . . .	1,788,199	2,922,360
9,000	The Cooper Companies Inc. . . . .	1,097,258	3,770,460	5,000	Equinix Inc., REIT . . . . .	1,978,269	4,229,200
4,000	UnitedHealth Group Inc. . . . .	1,181,519	2,008,560	85,000	Weyerhaeuser Co., REIT . . . . .	2,681,578	3,500,300
12,000	Vertex Pharmaceuticals Inc.† . . . . .	2,333,817	2,635,200			6,448,046	10,651,860
25,000	Viatis Inc. . . . .	370,628	338,250				
43,000	Zimmer Biomet Holdings Inc. . . . .	4,341,287	5,462,720				
105,038	Zoetis Inc. . . . .	3,753,014	25,632,423				
		175,139,127	300,045,677				

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2021

Shares	Cost	Market Value	Shares	Cost	Market Value
<b>COMMON STOCKS (Continued)</b>					
<b>Retail — 3.7%</b>					
24,000	Advance Auto Parts Inc. . . . . \$	3,616,841	\$	5,757,120	
114,000	AutoNation Inc.† . . . . .	5,903,837		13,320,900	
2,500	AutoZone Inc.† . . . . .	2,530,951		5,240,975	
19,000	Bassett Furniture Industries Inc. . . . .	96,034		318,630	
24,500	CarMax Inc.† . . . . .	2,179,401		3,190,635	
100,000	Conn's Inc.† . . . . .	2,297,560		2,352,000	
303,000	CVS Health Corp. . . . .	22,093,500		31,257,480	
43,700	EVgo Inc.† . . . . .	436,337		434,378	
112,500	Ingles Markets Inc., Cl. A . . . . .	1,605,230		9,713,250	
36,400	Lowe's Companies Inc. . . . .	817,400		9,408,672	
3,500	Macy's Inc. . . . .	98,428		91,630	
7,500	MSC Industrial Direct Co. Inc., Cl. A . . . . .	528,088		630,450	
51,100	NIKE Inc., Cl. B . . . . .	4,939,792		8,516,837	
37,500	Rush Enterprises Inc., Cl. B . . . . .	599,173		2,023,875	
247,000	Sally Beauty Holdings Inc.† . . . . .	3,735,266		4,559,620	
110,000	Seven & i Holdings Co. Ltd. . . . .	3,335,405		4,834,913	
50,000	Starbucks Corp. . . . .	3,629,439		5,848,500	
12,000	The Home Depot Inc. . . . .	2,899,029		4,980,120	
45,000	Walgreens Boots Alliance Inc. . . . .	1,654,405		2,347,200	
20,000	Walmart Inc. . . . .	970,066		2,893,800	
		<u>63,966,182</u>		<u>117,720,985</u>	
<b>Semiconductors — 1.3%</b>					
20,000	Advanced Micro Devices Inc.† . . . . .	1,629,710		2,878,000	
8,200	ASML Holding NV . . . . .	3,235,871		6,528,348	
9,600	KLA Corp. . . . .	1,845,414		4,129,056	
5,700	Lam Research Corp. . . . .	1,620,609		4,099,155	
42,000	Marvell Technology Inc. . . . .	3,277,188		3,674,580	
63,600	NVIDIA Corp. . . . .	3,435,827		18,705,396	
1,500	NXP Semiconductors NV . . . . .	274,055		341,670	
10,000	Taiwan Semiconductor Manufacturing Co. Ltd., ADR . . . . .	1,169,806		1,203,100	
		<u>16,488,480</u>		<u>41,559,305</u>	
<b>Specialty Chemicals — 2.5%</b>					
18,000	Air Products and Chemicals Inc. . . . .	3,256,660		5,476,680	
30,000	Ashland Global Holdings Inc. . . . .	1,880,763		3,229,800	
10,000	Axalta Coating Systems Ltd.† . . . . .	251,294		331,200	
5,000	Dow Inc. . . . .	223,651		283,600	
422,000	DuPont de Nemours Inc. . . . .	24,661,997		34,089,160	
322,000	Ferro Corp.† . . . . .	3,060,662		7,029,260	
19,000	FMC Corp. . . . .	1,964,555		2,087,910	
102,000	GCP Applied Technologies Inc.† . . . . .	\$	2,359,979	\$	3,229,320
76,000	International Flavors & Fragrances Inc. . . . .		9,286,513		11,449,400
86,000	Olin Corp. . . . .		1,545,352		4,946,720
8,000	Sensient Technologies Corp. . . . .		518,037		800,480
115,810	Valvoline Inc. . . . .		2,353,221		4,318,555
			<u>51,362,684</u>		<u>77,272,085</u>
			<b>Telecommunications — 2.2%</b>		
153,000	AT&T Inc. . . . .		4,043,204		3,763,800
168,000	BCE Inc. . . . .		4,665,969		8,742,720
20,151	Comtech Telecommunications Corp. . . . .		469,797		477,377
430,000	Deutsche Telekom AG, ADR . . . . .		7,239,214		7,959,300
195,000	Hellenic Telecommunications Organization SA, ADR. . . . .		1,323,723		1,781,325
45,000	Orange SA, ADR . . . . .		942,030		474,750
50,000	Pharol SGPS SA† . . . . .		14,182		4,275
34,000	Proximus SA . . . . .		994,663		663,472
50,000	Telefonica SA, ADR . . . . .		460,701		212,000
295,000	Telekom Austria AG . . . . .		1,968,837		2,559,234
23,000	Telenet Group Holding NV . . . . .		1,046,305		839,507
125,000	Telephone and Data Systems Inc. . . . .		3,224,571		2,518,750
110,000	Telstra Corp. Ltd., ADR . . . . .		2,014,389		1,667,600
270,000	TELUS Corp. . . . .		1,405,698		6,363,900
50,000	T-Mobile US Inc.† . . . . .		3,644,240		5,799,000
150,000	VEON Ltd., ADR† . . . . .		382,930		256,500
493,086	Verizon Communications Inc. . . . .		23,091,497		25,620,749
35,000	Vodafone Group plc, ADR . . . . .		647,042		522,550
			<u>57,578,992</u>		<u>70,226,809</u>
			<b>Transportation — 0.8%</b>		
28,840	Canadian Pacific Railway Ltd. . . . .		167,897		2,074,750
212,000	GATX Corp. . . . .		6,689,211		22,088,280
			<u>6,857,108</u>		<u>24,163,030</u>
			<b>Wireless Communications — 0.1%</b>		
45,000	United States Cellular Corp.† . . . . .		1,768,105		1,418,400
<b>TOTAL COMMON STOCKS .</b>			<u>1,554,110,352</u>		<u>2,906,861,853</u>

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Schedule of Investments (Continued) — December 31, 2021

Shares		Cost	Market Value	Principal Amount		Cost	Market Value
<b>CLOSED-END FUNDS — 0.0%</b>				<b>CONVERTIBLE CORPORATE BONDS — 0.1%</b>			
40,000	Altaba Inc., Escrow† . . . . .	\$ 4,526	\$ 238,000	\$ 1,700,000	<b>Cable and Satellite — 0.1%</b>		
					DISH Network Corp., 3.375%, 08/15/26 . . . . .	\$ 1,700,000	\$ 1,613,390
<b>PREFERRED STOCKS — 0.2%</b>				<b>U.S. GOVERNMENT OBLIGATIONS — 6.9%</b>			
<b>Consumer Services — 0.1%</b>				<b>U.S. Treasury Bills,</b>			
50,450	Qurate Retail Inc., 8.000%, 03/15/31 . . . . .	5,275,282	5,207,449	217,139,000	0.035% to 0.130%††, 01/06/22 to 06/16/22 . . .	217,123,244	217,124,137
<b>Health Care — 0.1%</b>				<b>TOTAL INVESTMENTS — 100.0% . . . . .</b>			
133,681	The Phoenix Companies Inc., 7.450%, 01/15/32 . .	2,857,138	2,479,047		<b>\$ 1,787,840,294</b>		3,144,295,060
2,296	XOMA Corp., Ser. A, 8.625% . . . . .	57,446	60,718	<b>Other Assets and Liabilities (Net) . . . . .</b>			
		2,914,584	2,539,765	<b>(5,444,702)</b>			
<b>TOTAL PREFERRED STOCKS . . . . .</b>				<b>PREFERRED SHARES</b>			
		8,189,866	7,747,214	<b>(12,006,064 preferred shares outstanding) . . . . .</b>			
<b>CONVERTIBLE PREFERRED STOCKS — 0.0%</b>				<b>NET ASSETS — COMMON SHARES</b>			
<b>Automotive: Parts and Accessories — 0.0%</b>				<b>(90,402,079 common shares outstanding) . . . . .</b>			
123,160	Garrett Motion Inc., Ser. A, 11.000% . . . . .	646,590	1,032,081	<b>NET ASSET VALUE PER COMMON SHARE</b>			
<b>MANDATORY CONVERTIBLE SECURITIES(a) — 0.3%</b>				<b>(\$2,687,250,358 ÷ 90,402,079 shares outstanding) . . . . .</b>			
<b>Energy and Utilities — 0.2%</b>				<b>(a) Mandatory convertible securities are required to be converted on the</b>			
124,000	El Paso Energy Capital Trust I, 4.750%, 03/31/28 . . . . .	4,492,931	6,273,160	<b>dates listed; they generally may be converted prior to these dates at the</b>			
<b>Health Care — 0.1%</b>				<b>option of the holder.</b>			
25,000	Avantor Inc., Ser. A, 6.250%, 05/15/22 . . . . .	1,490,250	3,230,250	<b>† Non-income producing security.</b>			
<b>TOTAL MANDATORY CONVERTIBLE SECURITIES . . . . .</b>				<b>†† Represents annualized yields at dates of purchase.</b>			
		5,983,181	9,503,410	<b>ADR American Depositary Receipt</b>			
<b>WARRANTS — 0.0%</b>				<b>REIT Real Estate Investment Trust</b>			
<b>Diversified Industrial — 0.0%</b>				<b>Geographic Diversification</b>			
32,000	Ampco-Pittsburgh Corp., expire 08/01/25† . . . . .	21,863	18,874	<b>% of Total Investments</b>			
<b>Energy and Utilities: Oil — 0.0%</b>				<b>Market Value</b>			
12,257	Occidental Petroleum Corp., expire 08/03/27† . . . . .	60,672	154,561	<b>North America . . . . .</b>			
<b>Energy and Utilities: Services — 0.0%</b>				<b>85.1%</b>			
3,081	Weatherford International plc, expire 12/13/23† . . .	0	1,540	<b>Europe . . . . .</b>			
<b>TOTAL WARRANTS . . . . .</b>				<b>10.3</b>			
		82,535	174,975	<b>Japan . . . . .</b>			
				<b>4.1</b>			
				<b>Asia/Pacific . . . . .</b>			
				<b>0.4</b>			
				<b>Latin America . . . . .</b>			
				<b>0.1</b>			
				<b>Total Investments . . . . .</b>			
				<b>100.0%</b>			
				<b>\$ 3,144,295,060</b>			

See accompanying notes to financial statements.



# The Gabelli Dividend & Income Trust

## Statement of Assets and Liabilities December 31, 2021

<b>Assets:</b>	
Investments, at value (cost \$1,787,840,294) . . . . .	\$ 3,144,295,060
Foreign currency, at value (cost \$12,922) . . . . .	13,063
Cash . . . . .	20,302
Receivable for investments sold . . . . .	299,882
Dividends and interest receivable . . . . .	3,048,414
Deferred offering expense . . . . .	375,997
Prepaid expenses . . . . .	8,849
<b>Total Assets</b> . . . . .	<u>3,148,061,567</u>
<b>Liabilities:</b>	
Distributions payable . . . . .	5,658,203
Payable for investments purchased . . . . .	156,000
Payable for investment advisory fees . . . . .	2,678,185
Payable for payroll expenses . . . . .	73,193
Payable for accounting fees . . . . .	3,750
Payable for preferred offering expenses . . . . .	71,341
Series J Cumulative Preferred Stock, callable and mandatory redemption 03/26/28 (See Notes 2 and 5) . . . . .	145,100,000
Other accrued expenses . . . . .	570,537
<b>Total Liabilities</b> . . . . .	<u>154,311,209</u>
<b>Cumulative Preferred Shares, each at \$0.001 par value:</b>	
Series B (Auction Market, \$25,000 liquidation value, 4,000 shares authorized with 82 shares issued and outstanding) . . . . .	2,050,000
Series C (Auction Market, \$25,000 liquidation value, 4,800 shares authorized with 54 shares issued and outstanding) . . . . .	1,350,000
Series E (Auction Rate, \$25,000 liquidation value, 5,400 shares authorized with 124 shares issued and outstanding) . . . . .	3,100,000
Series G (5.250%, \$25 liquidation value, 4,000,000 shares authorized with 4,000,000 shares issued and outstanding) . . . . .	100,000,000
Series H (5.375%, \$25 liquidation value, 2,000,000 shares authorized with 2,000,000 shares issued and outstanding) . . . . .	50,000,000
Series K (4.250%, \$25 liquidation value, 6,000,000 shares authorized with 6,000,000 shares issued and outstanding) . . . . .	150,000,000
<b>Total Preferred Shares</b> . . . . .	<u>306,500,000</u>
<b>Net Assets Attributable to Common Shareholders</b> . . . . .	<u>\$ 2,687,250,358</u>
<b>Net Assets Attributable to Common Shareholders Consist of:</b>	
Paid-in capital . . . . .	\$ 1,336,878,364
Total distributable earnings . . . . .	1,350,371,994
<b>Net Assets</b> . . . . .	<u>\$ 2,687,250,358</u>
<b>Net Asset Value per Common Share at \$0.001 par value:</b>	
(\$2,687,250,358 ÷ 90,402,079 shares outstanding; unlimited number of shares authorized) . . . . .	<u>\$ 29.73</u>

## Statement of Operations For the Year Ended December 31, 2021

<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$1,971,948) . . . . .	\$ 48,363,395
Interest . . . . .	116,922
<b>Total Investment Income</b> . . . . .	<u>48,480,317</u>
<b>Expenses:</b>	
Investment advisory fees . . . . .	28,986,017
Interest expense on preferred stock . . . . .	1,719,838
Shareholder communications expenses . . . . .	600,101
Custodian fees . . . . .	330,391
Trustees' fees . . . . .	302,403
Payroll expenses . . . . .	196,291
Legal and audit fees . . . . .	161,417
Shelf offering expense . . . . .	64,934
Shareholder services fees . . . . .	51,121
Accounting fees . . . . .	45,000
Interest expense . . . . .	1,384
Miscellaneous expenses . . . . .	299,121
<b>Total Expenses</b> . . . . .	<u>32,758,018</u>
Less:	
Expenses paid indirectly by broker (See Note 5) . . . . .	(13,623)
<b>Net Expenses</b> . . . . .	<u>32,744,395</u>
<b>Net Investment Income</b> . . . . .	<u>15,735,922</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>	
Net realized gain on investments . . . . .	126,664,379
Net realized gain on foreign currency transactions . . . . .	18,258
Net realized gain on investments and foreign currency transactions . . . . .	<u>126,682,637</u>
Net change in unrealized appreciation/depreciation: on investments . . . . .	417,251,144
on foreign currency translations . . . . .	(30,862)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations . . . . .	<u>417,220,282</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency</b> . . . . .	<u>543,902,919</u>
<b>Net Increase in Net Assets Resulting from Operations</b> . . . . .	<u>559,638,841</u>
Total Distributions to Preferred Shareholders . . . . .	<u>(10,498,973)</u>
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b> . . . . .	<u>\$ 549,139,868</u>

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Statement of Changes in Net Assets Attributable to Common Shareholders

	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Operations:</b>		
Net investment income . . . . .	\$ 15,735,922	\$ 23,746,116
Net realized gain on investments and foreign currency transactions . . . . .	126,682,637	110,915,945
Net change in unrealized appreciation/depreciation on investments and foreign currency translations . . . . .	417,220,282	66,269,663
<b>Net Increase in Net Assets Resulting from Operations . . . . .</b>	<b>559,638,841</b>	<b>200,931,724</b>
<b>Distributions to Preferred Shareholders . . . . .</b>	<b>(10,498,973)</b>	<b>(15,279,706)</b>
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations . . . . .</b>	<b>549,139,868</b>	<b>185,652,018</b>
<b>Distributions to Common Shareholders:</b>		
Accumulated earnings . . . . .	(124,779,564)	(118,886,275)
Return of capital . . . . .	—	(639,170)
<b>Total Distributions to Common Shareholders . . . . .</b>	<b>(124,779,564)</b>	<b>(119,525,445)</b>
<b>Fund Share Transactions:</b>		
Net decrease from repurchase of common shares . . . . .	(1,763,361)	(2,721,114)
Net increase in net assets from repurchase of preferred shares . . . . .	6,110,982	13,626,875
Adjustment of offering costs for common shares charged to paid-in capital . . . . .	—	(96,871)
Offering costs and adjustments to offering costs for preferred shares charged to paid-in capital . . . . .	(5,095,253)	—
<b>Net Increase/(Decrease) in Net Assets from Fund Share Transactions . . . . .</b>	<b>(747,632)</b>	<b>10,808,890</b>
<b>Net Increase in Net Assets Attributable to Common Shareholders . . . . .</b>	<b>423,612,672</b>	<b>76,935,463</b>
<b>Net Assets Attributable to Common Shareholders:</b>		
Beginning of year . . . . .	2,263,637,686	2,186,702,223
End of year . . . . .	<u>\$ 2,687,250,358</u>	<u>\$ 2,263,637,686</u>

See accompanying notes to financial statements.



# The Gabelli Dividend & Income Trust

## Statement of Cash Flows

December 31, 2021

Net increase in net assets attributable to common shareholders resulting from operations . . . . . \$ 549,139,868

### Adjustments to Reconcile Net Increase in Net Assets Resulting from Operations to Net Cash from Operating Activities:

Purchase of long term investment securities . . . . .	(319,470,917)
Proceeds from sales of long term investment securities. . . . .	465,242,191
Net purchases of short term investment securities . . . . .	(172,077,126)
Net realized gain on investments . . . . .	(126,664,379)
Net change in unrealized appreciation on investments . . . . .	(417,251,144)
Net amortization of discount . . . . .	(50,000)
Decrease in receivable for investments sold. . . . .	147,969
Increase in dividends and interest receivable. . . . .	(11,008)
Increase in deferred offering expense . . . . .	(273,158)
Decrease in prepaid expenses . . . . .	37,194
Decrease in payable for investments purchased. . . . .	(209,478)
Increase in distributions payable . . . . .	5,523,752
Decrease in payable for investment advisory fees . . . . .	(928,864)
Increase in payable for payroll expenses . . . . .	11,688
Increase in payable for preferred offering expenses . . . . .	71,341
Decrease in other accrued expenses. . . . .	(19,480)
Net cash used in operating activities . . . . .	<u>(16,781,551)</u>

### Net increase in net assets resulting from financing activities:

Cash in lieu of fractional shares of tender offer . . . . .	(1,564,018)
Issuance of Series K Cumulative Preferred Shares . . . . .	150,000,000
Offering costs for preferred shares charged to paid-in capital . . . . .	(5,095,253)
Distributions to common shareholders . . . . .	(124,779,564)
Decrease from repurchase of common shares. . . . .	(1,763,361)
Net cash provided by financing activities . . . . .	<u>16,797,804</u>
Net increase in cash . . . . .	<u>16,253</u>

### Cash (including foreign currency):

Beginning of year . . . . .	17,112
End of year . . . . .	<u>\$ 33,365</u>

### Supplemental disclosure of cash flow information:

Interest paid on preferred shares. . . . .	\$ 1,685,578
Interest paid on bank overdrafts . . . . .	1,384
Issuance of Series J Cumulative Preferred Shares (Refer to Note 6) . . . . .	145,100,000
Value of shares received as part of mergers of certain Fund investments . . . . .	12,338,213
Value of shares received as part of an exchange offer from one of the Fund's investments . . . . .	17,611,824

The following table provides a reconciliation of cash and foreign currency reported within the Statement of Assets and Liabilities that sum to the total of the same amount above at December 31, 2021:

Cash . . . . .	\$ 20,302
Foreign currency, at value . . . . .	13,063
	<u>\$ 33,365</u>

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Financial Highlights

Selected data for a common share of beneficial interest outstanding throughout each year:

	Year Ended December 31,				
	2021	2020	2019	2018	2017
<b>Operating Performance:</b>					
Net asset value, beginning of year . . . . .	\$ 25.02	\$ 24.12	\$ 20.51	\$ 25.11	\$ 22.30
Net investment income . . . . .	0.18	0.26	0.35	0.45	0.32
Net realized and unrealized gain/(loss) on investments, securities sold short, and foreign currency transactions . . . . .	6.02	1.97	5.25	(3.43)	4.09
Total from investment operations . . . . .	6.20	2.23	5.60	(2.98)	4.41
<b>Distributions to Preferred Shareholders: (a)</b>					
Net investment income . . . . .	(0.02)	(0.03)	(0.07)	(0.08)	(0.06)
Net realized gain . . . . .	(0.10)	(0.14)	(0.23)	(0.22)	(0.22)
Total distributions to preferred shareholders . . . . .	(0.12)	(0.17)	(0.30)	(0.30)	(0.28)
<b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations . . . .</b>					
	6.08	2.06	5.30	(3.28)	4.13
<b>Distributions to Common Shareholders:</b>					
Net investment income . . . . .	(0.21)	(0.23)	(0.29)	(0.37)	(0.28)
Net realized gain . . . . .	(1.17)	(1.08)	(0.99)	(0.93)	(0.97)
Return of capital . . . . .	—	(0.01)	(0.04)	(0.02)	(0.07)
Total distributions to common shareholders . . . . .	(1.38)	(1.32)	(1.32)	(1.32)	(1.32)
<b>Fund Share Transactions:</b>					
Decrease in net asset value from common share transactions . . . . .	—	—	(0.34)	—	—
Increase in net asset value from repurchase of common shares . . . . .	0.00(b)	0.01	—	—	—
Increase in net asset value from repurchase of preferred shares . . . . .	0.07	0.15	—	—	—
Offering costs and adjustment to offering costs for preferred shares charged to paid-in capital . . . . .	(0.06)	—	(0.02)	—	0.00(b)
Offering costs and adjustment to offering costs for common shares charged to paid-in capital . . . . .	—	0.00(b)	(0.01)	—	—
Total Fund share transactions . . . . .	0.01	0.16	(0.37)	—	0.00(b)
<b>Net Asset Value Attributable to Common Shareholders, End of Year . . . . .</b>					
	\$ 29.73	\$ 25.02	\$ 24.12	\$ 20.51	\$ 25.11
NAV total return † . . . . .	24.74%	10.47%	22.82%	(13.75)%	19.14%
Market value, end of year . . . . .	\$ 27.00	\$ 21.46	\$ 21.95	\$ 18.30	\$ 23.41
Investment total return †† . . . . .	32.81%	5.06%	28.13%	(17.10)%	24.11%
<b>Ratios to Average Net Assets and Supplemental Data:</b>					
Net assets including liquidation value of preferred shares, end of year (in 000's) . . . . .	\$ 3,138,850	\$ 2,572,913	\$ 2,660,903	\$ 2,197,065	\$ 2,629,129
Net assets attributable to common shares, end of year (in 000's) . . . . .	\$ 2,687,250	\$ 2,263,638	\$ 2,186,702	\$ 1,691,086	\$ 2,069,871
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions . . . . .	0.62%	1.22%	1.50%	1.87%	1.38%
Ratio of operating expenses to average net assets attributable to common shares before fees waived (c)(d) . . . . .	1.28%	1.30%	1.21%(e)	1.35%	1.38%
Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any (c) . . . . .	1.28%	1.25%(f)	1.21%(e)(f)	1.13%(f)	1.38%(f)
Portfolio turnover rate . . . . .	12%	16%	16%	11%	13%

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Financial Highlights (Continued)

Selected data for a common share of beneficial interest outstanding throughout each year:

	Year Ended December 31,				
	2021	2020	2019	2018	2017
<b>Cumulative Preferred Shares:</b>					
<b>5.875% Series A Preferred</b>					
Liquidation value, end of year (in 000's) . . . . .	—	—	\$ 76,201	\$ 76,201	\$ 76,201
Total shares outstanding (in 000's) . . . . .	—	—	3,048	3,048	3,048
Liquidation preference per share . . . . .	—	—	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (g) . . . . .	—	—	\$ 26.09	\$ 25.66	\$ 26.31
Asset coverage per share (h) . . . . .	—	—	\$ 140.28	\$ 108.56	\$ 117.53
<b>Auction Market Series B Preferred</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 2,050	\$ 66,175	\$ 90,000	\$ 90,000	\$ 90,000
Total shares outstanding (in 000's) . . . . .	0(i)	3	4	4	4
Liquidation preference per share . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value (j) . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share (h) . . . . .	\$ 173,763	\$ 207,979	\$ 140,284	\$ 108,555	\$ 117,528
<b>Auction Market Series C Preferred</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 1,350	\$ 81,100	\$ 108,000	\$ 108,000	\$ 108,000
Total shares outstanding (in 000's) . . . . .	0(i)	3	4	4	4
Liquidation preference per share . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value (j) . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share (h) . . . . .	\$ 173,763	\$ 207,979	\$ 140,284	\$ 108,555	\$ 117,528
<b>6.000% Series D Preferred</b>					
Liquidation value, end of year (in 000's) . . . . .	—	—	—	\$ 31,779	\$ 63,557
Total shares outstanding (in 000's) . . . . .	—	—	—	1,271	2,542
Liquidation preference per share . . . . .	—	—	—	\$ 25.00	\$ 25.00
Average market value (g) . . . . .	—	—	—	\$ 25.83	\$ 26.57
Asset coverage per share (h) . . . . .	—	—	—	\$ 108.56	\$ 117.53
<b>Auction Rate Series E Preferred</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 3,100	\$ 12,000	\$ 50,000	\$ 100,000	\$ 121,500
Total shares outstanding (in 000's) . . . . .	0(i)	0(i)	2	4	5
Liquidation preference per share . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value (j) . . . . .	\$ 25,000	\$ 25,000	—	—	—
Asset coverage per share (h) . . . . .	\$ 173,763	\$ 207,979	\$ 140,284	\$ 108,555	\$ 117,528
<b>5.250% Series G Preferred</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total shares outstanding (in 000's) . . . . .	4,000	4,000	4,000	4,000	4,000
Liquidation preference per share . . . . .	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (g) . . . . .	\$ 25.60	\$ 25.77	\$ 25.40	\$ 24.83	\$ 25.29
Asset coverage per share (h) . . . . .	\$ 173.76	\$ 207.98	\$ 140.28	\$ 108.56	\$ 117.53

See accompanying notes to financial statements.

# The Gabelli Dividend & Income Trust

## Financial Highlights (Continued)

Selected data for a common share of beneficial interest outstanding throughout each year:

	Year Ended December 31,				
	2021	2020	2019	2018	2017
<b>5.375% Series H Preferred(k)</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 50,000	\$ 50,000	\$ 50,000	—	—
Total shares outstanding (in 000's) . . . . .	2,000	2,000	2,000	—	—
Liquidation preference per share . . . . .	\$ 25.00	\$ 25.00	\$ 25.00	—	—
Average market value (g) . . . . .	\$ 27.46	\$ 26.49	\$ 26.08	—	—
Asset coverage per share (h) . . . . .	\$ 173.76	\$ 207.98	\$ 140.28	—	—
<b>1.700% Series J Preferred(l)</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 145,100	—	—	—	—
Total shares outstanding (in 000's) . . . . .	6	—	—	—	—
Liquidation preference per share . . . . .	\$ 25,000	—	—	—	—
Average market value (g) . . . . .	\$ 25,000	—	—	—	—
Asset coverage per share (h) . . . . .	\$ 173,763	—	—	—	—
<b>4.250% Series K Preferred(m)</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 150,000	—	—	—	—
Total shares outstanding (in 000's) . . . . .	6,000	—	—	—	—
Liquidation preference per share . . . . .	\$ 25.00	—	—	—	—
Average market value(g) . . . . .	\$ 25.38	—	—	—	—
Asset coverage per share (h) . . . . .	\$ 173.76	—	—	—	—
<b>Asset Coverage (n) . . . . .</b>	<b>695%</b>	<b>832%</b>	<b>561%</b>	<b>434%</b>	<b>470%</b>

† Based on net asset value per share and reinvestment of distributions at net asset value on the ex-dividend date.

†† Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.

(a) Calculated based on average common shares outstanding on the record dates throughout the years.

(b) Amount represents less than \$0.005 per share.

(c) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For all years presented, there was no impact on the expense ratios.

(d) Ratio of operating expenses to average net assets including liquidation value of preferred shares before fee waived for the years ended December 31, 2021, 2020, 2019, 2018, and 2017, would have been 1.13%, 1.07%, 0.96%, 1.06%, and 1.07%, respectively.

(e) In 2019, due to failed auctions relating to previous fiscal years, the Fund reversed accumulated auction agent fees. The 2019 ratio of operating expenses to average net assets attributable to common shares and the ratio of operating expenses to average net assets including the liquidation value of preferred shares, excluding the reversal of auction agent fees, were 1.35% and 1.07%, respectively.

(f) Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction for the years ended December 31, 2020, 2019, 2018, and 2017, would have been 1.03%, 0.96%, 0.89%, and 1.07%, respectively.

(g) Based on weekly prices.

(h) Asset coverage per share is calculated by combining all series of preferred shares.

(i) Actual number of shares outstanding is less than 1,000.

(j) Since February 2008, the weekly auctions have failed. Holders that have submitted orders have not been able to sell any or all of their shares in the auction.

(k) The 5.375% Series H Preferred was issued June 7, 2019.

(l) The 1.700% Series J Preferred was issued April 14, 2021.

(m) The 4.250% Series K Preferred was issued October 4, 2021.

(n) Asset coverage is calculated by combining all series of preferred shares.

See accompanying notes to financial statements.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements

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**1. Organization.** The Gabelli Dividend & Income Trust (the Fund) currently operates as a diversified closed-end management investment company organized as a Delaware statutory trust on November 18, 2003 and registered under the Investment Company Act of 1940, as amended (the 1940 Act). Investment operations commenced on November 28, 2003.

The Fund's investment objective is to provide a high level of total return on its assets with an emphasis on dividends and income. The Fund 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 shares) or other income producing securities (such as fixed income debt securities and securities that are convertible into equity securities).

**2. Significant Accounting Policies.** As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its 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.

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions, and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations, and its ability to achieve its investment objectives.

**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 obligations 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 securities are valued using the closing bid price, 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. 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. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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 American Depositary Receipt 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 Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the 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 December 31, 2021 is as follows:

	Valuation Inputs		
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Total Market Value at 12/31/21
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks			
Communications Equipment	\$ 9,370,801	\$ 1,361,825	\$ 10,732,626
Computer Software and Services	249,298,467	67,560	249,366,027
Other Industries (a)	2,646,763,200	—	2,646,763,200
Total Common Stocks	2,905,432,468	1,429,385	2,906,861,853
Closed-End Funds	—	238,000	238,000
Preferred Stocks (a)	5,207,449	2,539,765	7,747,214
Convertible Preferred Stocks (a)	1,032,081	—	1,032,081
Mandatory Convertible Securities (a)	9,503,410	—	9,503,410
Warrants (a)	174,975	—	174,975
Convertible Corporate Bonds (a)	—	1,613,390	1,613,390
U.S. Government Obligations	—	217,124,137	217,124,137
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$ 2,921,350,383	\$ 222,944,677	\$ 3,144,295,060

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

The Fund held no level 3 investments at December 31, 2021 or December 31, 2020.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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#### Additional Information to Evaluate Qualitative Information.

**General.** The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

**Fair Valuation.** Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

**Series J Cumulative Preferred Stock.** For financial reporting purposes only, the liquidation value of preferred stock that has a mandatory call date is classified as a liability within the Statement of Assets and Liabilities and the dividends paid on this preferred stock are included as a component of “Interest expense on preferred stock” within the Statement of Operations. Offering costs are amortized over the life of the preferred stock.

**Securities Sold Short.** The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates.

**Investments in other Investment Companies.** The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the Acquired Funds) in accordance with the 1940 Act and related rules. Stockholders in the Fund would bear the pro rata portion of the periodic expenses of the



## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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Acquired Funds in addition to the Fund's expenses. For the year ended December 31, 2021, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than one basis point.

**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 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 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 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 Securities.** The Fund is not subject to an independent limitation on the amount it may invest in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than 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. At December 31, 2021, the Fund held no restricted securities.

**Securities Transactions and Investment Income.** Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method or amortized to earliest call date, if applicable. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

**Custodian Fee Credits.** When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as “Custodian fee credits.”

**Distributions to Shareholders.** Distributions to common stockholders are recorded on the ex-dividend date. Distributions to stockholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to disallowed expenses and the adjustments for sales on investments in passive foreign investment companies. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2021, reclassifications were made to decrease paid-in capital by \$615,440, with an offsetting adjustment to total distributable earnings.

Under the Fund’s current common share distribution policy, the Fund declares and pays quarterly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Pursuant to this policy, distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board will continue to monitor the Fund’s distribution level, taking into consideration the Fund’s NAV and the financial market environment. The Fund’s distribution policy is subject to modification by the Board at any time.

Distributions to shareholders of the Fund’s Series B Auction Market Preferred Shares, Series C Auction Market Preferred Shares, Series E Auction Rate Preferred Shares, 5.250% Series G Preferred Shares, 5.375% Series H Preferred Shares, 1.700% Series J Preferred Shares, and 4.250% Series K Preferred Shares (Preferred Shares) are recorded on a daily basis and are determined as described in Note 5.

The tax character of distributions paid during the years ended December 31, 2021 and 2020 was as follows:

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Common	Preferred	Common	Preferred
<b>Distributions paid from:</b>				
Ordinary income (inclusive of short term capital gains)	\$ 19,430,194	\$ 1,634,860	\$ 22,340,720	\$ 2,871,312
Net long term capital gains	105,349,370	8,864,113	96,545,555	12,408,394
Return of capital	—	—	639,170	—
Total distributions paid	<u>\$ 124,779,564</u>	<u>\$ 10,498,973</u>	<u>\$ 119,525,445</u>	<u>\$ 15,279,706</u>

**Provision for Income Taxes.** The Fund 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 policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

At December 31, 2021, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed long term capital gains . . . . .	\$ 8,590,206
Net unrealized appreciation on investments and foreign currency translations. . .	<u>1,341,781,788</u>
Total . . . . .	<u>\$ 1,350,371,994</u>

At December 31, 2021, the temporary differences between book basis and tax basis net unrealized appreciation were primarily due to tax basis adjustments due to corporate actions and the deferral of losses from wash sales for tax purposes.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2021:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments . . . . .	\$1,802,507,457	\$1,396,298,716	\$(54,516,928)	\$1,341,781,788

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the year ended December 31, 2021, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2021, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the Advisory Agreement) with the Adviser which provides that the Fund will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Fund's average weekly net assets including the liquidation value of preferred shares. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio and oversees the administration of all aspects of the Fund's business and affairs.

The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Series B, Series C, and Series E Preferred Shares if the total return of the NAV of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate of each particular series of the Preferred Shares for the year. The Fund's total return on the NAV of the common shares is monitored on a monthly basis to assess whether the total return on the NAV of the common shares exceeds the stated dividend rate or corresponding swap rate of each particular series of Preferred Shares for the period. During the year ended December 31, 2021, the Fund's total return on the NAV of the common shares exceeded

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

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the stated dividend rate on the Preferred Shares. Advisory fees were accrued on the Series G, Series H, Series J, and Series K Preferred Shares.

**4. Portfolio Securities.** Purchases and sales of securities during the year ended December 31, 2021, other than short term securities and U.S. Government obligations, aggregated \$326,105,115 and \$450,050,154, respectively. Purchases and sales of U.S. Government obligations for the year ended December 31, 2021, aggregated \$472,786,356 and \$300,709,230, respectively.

**5. Transactions with Affiliates and Other Arrangements.** During the year ended December 31, 2021, the Fund paid \$7,515 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the year ended December 31, 2021, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$13,623.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. Under the sub-administration agreement with Bank of New York Mellon, the fees paid include the cost of calculating the Fund's NAV. The Fund reimburses the Adviser for this service. During the year ended December 31, 2021, the Fund accrued \$45,000 in accounting fees in the Statement of Operations.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser). During the year ended December 31, 2021, the Fund accrued \$196,291 in payroll expenses in the Statement of Operations.

The Fund pays retainer and per meeting fees to Trustees not affiliated with the Adviser, plus specified amounts to the Lead Trustee and Audit Committee Chairman. Trustees are also reimbursed for out of pocket expenses incurred in attending meetings. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

The Fund engaged in a purchase transactions with a fund that has a common investment adviser. These purchase transactions complied with Rule 17a-7 under the Act and amounted to \$282,198.

**6. Capital.** The Fund is authorized to issue an unlimited number of common shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase and retirement of its common 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 NAV of the shares. During the years ended December 31, 2021 and 2020, the Fund repurchased and retired 74,656 and 198,394 common shares in the open market at an investment of \$1,763,361 and \$2,721,114, respectively, an average discount of approximately 11.02% and 18.65% from its NAV.

## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

Transactions in shares of common stock were as follows:

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Shares	Amount	Shares	Amount
Net decrease from repurchase of common shares . . . . .	(74,656)	\$(1,763,361)	(198,934)	\$(2,721,114)

The Fund has an effective shelf registration initially authorizing the offering of additional common or preferred shares or notes.

The Fund's Declaration of Trust, as amended, authorizes the issuance of an unlimited number of shares of \$0.001 par value Preferred Shares. The Preferred Shares are senior to the common shares and result in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on the Preferred Shares are cumulative. The Fund is required by the 1940 Act and by the Statements of Preferences to meet certain asset coverage tests with respect to the Preferred Shares. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Series B, Series C, Series E, Series G, Series H, Series J, and Series K Preferred Shares at redemption prices of \$25,000, \$25,000, \$25,000, \$25, \$25, \$25,000 and \$25, 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. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund'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.

For Series B, Series C, and Series E Preferred Shares, the dividend rates are typically set by an auction process that is generally held every seven days, and are typically expected to vary with short term interest rates. Since February 2008, the number of Series B, Series C, and Series E Preferred Shares subject to bid orders by potential holders has been less than the number of shares of Series B, Series C, and Series E Preferred Shares subject to sell orders. Holders that have submitted sell orders have not been able to sell any or all of the Series B, Series C, and Series E Preferred Shares for which they have submitted sell orders. Therefore the weekly auctions have failed, and the dividend rate has been the maximum rate. The current maximum rate for Series B, Series C, and Series E Preferred Shares is 150, 150, and 250 basis points, respectively, greater than the seven day ICE LIBOR rate on the date of such auction.

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. Since December 31, 2021, all sterling, euro, Swiss franc and Japanese yen LIBOR settings and the 1-week and 2-month U.S. dollar LIBOR settings have ceased to be published or are no longer representative. As a result, since December 31, 2021, the seven day ICE LIBOR rate has ceased to be published and is no longer representative. Because the Series B, Series C, and Series E Preferred Shares have no other effective alternative rate setting provision, a last-resort fallback of fixing this LIBOR-based reference rate at its last published rate applies. The last published seven day ICE LIBOR rate was 0.076%, which results

## **The Gabelli Dividend & Income Trust**

### **Notes to Financial Statements (Continued)**

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in a fixed maximum rate for Series B, Series C, and Series E Preferred Shares of 2.076%, 2.076% and 3.576%, respectively, for all failed auctions after December 31, 2021. In the absence of successful future auctions that establish dividend rates based on prevailing short term interest rates, this result could lead to divergent and unexpected economic results for the Fund and holders of the Series B, Series C and Series E Preferred Shares since the rates payable on the Series B, Series C and Series E Preferred Shares are no longer likely to be representative of prevailing market rates.

Existing Series B, Series C, and Series E Preferred shareholders may submit an order to hold, bid, or sell such shares on each auction date, or trade their shares in the secondary market. During the year ended December 31, 2020 the Fund repurchased and retired 953 shares of Series B Preferred, 1,076 shares of Series C Preferred, and 1,520 shares of Series E Preferred plus dividends accrued to the dates of redemption.

Commencing July 1, 2021 and June 10, 2024 and at any time thereafter, the Fund, at its option, may redeem the 5.250% Series G Cumulative Preferred Shares and the 5.375% Series H Cumulative Preferred Shares, respectively, in whole or in part at the redemption price. The Board has authorized the repurchase of Series G and Series H Preferred Shares in the open market at prices less than the \$25 liquidation value per share. On May 6, 2020, the Fund redeemed and retired 1,524,010 shares of the Series A Preferred at the liquidation value of \$25 per share plus accrued and unpaid dividends. On September 25, 2020, the Fund redeemed and retired all remaining outstanding shares of Series A Preferred at the liquidation value of \$25 per share plus accrued and unpaid dividends. During the year ended December 31, 2021 and year ended December 31, 2020, the Fund did not repurchase any Series G or Series H Preferred Shares.

The Fund has the authority to purchase its auction rate and auction market preferred shares through negotiated private transactions. The Fund is not obligated to purchase any dollar amount or number of auction rate or auction market preferred shares, and the timing and amount of any auction rate or auction market preferred shares purchased will depend on market conditions, share price, capital availability, and other factors. The Fund is not soliciting holders to sell these shares nor recommending that holders offer them to the Fund. Any offers can be accepted or rejected in the Fund's discretion.

On October 4, 2021, the Fund issued 6,000,000 shares of 4.25% Series K Cumulative Preferred Shares receiving \$144,875,000 after the deduction of estimated offering expenses of \$400,000 and underwriting fees of \$4,725,000. The Series K Preferred has a liquidation value of \$25 per share and an annual dividend rate of 4.25%. The Series K Preferred Shares are callable at the Fund's option at any time after October 4, 2026.

On April 14, 2021 the Fund completed a tender offer (the Offer) under which holders of the Series B Auction Market Preferred Shares, Series C Auction Rate Preferred Shares, and Series E Auction Rate Preferred Shares (the Auction Rate Preferred Shares) could exchange each Auction Rate Preferred Share for 0.96 of each newly issued Series J Preferred Share. Shareholders tendered 2,565 Series B Auction Market Preferred Shares, 3,190 Series C Auction Market Preferred Shares, and 356 Series E Auction Rate Preferred Shares, in exchange for 5,804 Series J Preferred and cash in lieu of fractional shares.

Holders of Series J Preferred Shares will be entitled to receive, when, as and if declared by, or under authority granted by, the Board, out of funds legally available therefor, cumulative cash dividends and distributions, calculated separately for each dividend period, (i) at an annualized dividend rate of 1.70% of the \$25,000 per share liquidation preference on the Series J Preferred Shares for the quarterly dividend periods ending on or prior to March 26, 2024 and (ii) at an annualized dividend rate of 4.50% of the \$25,000 per share liquidation



## The Gabelli Dividend & Income Trust

### Notes to Financial Statements (Continued)

preference on the Series J Preferred Shares for all remaining quarterly dividend periods until the Series J Preferred Shares' mandatory redemption date of March 26, 2028. Dividends and distributions on Series J Preferred Shares will be payable quarterly on March 26, June 26, September 26 and December 26 in each year commencing on June 26, 2021. The Series J Preferred Shares may be redeemed by the Fund, subject to certain restrictions, on March 26, 2024 and are subject to mandatory redemption by the Fund on March 26, 2028 and in certain other circumstances.

The following table summarizes Cumulative Preferred Shares information:

Series	Issue Date	Authorized	Number of Shares Outstanding at 12/31/2021	Net Proceeds	2021 Dividend Rate Range	Dividend Rate at 12/31/2021	Accrued Dividends at 12/31/2021
B Auction Market . . . .	October 12, 2004	4,000	82	\$ 98,858,617	1.585% to 2.091%	2.073%	\$ 349
C Auction Market . . . .	October 12, 2004	4,800	54	118,630,341	1.587% to 2.783%	2.076%	77
E Auction Rate . . . . .	November 3, 2005	5,400	124	133,379,387	2.591% to 3.595%	3.577%	608
G 5.250% . . . . .	July 1, 2016	4,000,000	4,000,000	96,634,565	Fixed Rate	5.250%	72,917
H 5.375% . . . . .	June 7, 2019	2,000,000	2,000,000	48,145,405	Fixed Rate	5.375%	37,326
J 1.700% . . . . .	April 14, 2021	6,116	5,804	145,100,000	Fixed Rate	1.700%	34,260
K 4.250% . . . . .	October 4, 2021	6,000,000	6,000,000	144,875,000	Fixed Rate	4.250%	88,542

The holders of Preferred Shares generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common shares as a single class. The holders of Preferred Shares voting together as a single class also have the right currently to elect two Trustees and under certain circumstances are entitled to elect a majority of the Board of Trustees. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the Preferred Shares, voting as a single class, will be required to approve any plan of reorganization adversely affecting the Preferred Shares, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding Preferred Shares and a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

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

**8. Subsequent Events.** On January 31, 2022, the Fund redeemed all of its outstanding 5.25% Series G Cumulative Preferred Shares at \$25.127604 (the Redemption Price) per Series G Preferred, which consisted of \$25.00 per share (the Liquidation Preference) plus \$0.127604 per share representing accumulated but unpaid dividends and distributions through the redemption date of January 31, 2022. Management has evaluated the impact on the Fund of all other subsequent events occurring through the date the financial statements were issued and has determined that there were no other subsequent events requiring recognition or disclosure in the financial statements.



# **The Gabelli Dividend & Income Trust**

## **Report of Independent Registered Public Accounting Firm**

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To the Board of Trustees and Shareholders of The Gabelli Dividend & Income Trust:

### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Dividend & Income Trust (the "Fund") as of December 31, 2021, the related statements of operations and cash flows for the year ended December 31, 2021, the statement of changes in net assets attributable to common shareholders for each of the two years in the period ended December 31, 2021, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2021 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, the results of its operations and its cash flows for the year then ended, the changes in its net assets attributable to common shareholders for each of the two years in the period ended December 31, 2021 and the financial highlights for each of the five years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2021 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
New York, New York  
February 28, 2022

We have served as the auditor of one or more investment companies in the Gabelli/GAMCO Fund Complex since 1986.

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Unaudited)

The following includes information that is incorporated by reference in the Fund's Registration Statement and is also a summary of certain changes during the most recent fiscal year ended December 31, 2021. This information may not reflect all of the changes that have occurred since you purchased shares of the Fund.

During the Fund's most recent fiscal year, there were no material changes to the Fund's investment objectives or policies that have not been approved by shareholders or in the principal risk factors associated with an investment in the Fund.

#### SUMMARY OF FUND EXPENSES

The following table shows the Fund's expenses, as a percentage of net assets attributable to common shares. All expenses of the Fund are borne, directly or indirectly, by the common shareholders. The table is based on the capital structure of the Fund as of December 31, 2021. The purpose of the table and example below is to help you understand all fees and expenses that you, as a holder of common shares, would bear directly or indirectly.

##### *Shareholder Transaction Expenses*

Sales Load (as a percentage of offering price)	-% (a)
Offering Expenses Borne by the Fund (as a percentage of offering price)	-% (a)
Dividend Reinvestment and Voluntary Cash Purchase Plan Fees	
Purchase Transactions	\$0.75 (b)
One-time Fee for Deposit of Share Certificates	\$2.50 (b)

<u>Annual Expenses</u>	<u>Percentages of Net Assets Attributable to Common Shares</u>
Management Fees . . . . .	1.13% (c)
Interest Expense . . . . .	0.09% (d)
Other Expenses . . . . .	0.08% (e)
Total Annual Expenses . . . . .	1.30%
Dividends on Preferred Shares . . . . .	0.35% (e)
Total Annual Expenses and Dividends on Preferred . . . . .	1.65% (c)

- (a) If common shares are sold to or through underwriters or dealer managers, a prospectus or prospectus supplement will set forth any applicable sales load and the estimated offering expenses borne by the fund.
- (b) Shareholders participating in the Fund's Automatic Dividend Reinvestment Plan do not incur any additional fees. Shareholders participating in the Voluntary Cash Purchase Plan would pay \$0.75 plus their pro rata share of brokerage commissions per transaction to purchase shares and \$2.50 plus their pro rata share of brokerage commissions per transaction to sell shares.
- (c) The investment Adviser's fee is 1.00% annually of the Fund's average weekly net assets including proceeds attributable to any outstanding preferred shares, other than assets attributable to the certain of the Fund's existing preferred shares when such shares are subject to the fee reduction described in the section

The Gabelli Dividend & Income Trust
Additional Fund Information (Continued) (Unaudited)

- entitled "Management of the Fund—Investment Advisory and Administrative Arrangements" in the Base Prospectus, and the outstanding principal amount of any debt securities the proceeds of which were used for investment purposes. Consequently, since the Fund has preferred shares outstanding, the investment management fees and other expenses as a percentage of net assets attributable to common shares may be higher than if the Fund does not utilize a leveraged capital structure.
- (d) The Series J Preferred Shares have a mandatory redemption date of March 26, 2028. Therefore, for financial reporting purposes only, the dividends paid on the Series J Preferred Shares are included as a component of "Interest Expense."
  - (e) "Other Expenses" are based on estimated amounts for the current year.

Example

The following example illustrates the expenses you would pay on a \$1,000 investment in common shares, assuming a 5% annual portfolio total return.\* The actual amounts in connection with any offering will be set forth in the Prospectus Supplement if applicable.

	1 Year	3 Year	5 Year	10 Year
Total Expenses Incurred . . . . .	\$17	\$52	\$90	\$196

\* The example should not be considered a representation of future expenses. The example is based on total Annual Expenses and Dividends on Preferred Shares shown in the table above and assumes that the amounts set forth in the table do not change and that all distributions are reinvested at net asset value. Actual expenses may be greater or less than those assumed. Moreover, the Fund’s actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

The example includes Dividends on Preferred Shares. If Dividends on Preferred Shares were not included in the example calculation, the expenses for the 1-, 3-, 5- and 10-year periods in the table above would be as follows (based on the same assumptions as above): \$12, \$38, \$66, and \$146.

The Fund's common shares are listed on the NYSE under the symbol "GDV" and our Series H Preferred Shares and Series K Preferred Shares are listed on the NYSE under the symbol "GDV Pr H" and "GDV Pr K," respectively. The Fund's common shares have historically traded at a discount to the Fund's net asset value. Over the past ten years, the Fund's common shares have traded at a discount to net asset value as high as (2.47)% and as low as (31.71)%. Any additional series of fixed rate preferred shares or subscription rights issued in the future pursuant to a Prospectus Supplement by the Fund would also likely be listed on the NYSE.

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

The following table sets forth for the quarters indicated, the high and low sale prices on the NYSE per share of our common shares and the net asset value and the premium or discount from net asset value per share at which the common shares were trading, expressed as a percentage of net asset value, at each of the high and low sale prices provided.

<u>Quarter Ended</u>	<u>Common Share Market Price</u>		<u>Corresponding Net Asset Value ("NAV") Per Share</u>		<u>Corresponding Premium or Discount as a % of NAV</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
March 31, 2020 .....	\$22.44	\$10.40	\$24.51	\$15.23	(8.44)%	(31.71)%
June 30, 2020 .....	\$19.58	\$13.80	\$22.14	\$16.00	(11.56)%	(13.75)%
September 30, 2020 .....	\$19.71	\$17.51	\$22.97	\$20.16	(14.19)%	(13.14)%
December 31, 2020 .....	\$21.67	\$17.61	\$24.56	\$20.96	(11.76)%	(15.98)%
March 31, 2021 .....	\$24.21	\$21.08	\$27.47	\$24.72	(11.86)%	(14.72)%
June 30, 2021 .....	\$26.75	\$24.04	\$29.08	\$27.21	(8.01)%	(11.65)%
September 30, 2021 .....	\$27.15	\$25.49	\$29.77	\$28.00	(8.80)%	(8.96)%
December 31, 2021 .....	\$27.57	\$25.50	\$30.37	\$28.03	(9.22)%	(9.02)%

The last reported price for our common shares on December 31, 2021 was \$27.00 per share. As of December 31, 2021, the net asset value per share of the Fund's common shares was \$29.73. Accordingly, the Fund's common shares traded at a discount to net asset value of (9.18)% on December 31, 2021.

#### Unresolved SEC Staff Comments

The Fund does not believe that there are any material unresolved written comments, received 180 days or more before December 31, 2021 from the Staff of the SEC regarding any of the Fund's periodic or current reports under the Securities Exchange Act of 1934 or the Investment Company Act of 1940, or its registration statement.

#### CHANGES OCCURRING DURING THE PRIOR FISCAL PERIOD

The following information is a summary of certain changes during the most recent fiscal year ended September 30, 2021. This information may not reflect all of the changes that have occurred since you purchased shares of the Fund.

# The Gabelli Dividend & Income Trust

## Additional Fund Information (Continued) (Unaudited)

### The Gabelli Dividend & Income Trust

#### Financial Highlights

Selected data for a common share of beneficial interest outstanding throughout each year:

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Operating Performance:</b>					
Net asset value, beginning of year . . . . .	\$ 21.07	\$ 23.57	\$ 24.18	\$ 18.58	\$ 17.24
Net investment income . . . . .	0.36	0.30	0.41	0.36	0.47
Net realized and unrealized gain on investments, securities sold short, swap contracts, and foreign currency transactions . . . . .	2.45	(1.39)	1.54	6.45	2.00
Total from investment operations . . . . .	2.81	(1.09)	1.95	6.81	2.47
<b>Distributions to Preferred Shareholders: (a)</b>					
Net investment income . . . . .	(0.05)	(0.06)	(0.03)	(0.05)	(0.09)
Net realized gain . . . . .	(0.17)	(0.12)	(0.15)	(0.13)	(0.08)
Total distributions to preferred shareholders . . . . .	(0.22)	(0.18)	(0.18)	(0.18)	(0.17)
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b>					
	2.59	(1.27)	1.77	6.63	2.30
<b>Distributions to Common Shareholders:</b>					
Net investment income . . . . .	(0.31)	(0.31)	(0.39)	(0.31)	(0.37)
Net realized gain . . . . .	(1.01)	(0.65)	(1.97)	(0.72)	(0.31)
Return of capital . . . . .	—	(0.28)	(0.02)	—	(0.28)
Total distributions to common shareholders . . . . .	(1.32)	(1.24)	(2.38)	(1.03)	(0.96)
<b>Fund Share Transactions:</b>					
Increase in net asset value from repurchase of common shares . . . . .	0.00(b)	0.01	—	0.00(b)	0.00(b)
Decrease in net asset value from offering costs for preferred shares charged to paid-in capital . . . . .	(0.04)	—	—	—	—
Total from Fund share transactions . . . . .	(0.04)	0.01	—	0.00(b)	0.00(b)
<b>Net Asset Value Attributable to Common Shareholders, End of Year</b>					
	\$ 22.30	\$ 21.07	\$ 23.57	\$ 24.18	\$ 18.58
NAV total return † . . . . .	12.70%	(5.59)%	7.48%	36.47%	14.40%
Market value, end of year . . . . .	\$ 20.04	\$ 18.46	\$ 21.66	\$ 22.17	\$ 16.18
Investment total return †† . . . . .	16.47%	(9.32)%	8.82%	44.38%	11.38%
<b>Ratios to Average Net Assets and Supplemental Data:</b>					
Net assets including liquidation value of preferred shares, end of year (in 000's) . . . . .	\$2,397,663	\$2,198,198	\$2,410,290	\$2,460,474	\$1,998,057
Net assets attributable to common shares, end of year (in 000's) . . . . .	\$1,838,405	\$1,738,940	\$1,951,032	\$2,001,217	\$1,538,799
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions . . . . .	1.69%	1.60%	1.71%	1.65%	2.62%
Ratio of operating expenses to average net assets attributable to common shares before fees waived . . . . .	1.39%(c)	1.33%(c)	1.36%	1.34%	1.41%
Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any . . . . .	1.39%(c)	1.09%(c)	1.36%	1.34%	1.41%
Ratio of operating expenses to average net assets including liquidation value of preferred shares before fees waived . . . . .	1.07%(c)	1.07%(c)	1.10%	1.07%	1.08%
Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction, if any . . . . .	1.07%(c)	0.88%(c)	1.10%	1.07%	1.08%
Portfolio turnover rate . . . . .	15.6%	8.1%	18.4%	15.8%	14.5%

# The Gabelli Dividend & Income Trust

## Additional Fund Information (Continued) (Unaudited)

### The Gabelli Dividend & Income Trust

#### Financial Highlights (Continued)

Selected data for a common share of beneficial interest outstanding throughout each year:

	Year Ended December 31,				
	2016	2015	2014	2013	2012
<b>Preferred Stock:</b>					
<b>5.875% Series A Cumulative Preferred Shares</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 76,201	\$ 76,201	\$ 76,201	\$ 76,200	\$ 76,200
Total shares outstanding (in 000's) . . . . .	3,048	3,048	3,048	3,048	3,048
Liquidation preference per share . . . . .	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (d) . . . . .	\$ 26.32	\$ 25.63	\$ 25.26	\$ 25.31	\$ 25.72
Asset coverage per share(e) . . . . .	\$ 107.18	\$ 119.66	\$ 131.21	\$ 133.94	\$ 108.77
<b>Series B Auction Market Cumulative Preferred Shares</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
Total shares outstanding (in 000's) . . . . .	4	4	4	4	4
Liquidation preference per share . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value (f) . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share(e) . . . . .	\$107,181	\$119,660	\$131,206	\$133,938	\$108,766
<b>Series C Auction Market Cumulative Preferred Shares</b>					
Liquidation value, end of year (in 000's) . . . . .	\$108,000	\$108,000	\$108,000	\$108,000	\$108,000
Total shares outstanding (in 000's) . . . . .	4	4	4	4	4
Liquidation preference per share . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value (f) . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share(e) . . . . .	\$107,181	\$119,660	\$131,206	\$133,938	\$108,766
<b>6.000% Series D Cumulative Preferred Shares</b>					
Liquidation value, end of year (in 000's) . . . . .	\$ 63,557	\$ 63,557	\$ 63,557	\$ 63,557	\$ 63,557
Total shares outstanding (in 000's) . . . . .	2,542	2,542	2,542	2,542	2,542
Liquidation preference per share . . . . .	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (d) . . . . .	\$ 26.58	\$ 25.70	\$ 25.53	\$ 26.25	\$ 26.79
Asset coverage per share(e) . . . . .	\$ 107.18	\$ 119.66	\$ 131.21	\$ 133.94	\$ 108.77
<b>Series E Auction Rate Cumulative Preferred Shares</b>					
Liquidation value, end of year (in 000's) . . . . .	\$121,500	\$121,500	\$121,500	\$121,500	\$121,500
Total shares outstanding (in 000's) . . . . .	5	5	5	5	5
Liquidation preference per share . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value (f) . . . . .	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share(e) . . . . .	\$107,181	\$119,660	\$131,206	\$133,938	\$108,766
<b>5.250% Series G Cumulative Preferred Shares</b>					
Liquidation value, end of year (in 000's) . . . . .	\$100,000	—	—	—	—
Total shares outstanding (in 000's) . . . . .	4,000	—	—	—	—
Liquidation preference per share . . . . .	\$ 25.00	—	—	—	—
Average market value (d) . . . . .	\$ 25.20	—	—	—	—
Asset coverage per share(e) . . . . .	\$ 107.18	—	—	—	—
<b>Asset Coverage (g) . . . . .</b>	<b>429%</b>	<b>479%</b>	<b>525%</b>	<b>536%</b>	<b>435%</b>

† For the years ended December 31, 2016, 2015, 2014, and 2013, based on net asset value per share and reinvestment of distributions at net asset value on the ex-dividend date. The year ended 2012 was based on net asset value per share, adjusted for reinvestment of distributions at prices obtained under the Fund's dividend reinvestment plan.

†† Based on market value per share, adjusted for reinvestment of distributions at prices obtained under the Fund's dividend reinvestment plan.

(a) Calculated based upon average common shares outstanding on the record dates throughout the year.

(b) Amount represents less than \$0.005 per share.

(c) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2016 and 2015, there was no impact on the expense ratios.

(d) Based on weekly prices.

(e) Asset coverage per share is calculated by combining all series of preferred shares.

(f) Since February 2008, the weekly auctions have failed. Holders that have submitted orders have not been able to sell any or all of their shares in the auction.

(g) Asset coverage is calculated by combining all series of preferred shares.

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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#### **CHANGES OCCURRING DURING THE PRIOR FISCAL PERIOD**

The following information is a summary of certain changes during the most recent fiscal year ended December 31, 2021. This information may not reflect all of the changes that have occurred since you purchased shares of the Fund.

**During the Fund's most recent fiscal year, there were no material changes to the Fund's investment objectives or policies that have not been approved by shareholders or in the principal risk factors associated with an investment in the Fund.**

#### **INVESTMENT OBJECTIVES AND POLICIES**

##### **Investment Objectives and Policies**

The Fund's investment objective is to seek a high level of total return with an emphasis on dividends and income. The Fund attempts to achieve its objective by investing, under normal market conditions, at least 80% of its net assets in dividend paying securities (such as common and preferred stock) or other income producing securities (such as fixed-income securities and securities that are convertible into common stock). In addition, under normal market conditions, at least 50% of the Fund's total assets will consist of dividend paying equity securities. In making equity selections, Gabelli Funds, LLC, which serves as Investment Adviser to the Fund, looks for securities that have a superior yield and capital gains potential.

The Fund may invest in the securities of companies of any market capitalization. The Fund may invest up to 25% of its total assets in securities of issuers in a single industry and may invest up to 35% of its total assets in securities of non-U.S. issuers (including securities of companies in emerging markets), which are generally denominated in foreign currencies. The Fund may also invest up to 10% of its total assets in below investment-grade securities, also known as high-yield securities. These securities, which may be preferred stock or debt, are predominantly speculative and involve major risk exposure to adverse conditions. Securities that are rated lower than "BBB" by S&P or lower than "Baa" by Moody's (or unrated debt securities of comparable quality) are referred to in the financial press as "junk bonds" or "high-yield" securities. The average duration of the Fund's investments in debt securities is expected to vary and the Fund does not target any particular average duration.

The Fund's policy to invest at least 80% of its net assets in dividend paying securities or other income producing securities may be changed by the Board; however, if this policy changes, the Fund will provide shareholders at least 60 days' written notice before implementation of the change in compliance with SEC rules.

No assurances can be given that the Fund's objective will be achieved. Neither the Fund's investment objective nor, except as expressly stated herein, any of its policies are fundamental, and each may be modified by the Board without shareholder approval. The percentage and ratings limitations stated herein apply only at the time of investment and are not considered violated as a result of subsequent changes to the value, or downgrades to the ratings, of the Fund's portfolio investments.

Gabelli Funds, LLC, a New York limited liability company, with offices at One Corporate Center, Rye, New York 10580-1422, serves as investment adviser to the Fund.



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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#### Investment Methodology of the Fund

***In selecting securities for the Fund, the Investment Adviser normally considers the following factors, among others:***

- the Investment Adviser's own evaluations of the private market value (as defined below), cash flow, earnings per share and other fundamental aspects of the underlying assets and business of the company;
- the interest or dividend income generated by the securities;
- the potential for capital appreciation of the securities;
- the prices of the securities relative to other comparable securities;
- whether the securities are entitled to the benefits of call protection or other protective covenants; and
- the existence of any anti-dilution protections or guarantees of the security; and
- the diversification of the portfolio of the Fund as to issuers.

The Investment Adviser's investment philosophy with respect to equity and debt securities is to identify assets that are selling in the public market at a discount to their private market value. The Investment Adviser defines private market value as the value informed purchasers are willing to pay to acquire assets with similar characteristics. In making equity selections, the Investment Adviser looks for securities that have a superior yield and capital gains potential. The Investment Adviser also normally evaluates an issuer's free cash flow and long term earnings trends. Finally, the Investment Adviser looks for a catalyst, something indigenous to the company, its industry or country, that will surface additional value.

#### Certain Investment Practices

***Equity Securities.*** The Fund invests in equity securities (such as common stock and preferred stock).

Common stocks represent the residual ownership interest in the issuer and holders of common stock are entitled to the income and increase in the value of the assets and business of the issuer after all of its debt obligations and obligations to preferred shareholders are satisfied. Common stocks generally have voting rights. Common stocks fluctuate in price in response to many factors including historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

Equity securities also include preferred stock (whether or not convertible into common stock) and debt securities convertible into or exchangeable for common or preferred stock. Preferred stock has a preference over common stock in liquidation (and generally dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similarly stated yield characteristics. The market value of preferred stock will also generally reflect whether (and if so when) the issuer may force holders to sell their preferred stock back to the issuer and whether (and if so when) the holders may

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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force the issuer to buy back their preferred stock. Generally speaking, the right of the issuer to repurchase the preferred stock tends to reduce any premium at which the preferred stock might otherwise trade due to interest rate or credit factors, while the right of the holders to require the issuer to repurchase the preferred stock tends to reduce any discount at which the preferred stock might otherwise trade due to interest rate or credit factors. In addition, some preferred stocks are non-cumulative, meaning that the dividends do not accumulate and need not ever be paid. A portion of the portfolio may include investments in non-cumulative preferred stocks, whereby the issuer does not have an obligation to make up any arrearages to its shareholders. There is no assurance that dividends or distributions on non-cumulative preferred stocks in which the Fund invests will be declared or otherwise made payable.

Securities that are convertible into or exchangeable for preferred or common stock are liabilities of the issuer but are generally subordinated to more senior elements of the issuer's balance sheet. Although such securities also generally reflect an element of conversion value, their market value also varies with interest rates and perceived credit risk. Many convertible securities are not investment grade, that is, not rated "BBB" or better by S&P or "Baa" or better by Moody's or considered by the Investment Adviser to be of similar quality.

Preferred stocks and convertible securities may have many of the same characteristics and risks as nonconvertible debt securities. See "Risk Factors and Special Considerations—General Risks—Non-Investment Grade Securities."

The Investment Adviser believes that preferred stock and convertible securities of certain companies offer the opportunity for capital appreciation and periodic income. This is particularly true in the case of companies that have performed below expectations. If a company's performance has been poor enough, its preferred stock and convertible securities may trade more like common stock than like fixed-income securities, which may result in above average appreciation if the company's performance improves. Even if the credit quality of such a company is not in question, the market price of its convertible securities may reflect little or no element of conversion value if the price of its common stock has fallen substantially below the conversion price. This can result in capital appreciation if the price of the company's common stock recovers.

**Income Securities.** Income securities include (i) fixed income securities such as bonds, debentures, notes, preferred stock, short term discounted Treasury Bills or certain securities of the U.S. government sponsored instrumentalities, as well as money market open-end funds that invest in those securities, which, in the absence of an applicable exemptive order, will not be affiliated with the Investment Adviser, and (ii) common stocks of issuers that have historically paid periodic dividends. Fixed income securities obligate the issuer to pay to the holder of the security a specified return, which may be either fixed or reset periodically in accordance with the terms of the security. Fixed income securities generally are senior to an issuer's common stock and their holders generally are entitled to receive amounts due before any distributions are made to common shareholders. Common stocks, on the other hand, generally do not obligate an issuer to make periodic distributions to holders.

The market value of fixed income securities, especially those that provide a fixed rate of return, may be expected to rise and fall inversely with interest rates and in general is affected by the credit rating of the issuer, the issuer's performance and perceptions of the issuer in the market place. The market value of callable or redeemable fixed income securities may also be affected by the issuer's call and redemption rights. In addition, it is possible that the issuer of fixed income securities may not be able to meet its interest or principal obligations to holders.

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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Further, holders of non-convertible fixed income securities do not participate in any capital appreciation of the issuer.

The Fund may also invest in obligations of government sponsored instrumentalities. Unlike non-U.S. government securities, obligations of certain agencies and instrumentalities of the U.S. government, such as the Government National Mortgage Association, are supported by the "full faith and credit" of the U.S. government; others, such as those of the Export-Import Bank of the U.S., are supported by the right of the issuer to borrow from the U.S. Treasury; others, such as those of the Federal National Mortgage Association, are supported by the discretionary authority of the U.S. government to purchase the agency's obligations; and still others, such as those of the Student Loan Marketing Association, are supported only by the credit of the instrumentality. No assurance can be given that the U.S. government would provide financial support to U.S. government sponsored instrumentalities if it is not obligated to do so by law.

The Fund also may invest in common stock of issuers that have historically paid periodic dividends or otherwise made distributions to common shareholders. Unlike fixed income securities, dividend payments generally are not guaranteed and so may be discontinued by the issuer at its discretion or because of the issuer's inability to satisfy its liabilities. Further, an issuer's history of paying dividends does not guarantee that it will continue to pay dividends in the future. In addition to dividends, under certain circumstances the holders of common stock may benefit from the capital appreciation of the issuer.

Common stocks represent the residual ownership interest in the issuer and holders of common stock are entitled to the income and increase in the value of the assets and business of the issuer after all of its debt obligations and obligations to preferred shareholders are satisfied. Common stocks generally have voting rights. Common stocks fluctuate in price in response to many factors including historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

**Non-Investment Grade Securities.** The Fund may invest in below investment-grade securities, also known as high-yield securities. These securities, which may be preferred stock or debt, are predominantly speculative and involve major risk exposure to adverse conditions. Securities that are rated lower than "BBB" by S&P or lower than "Baa" by Moody's (or unrated debt securities of comparable quality) are referred to in the financial press as "junk bonds" or "high-yield" securities.

Generally, such non-investment grade securities and unrated securities of comparable quality offer a higher current yield than is offered by higher rated securities, but also (i) will likely have some quality and protective characteristics that, in the judgment of the rating organizations, are outweighed by large uncertainties or major risk exposures to adverse conditions, and (ii) are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds. In addition, such comparable unrated securities generally present a higher degree of credit risk. The risk of loss due to default by these issuers is significantly greater because such non-investment grade securities and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In light of these risks, the Investment Adviser, in evaluating the creditworthiness of an issue, whether rated or unrated, will take various factors into consideration, which may include, as applicable, the issuer's operating history, financial resources and its

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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sensitivity to economic conditions and trends, the market support for the facility financed by the issue, the perceived ability and integrity of the issuer's management and regulatory matters.

In addition, the market value of non-investment grade securities is more volatile than that of higher quality securities, and the markets in which such lower rated or unrated securities are traded are more limited than those in which higher rated securities are traded. The existence of limited markets may make it more difficult for the Fund to obtain accurate market quotations for purposes of valuing its portfolio and calculating its net asset value. Moreover, the lack of a liquid trading market may restrict the availability of securities for the Fund to purchase and may also have the effect of limiting the ability of the Fund to sell securities at their fair value in order to respond to changes in the economy or the financial markets.

Non-investment grade securities and unrated securities of comparable quality also present risks based on payment expectations. If an issuer calls the obligation for redemption (often a feature of fixed-income securities), the Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of nonconvertible bonds and preferred stocks moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by the Fund may decline proportionately more than a portfolio consisting of higher rated securities. Investments in zero coupon bonds may be more speculative and subject to greater fluctuations in value due to changes in interest rates than bonds that pay interest currently. Interest rates are at historical lows and there have been recent inflationary price movements; therefore, it is likely that interest rates will rise in the future.

As part of its investments in non-investment grade securities, the Fund may invest in securities of issuers in default. The Fund will make an investment in securities of issuers in default only when the Investment Adviser believes that such issuers will honor their obligations or emerge from bankruptcy protection and the value of these securities will appreciate. By investing in securities of issuers in default, the Fund bears the risk that these issuers will not continue to honor their obligations or emerge from bankruptcy protection or that the value of the securities will not otherwise appreciate.

In addition to using recognized rating agencies and other sources, the Investment Adviser also performs its own analysis of issues in seeking investments that it believes to be underrated (and thus higher yielding) in light of the financial condition of the issuer. Its analysis of issuers may include, among other things, current and anticipated cash flow and borrowing requirements, value of assets in relation to historical cost, strength of management, responsiveness to business conditions, credit standing and current anticipated results of operations. In selecting investments for the Fund, the Investment Adviser may also consider general business conditions, anticipated changes in interest rates and the outlook for specific industries.

Subsequent to its purchase by the Fund, an issue of securities may cease to be rated or its rating may be reduced. In addition, it is possible that statistical rating agencies might change their ratings of a particular issue to reflect subsequent events on a timely basis. Moreover, such ratings do not assess the risk of a decline in market value. None of these events will require the sale of the securities by the Fund, although the Investment Adviser will consider these events in determining whether the Fund should continue to hold the securities.

Fixed income securities, including non-investment grade securities and comparable unrated securities, frequently have call or buy-back features that permit their issuers to call or repurchase the securities from their

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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holders, such as the Fund. If an issuer exercises these rights during periods of declining interest rates, the Fund may have to replace the security with a lower yielding security, thus resulting in a decreased return for the Fund.

The market for non-investment grade and comparable unrated securities has experienced periods of significantly adverse price and liquidity several times, particularly at or around times of economic recession. Past market recessions have adversely affected the value of such securities and the ability of certain issuers of such securities to repay principal and pay interest thereon or to refinance such securities. The market for those securities may react in a similar fashion in the future.

***Securities Subject to Reorganization.*** The Fund may invest without limit in securities of companies for which a tender or exchange offer has been made or announced and in securities of companies for which a merger, consolidation, liquidation or reorganization proposal has been announced if, in the judgment of the Investment Adviser, there is a reasonable prospect of high total return significantly greater than the brokerage and other transaction expenses involved.

In general, securities which are the subject of such an offer or proposal sell at a premium to their historic market price immediately prior to the announcement of the offer or may also trade at a discount to what the stated or appraised value of the security would be if the contemplated transaction were approved or consummated. Such investments may be advantageous when the discount significantly overstates the risk of the contingencies involved; significantly undervalues the securities, assets or cash to be received by shareholders of the prospective portfolio company as a result of the contemplated transaction; or fails adequately to recognize the possibility that the offer or proposal may be replaced or superseded by an offer or proposal of greater value. The evaluation of such contingencies requires unusually broad knowledge and experience on the part of the Investment Adviser which must appraise not only the value of the issuer and its component businesses and the assets or securities to be received as a result of the contemplated transaction but also the financial resources and business motivation of the offeror and the dynamics and business climate when the offer or proposal is in process. Since such investments are ordinarily short term in nature, they will tend to increase the turnover ratio of the Fund, thereby increasing its brokerage and other transaction expenses. The Investment Adviser intends to select investments of this type which, in its view, have a reasonable prospect of capital appreciation which is significant in relation to both risk involved and the potential of available alternative investments.

***Temporary Defensive Investments.*** When a temporary defensive posture is believed by the Investment Adviser to be warranted ("temporary defensive periods"), the Fund may without limitation hold cash or invest all or a portion of its assets in money market instruments and repurchase agreements in respect of those instruments. The money market instruments in which the Fund may invest are obligations of the U.S. government, its agencies or instrumentalities; commercial paper rated "A-1" or higher by S&P or "Prime-1" by Moody's; and certificates of deposit and bankers' acceptances issued by domestic branches of U.S. banks that are members of the Federal Deposit Insurance Corporation. During temporary defensive periods, the Fund may also invest to the extent permitted by applicable law in shares of money market mutual funds. Money market mutual funds are investment companies and the investments in those companies by the Fund are in some cases subject to certain fundamental investment restrictions and applicable law. As a shareholder in a mutual fund, the Fund will bear its ratable share of its expenses, including management fees, and will remain subject to payment of the fees to the Investment Adviser, with respect to assets so invested. The Fund may find it more difficult to achieve its investment objective during temporary defensive periods.

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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**Options.** The Fund may purchase or sell, i.e., write, options on securities, securities indices and foreign currencies which are listed on a national securities exchange or in the over-the-counter market, as a means of achieving additional return or of hedging the value of the Fund's portfolio. A call option is a contract that, in return for a premium, gives the holder of the option the right to buy from the writer of the call option the security or currency underlying the option at a specified exercise price at any time during the term of the option. The writer of the call option has the obligation, upon exercise of the option, to deliver the underlying security or currency upon payment of the exercise price during the option period. A put option is the reverse of a call option, giving the holder the right, in return for a premium, to sell the underlying security to the writer, at a specified price, and obligating the writer to purchase the underlying security from the holder at that price. The Fund may purchase call or put options as long as the aggregate initial margins and premiums, measured at the time of such investment, do not exceed 10% of the fair market value of the Fund's total assets. There is no limit on the amount of options the Fund may write (sell).

If the Fund has written an option, it may terminate its obligation by effecting a closing purchase transaction. This is accomplished by purchasing an option of the same series as the option previously written. However, once the Fund has been assigned an exercise notice, the Fund will be unable to effect a closing purchase transaction. Similarly, if the Fund is the holder of an option it may liquidate its position by effecting a closing sale transaction. This is accomplished by selling an option of the same series as the option previously purchased. There can be no assurance that either a closing purchase or sale transaction can be effected when the Fund so desires.

The Fund realizes a profit from a closing transaction if the price of the transaction is less than the premium received from writing the option or is more than the premium paid to purchase the option; the Fund realizes a loss from a closing transaction if the price of the transaction is more than the premium received from writing the option or is less than the premium paid to purchase the option. Since call option prices generally reflect increases in the price of the underlying security, any loss resulting from the repurchase of a call option may also be wholly or partially offset by unrealized appreciation of the underlying security, and any gain resulting from the repurchase of a call option may also be wholly or partially offset by unrealized depreciation of the underlying security. Other principal factors affecting the market value of a put or a call option include supply and demand, interest rates, the current market price and price volatility of the underlying security and the time remaining until the expiration date. Gains and losses on investments in options depend, in part, on the ability of the Investment Adviser to predict correctly the effect of these factors. The use of options cannot serve as a complete hedge since the price movement of securities underlying the options will not necessarily follow the price movements of the portfolio securities subject to the hedge.

An option position may be closed out only on an exchange which provides a secondary market for an option of the same series or in a private transaction. Although the Fund generally purchases or writes only those options for which there appears to be an active secondary market, there is no assurance that a liquid secondary market on an exchange will exist for any particular option. In such event, it might not be possible to effect closing transactions in particular options, so that the Fund would have to exercise its options in order to realize any profit and would incur brokerage commissions upon the exercise of call options and upon the subsequent disposition of underlying securities for the exercise of put options.



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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Although the Investment Adviser will attempt to take appropriate measures to minimize the risks relating to the Fund's writing of put and call options, there can be no assurance that the Fund will succeed in any option-writing program it undertakes.

***Futures Contracts and Options on Futures.*** The Fund may purchase and sell financial futures contracts and options thereon which are traded on a commodities exchange or board of trade for certain hedging, yield enhancement and risk management purposes. A financial futures contract is an agreement to purchase or sell an agreed amount of securities or currencies at a set price for delivery in the future. These futures contracts and related options may be on debt securities, financial indices, securities indices, U.S. government securities and foreign currencies. The Investment Adviser has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act and therefore is not subject to registration under the Commodity Exchange Act.

***Forward Foreign Currency Exchange Contracts.*** Subject to guidelines of the Board, the Fund may enter into forward foreign currency exchange contracts to protect the value of its portfolio against uncertainty in the level of future currency exchange rates. The Fund may enter into such contracts on a spot, i.e., cash, basis at the rate then prevailing in the currency exchange market or on a forward basis, by entering into a forward contract to purchase or sell currency. A forward contract on foreign currency is an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days agreed upon by the parties from the date of the contract at a price set on the date of the contract. The Fund invests in forward currency contracts for hedging or currency risk management purposes and not in order to speculate on currency exchange rate movements. The Fund only enters into forward currency contracts with parties which it believes to be creditworthy.

***When Issued, Delayed Delivery Securities and Forward Commitments.*** The Fund may enter into forward commitments for the purchase or sale of securities, including on a "when issued" or "delayed delivery" basis, in excess of customary settlement periods for the type of security involved. In some cases, a forward commitment may be conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, corporate reorganization or debt restructuring, i.e., a when, as and if issued security. When such transactions are negotiated, the price is fixed at the time of the commitment, with payment and delivery taking place in the future, generally a month or more after the date of the commitment. While it will only enter into a forward commitment with the intention of actually acquiring the security, the Fund may sell the security before the settlement date if it is deemed advisable. Securities purchased under a forward commitment are subject to market fluctuation, and no interest (or dividends) accrues to the Fund prior to the settlement date.

***Short Sales.*** The Fund may make short sales of securities. A short sale is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. The market value of the securities sold short of any one issuer will not exceed either 10% of the Fund's total assets or 5% of such issuer's voting securities. The Fund also will not make a short sale, if, after giving effect to such sale, the market value of all securities sold short exceeds 25% of the value of its assets. The Fund may also make short sales "against the box" without respect to such limitations. In this type of short sale, at the time of the sale, the Fund owns, or has the immediate and unconditional right to acquire at no additional cost, the identical security.

The Fund makes short sales both to obtain capital gain from anticipated declines in securities and as a form of hedging to offset potential declines in long positions in the same or similar securities. The short sale of a security



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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is considered a speculative investment technique. Short sales "against the box" may be subject to special tax rules, one of the effects of which may be to accelerate income to the Fund.

When the Fund makes a short sale, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale in order to satisfy its obligation to deliver the security upon conclusion of the sale. The Fund may have to pay a fee to borrow particular securities and is often obligated to pay over any payments received on such borrowed securities.

If the price of the security sold short increases between the time of the short sale and the time the Fund replaces the borrowed security, the Fund will incur a loss; conversely, if the price declines, the Fund will realize a capital gain. Any gain will be decreased, and any loss will be increased, by the transaction costs incurred by the Fund, including the costs associated with providing collateral to the broker-dealer (usually cash, U.S. government securities or other highly liquid debt securities) and the maintenance of collateral with its Custodian. Although the Fund's gain is limited to the price at which it sold the security short, its potential loss is theoretically unlimited.

**Repurchase Agreements.** Repurchase agreements may be seen as loans by the Fund collateralized by underlying securities. Under the terms of a typical repurchase agreement, the Fund acquires an underlying security for a relatively short period (usually not more than one week) subject to an obligation of the seller to repurchase, and the Fund to resell, the security at an agreed price and time. This arrangement results in a fixed rate of return to the Fund that is not subject to market fluctuations during the holding period. The Fund bears a risk of loss in the event that the other party to a repurchase agreement defaults on its obligations and the Fund is delayed in or prevented from exercising its rights to dispose of the collateral securities, including the risk of a possible decline in the value of the underlying securities during the period in which it seeks to assert these rights. The Investment Adviser, acting under the supervision of the Board, reviews the creditworthiness of those banks and dealers with which the Fund enters into repurchase agreements to evaluate these risks and monitors on an ongoing basis the value of the securities subject to repurchase agreements to ensure that the value is maintained at the required level. The Fund does not enter into repurchase agreements with the Investment Adviser or any of its affiliates.

**Restricted and Illiquid Securities.** The Fund may invest in securities for which there is no readily available trading market or are otherwise illiquid. Illiquid securities include securities legally restricted as to resale, such as commercial paper issued pursuant to Section 4(a)(2) of the Securities Act of 1933 ("Securities Act") and securities eligible for resale pursuant to Rule 144A thereunder. Section 4(a)(2) and Rule 144A securities may, however, be treated as liquid by the Investment Adviser pursuant to procedures adopted by the Board, which require consideration of factors such as trading activity, availability of market quotations and number of dealers willing to purchase the security. If the Fund invests in Rule 144A securities, the level of portfolio illiquidity may be increased to the extent that eligible buyers become uninterested in purchasing such securities.

It may be difficult to sell such securities at a price representing the fair value until such time as such securities may be sold publicly. Where registration is required, a considerable period may elapse between a decision to sell the securities and the time when it would be permitted to sell. Thus, the Fund may not be able to obtain as favorable a price as that prevailing at the time of the decision to sell. The Fund may also acquire securities

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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through private placements under which it may agree to contractual restrictions on the resale of such securities. Such restrictions might prevent their sale at a time when such sale would otherwise be desirable.

**Foreign Securities.** The Fund invests in the equity securities of companies located outside the United States.

The Investment Adviser believes that investing in foreign securities offers both enhanced investment opportunities and additional risks beyond those present in U.S. securities. Investing in foreign securities may provide increased diversification by adding securities from various foreign countries (i) that offer different investment opportunities, (ii) that generally are affected by different economic trends and (iii) whose stock markets may not be correlated with U.S. markets. At the same time, these opportunities and trends involve risks that may not be encountered in U.S. investments.

The following considerations comprise both risks and opportunities not typically associated with investing in U.S. securities: fluctuations in exchange rates of foreign currencies; possible imposition of exchange control regulations or currency restrictions that would prevent cash from being brought back to the United States; less public information with respect to issuers of securities; less government supervision of stock exchanges, securities brokers and issuers of securities; lack of uniform accounting, auditing and financial reporting standards; lack of uniform settlement periods and trading practices; less liquidity and frequently greater price volatility in foreign markets than in the United States; possible imposition of foreign taxes; the possibility of expropriation or confiscatory taxation, seizure or nationalization of foreign bank deposits or other assets; the adoption of foreign government restrictions and other adverse political, social or diplomatic developments that could affect investment; sometimes less advantageous legal, operational and financial protections applicable to foreign sub-custodial arrangements; and the historically lower level of responsiveness of foreign management to shareholder concerns (such as dividends and return on investment).

The Fund may purchase sponsored American Depositary Receipts ("ADRs") or U.S. dollar-denominated securities of foreign issuers, which will be considered foreign securities for purposes of the Fund's investment policies. ADRs are receipts issued by U.S. banks or trust companies in respect of securities of foreign issuers held on deposit for use in the U.S. securities markets. See "Risk Factors and Special Considerations—General Risks—Foreign Securities."

**Emerging Market Countries.** The risks described above for foreign securities, including the risks of nationalization and expropriation of assets, are typically increased to the extent that the Fund invests in companies headquartered in developing, or emerging market, countries. Investments in securities of companies headquartered in such countries may be considered speculative and subject to certain special risks. The political and economic structures in many of these countries may be in their infancy and developing rapidly, and such countries may lack the social, political and economic characteristics of more developed countries. Certain of these countries have in the past failed to recognize private property rights and have at times nationalized and expropriated the assets of private companies. Some countries have inhibited the conversion of their currency to another. The currencies of certain emerging market countries have experienced devaluation relative to the U.S. dollar, and future devaluations may adversely affect the value of the Fund's assets denominated in such currencies. Some emerging market countries have experienced substantial rates of inflation for many years. Continued inflation may adversely affect the economies and securities markets of such countries. In addition, unanticipated political or social developments may affect the value of the Fund's investments in these countries.

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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and the availability of the Fund of additional investments in these countries. The small size, limited trading volume and relative inexperience of the securities markets in these countries may make the Fund's investments in such countries illiquid and more volatile than investments in more developed countries, and the Fund may be required to establish special custodial or other arrangements before making investments in these countries. There may be little financial or accounting information available with respect to companies located in these countries, and it may be difficult as a result to assess the value or prospects of an investment in such companies.

**Value Investing.** The Fund's portfolio managers will use various value methods in managing its assets. In selecting securities for the Fund, they evaluate the quality of a company's balance sheet, the level of its cash flows and other measures of a company's financial condition and profitability. The portfolio managers may also consider other factors, such as a company's unrecognized asset values, its future growth prospects or its turnaround potential following an earnings disappointment or other business difficulties. The portfolio managers then use these factors to assess the company's current worth, basing this assessment on either what they believe a knowledgeable buyer might pay to acquire the entire company or what they think the value of the company should be in the stock market.

The Fund's portfolio managers generally invest in securities of companies that are trading significantly below their estimate of the company's current worth in an attempt to reduce the risk of overpaying for such companies. Seeking long term growth of capital, they also evaluate the prospects for the market price of the company's securities to increase over a two- to five-year period toward this estimate.

The Investment Adviser's value approach strives to reduce some of the other risks of investing in the securities of smaller companies (for the Fund's portfolio taken as a whole) by evaluating other risk factors. For example, its portfolio managers generally attempt to lessen financial risk by buying companies with strong balance sheets and low leverage.

While there can be no assurance that this risk-averse value approach will be successful, the Investment Adviser believes that it can reduce some of the risks of investing.

Although the Investment Adviser's approach to security selection seeks to reduce downside risk to the Fund's portfolio, especially during periods of broad stock market declines, it may also potentially have the effect of limiting gains in strong up markets.

**Industry Concentration.** The Fund may invest up to 25% of its total assets in securities of issuers in a single industry. See "Risk Factors and Special Considerations—General Risks—Industry Risk."

**Leverage.** As provided in the 1940 Act and subject to certain exceptions, the Fund may issue senior securities (which may be stock, such as preferred shares, and/or securities representing debt) only if immediately after such issuance the value of the Fund's total assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding and exceeds 200% of the amount of preferred shares and debt outstanding. Any such preferred shares may be convertible in accordance with the SEC staff guidelines, which may permit the Fund to obtain leverage at attractive rates. The use of leverage magnifies the impact of changes in net asset value. In addition, if the cost of leverage exceeds the return on the securities acquired with the proceeds of leverage, the use of leverage will diminish rather than enhance the return to the Fund. The use of leverage generally increases the volatility of returns to the Fund. Such volatility may increase the likelihood of the Fund

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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having to sell investments in order to meet its obligations to make distributions on the preferred shares or principal or interest payments on debt securities, or to redeem preferred shares or repay debt, when it may be disadvantageous to do so. The Fund's use of leverage may require it to sell portfolio investments at inopportune times in order to raise cash to redeem preferred shares or otherwise de-leverage so as to maintain required asset coverage amounts or comply with any mandatory redemption terms of any outstanding preferred shares. See "Risk Factors and Special Considerations—Special Risks to Holders of Common Shares—Leverage Risk."

In the event the Fund had both outstanding preferred shares and senior securities representing debt at the same time, the Fund's obligations to pay dividends or distributions and, upon liquidation of the Fund, liquidation payments in respect of its preferred shares would be subordinate to the Fund's obligations to make any principal and/or interest payments due and owing with respect to its outstanding senior debt securities. Accordingly, the Fund's issuance of senior securities representing debt would have the effect of creating special risks for the Fund's preferred shareholders that would not be present in a capital structure that did not include such securities.

Additionally, the Fund may enter into derivative transactions that have economic leverage embedded in them. Economic leverage exists when the Fund achieves the right to a return on a capital base that exceeds the investment which the Fund has contributed to the instrument achieving a return. Derivative transactions that the Fund may enter into and the risks associated with them are described elsewhere in this Annual Report. The Fund cannot assure you that investments in derivative transactions that have economic leverage embedded in them will result in a higher return on its common shares.

To the extent the terms of such transactions obligate the Fund to make payments, the Fund may earmark or segregate cash or liquid assets in an amount at least equal to the current value of the amount then payable by the Fund under the terms of such transactions or otherwise cover such transactions in accordance with applicable interpretations of the staff of the SEC. If the current value of the amount then payable by the Fund under the terms of such transactions is represented by the notional amounts of such investments, the Fund would segregate or earmark cash or liquid assets having a market value at least equal to such notional amounts, and if the current value of the amount then payable by the Fund under the terms of such transactions is represented by the market value of the Fund's current obligations, the Fund would segregate or earmark cash or liquid assets having a market value at least equal to such current obligations. To the extent the terms of such transactions obligate the Fund to deliver particular securities to extinguish the Fund's obligations under such transactions the Fund may "cover" its obligations under such transactions by either (i) owning the securities or collateral underlying such transactions or (ii) having an absolute and immediate right to acquire such securities or collateral without additional cash consideration (or, if additional cash consideration is required, having earmarked or segregated an appropriate amount of cash or liquid assets). Such earmarking, segregation or cover is intended to provide the Fund with available assets to satisfy its obligations under such transactions. As a result of such earmarking, segregation or cover, the Fund's obligations under such transactions will not be considered senior securities representing indebtedness for purposes of the 1940 Act, or considered borrowings subject to the Fund's limitations on borrowings discussed above, but may create leverage for the Fund. To the extent that the Fund's obligations under such transactions are not so earmarked, segregated or covered, such obligations may be considered "senior securities representing indebtedness" under the 1940 Act and therefore subject to the 300% asset coverage requirement.

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### Additional Fund Information (Continued) (Unaudited)

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These earmarking, segregation or cover requirements can result in the Fund maintaining securities positions it would otherwise liquidate, segregating or earmarking assets at a time when it might be disadvantageous to do so or otherwise restrict portfolio management.

On October 28, 2020, the SEC adopted new regulations governing the use of derivatives by registered investment companies ("Rule 18f-4"). The Fund will be required to implement and comply with Rule 18f-4 by August 19, 2022. Once implemented, Rule 18f-4 will impose limits on the amount of derivatives a fund can enter into, eliminate the asset segregation framework currently used by funds to comply with Section 18 of the 1940 Act, treat derivatives as senior securities so that a failure to comply with the limits would result in a statutory violation and require funds whose use of derivatives is more than a limited specified exposure amount to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

**Investment Restrictions.** The Fund has adopted certain fundamental investments policies designed to limit investment risk and maintain portfolio diversification. See "Investment Restrictions" below for a complete list of the fundamental policies of the Fund. Fundamental policies may not be changed without the vote of a majority, as defined in the 1940 Act, of the outstanding voting securities of the Fund (voting together as a single class subject to class approval rights of any preferred shares). The Fund may become subject to rating agency guidelines that are more limiting than its current investment restrictions in order to obtain and maintain a desired rating on its preferred shares, if any.

Neither the Fund's investment objective nor, except as expressly listed under "Investment Restrictions" below, any of its policies (including with respect to the interest rate transactions described under the heading "How the Fund Manages Risk—Interest Rate Transactions") is fundamental, and each may be modified by the Board without shareholder approval.

In addition, pursuant to the respective Statement of Preferences of the Fund's Series B Preferred Shares, Series C Preferred Shares, Series E Preferred Shares, Series H Preferred Shares, Series J Preferred Shares and Series K Preferred Shares, a majority, as defined in the 1940 Act, of the outstanding preferred shares of the Fund (voting separately as a single class) is also required to change a fundamental policy. See "Investment Restrictions" below.

**Loans of Portfolio Securities.** To increase income, the Fund may lend its portfolio securities to securities broker-dealers or financial institutions if the loan is collateralized in accordance with applicable regulatory requirements.

If the borrower fails to maintain the requisite amount of collateral, the loan automatically terminates and the Fund could use the collateral to replace the securities while holding the borrower liable for any excess of replacement cost over the value of the collateral. As with any extension of credit, there are risks of delay in recovery and in some cases even loss of rights in collateral should the borrower of the securities violate the terms of the loan or fail financially. There can be no assurance that borrowers will not fail financially. On termination of the loan, the borrower is required to return the securities to the Fund, and any gain or loss in the market price during the loan would inure to the Fund. If the other party to the loan petitions for bankruptcy or becomes subject to the United States Bankruptcy Code, the law regarding the rights of the Fund is unsettled. As a result, under extreme circumstances, there may be a restriction on the Fund's ability to sell the collateral and the Fund would suffer a loss. See "Risk Factors and Special Considerations—General Risks—Loans of Portfolio Securities."

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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**Portfolio Turnover.** The Fund will buy and sell securities to accomplish its investment objective. The investment policies of the Fund may lead to frequent changes in investments, particularly in periods of rapidly fluctuating interest or currency exchange rates.

Portfolio turnover generally involves some expense to the Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities. The portfolio turnover rate is computed by dividing the lesser of the amount of the securities purchased or securities sold by the average monthly value of securities owned during the year (excluding securities whose maturities at acquisition were one year or less). Higher portfolio turnover may decrease the after-tax return to individual investors in the Fund to the extent it results in a decrease of the long term capital gains portion of distributions to shareholders.

For the fiscal years ended December 31, 2019, 2020 and 2021, the portfolio turnover rate of the Fund was 16%, 16% and 12%, respectively. The Fund anticipates that its portfolio turnover rate will generally not exceed 100%.

Further information on the investment objective and policies of the Fund is set forth below.

#### RISK FACTORS AND SPECIAL CONSIDERATIONS

Investors should consider the following risk factors and special considerations associated with investing in the Fund, each of which is noted as either a “principal” risk or a “non-principal” risk:

##### General Risks

**Market Risk.** The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to credit markets or adverse investor sentiment generally. The value of a security may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed income securities. Credit ratings downgrades may also negatively affect securities held by the Fund. Even when markets perform well, there is no assurance that the investments held by the Fund will increase in value along with the broader market.

In addition, market risk includes the risk that geopolitical and other events will disrupt the economy on a national or global level. For instance, war, terrorism, market manipulation, government defaults, government shutdowns, political changes or diplomatic developments, public health emergencies (such as the spread of infectious diseases, pandemics and epidemics) and natural/environmental disasters can all negatively impact the securities markets, which could cause the Fund to lose value. These events could reduce consumer demand or economic output, result in market closures, travel restrictions or quarantines, and significantly adversely impact the economy. The current contentious domestic political environment, as well as political and diplomatic events within the United States and abroad, such as the U.S. government's inability at times to agree on a long-term budget and deficit reduction plan, has in the past resulted, and may in the future result, in a government



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### Additional Fund Information (Continued) (Unaudited)

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shutdown, which could have an adverse impact on the Fund's investments and operations. Additional and/or prolonged U.S. federal government shutdowns may affect investor and consumer confidence and may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree. Governmental and quasi-governmental authorities and regulators throughout the world have previously responded to serious economic disruptions with a variety of significant fiscal and monetary policy changes, including, but not limited to, direct capital infusions into companies, new monetary programs and dramatically lower interest rates. An unexpected or sudden reversal of these policies, or the ineffectiveness of these policies, could increase volatility in securities markets, which could adversely affect the Fund's investments. Any market disruptions could also prevent the Fund from executing advantageous investment decisions in a timely manner. To the extent that the Fund focuses its investments in a region enduring geopolitical market disruption, it will face higher risks of loss, although the increasing interconnectivity between global economies and financial markets can lead to events or conditions in one country, region or financial market adversely impacting a different country, region or financial market. Thus, investors should closely monitor current market conditions to determine whether the Fund meets their individual financial needs and tolerance for risk.

Current market conditions may pose heightened risks with respect to the Fund's investment in fixed income securities. Interest rates in the U.S. are at or near historically low levels. Any interest rate increases in the future could cause the value of the Fund to decrease. Recently, there have been signs of inflationary price movements. As such, fixed income securities markets may experience heightened levels of interest rate, volatility and liquidity risk.

Exchanges and securities markets may close early, close late or issue trading halts on specific securities or generally, which may result in, among other things, the Fund being unable to buy or sell certain securities or financial instruments at an advantageous time or accurately price its portfolio investments.

***Coronavirus ("COVID-19") and Global Health Event Risk.*** As of the filing date of this Annual Report, there is an outbreak of a highly contagious form of a novel coronavirus known as "COVID-19." COVID-19 has been declared a pandemic by the World Health Organization and, in response to the outbreak, the U.S. Health and Human Services Secretary declared a public health emergency in the United States. COVID-19 had a devastating impact on the global economy, including the U.S. economy, and resulted in a global economic recession. Many states issued orders requiring the closure of non-essential businesses and/or requiring residents to stay at home. The COVID-19 pandemic and preventative measures taken to contain or mitigate its spread have caused, and are continuing to cause, business shutdowns, cancellations of events and travel, significant reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain interruptions and overall economic and financial market instability both globally and in the United States. Such effects will likely continue for the duration of the pandemic, which is uncertain, and for some period thereafter. While several countries, as well as certain states, counties and cities in the United States, began to relax the early public health restrictions with a view to partially or fully reopening their economies, many cities, both globally and in the United States, continue to experience, from time to time, surges in the reported number of cases and hospitalizations related to the COVID-19 pandemic. Increases in cases can and have led to the re-introduction of restrictions and business shutdowns in certain states, counties and cities in the United States and globally and could continue to lead to the re-introduction of such restrictions elsewhere. Additionally, the vaccine produced by Johnson & Johnson is currently authorized for emergency



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use, and the U.S. Food and Drug Administration (“FDA”) has granted full approval to the vaccines produced by Pfizer-BioNTech and Moderna, which will now be marketed as Comirnaty and Spikevax, respectively. However, it remains unclear how quickly the vaccines will be distributed nationwide and globally or when “herd immunity” will be achieved and the restrictions that were imposed to slow the spread of the virus will be lifted entirely. Various factors could lead people to continue to self-isolate and not participate in the economy at pre-pandemic levels for a prolonged period of time. Even after the COVID-19 pandemic subsides, the U.S. economy and most other major global economies may continue to experience a substantial economic downturn or recession, and our business and operations, as well as the business and operations of our portfolio companies, could be materially adversely affected by a prolonged economic downturn or recession in the United States and other major markets. Potential consequences of the current unprecedented measures taken in response to the spread of COVID-19, and current market disruptions and volatility that may impact the Fund include, but are not limited to:

- sudden, unexpected and/or severe declines in the market price of our common stock or net asset value;
- inability of the Fund to accurately or reliably value its portfolio;
- inability of the Fund to comply with certain asset coverage ratios that would prevent the Fund from paying dividends to our common stockholders;
- inability of the Fund to pay any dividends and distributions;
- inability of the Fund to maintain its status as a RIC under the Code;
- potentially severe, sudden and unexpected declines in the value of our investments;
- increased risk of default or bankruptcy by the companies in which we invest;
- increased risk of companies in which the Fund invests being unable to weather an extended cessation of normal economic activity and thereby impairing their ability to continue functioning as a going concern;
- reduced economic demand resulting from mass employee layoffs or furloughs in response to governmental action taken to slow the spread of COVID-19, which could impact the continued viability of the companies in which we invest;
- companies in which the Fund invests being disproportionately impacted by governmental action aimed at slowing the spread of COVID-19 or mitigating its economic effects;
- limited availability of new investment opportunities; and
- general threats to the Fund’s ability to continue investment operations and to operate successfully as a diversified, closed-end investment company.

Despite actions of the U.S. federal government and foreign governments, the uncertainty surrounding the COVID-19 pandemic and other factors has contributed to significant volatility and declines in the global public equity markets and global debt capital markets, including the net asset value of the Fund’s shares. These events could have, and/or have had, a significant impact on the Fund’s performance, net asset value, income, operating results and ability to pay distributions, as well as the performance, income, operating results and viability of issuers in which it invests.

**It is virtually impossible to determine the ultimate impact of COVID-19 at this time. Further, the extent and strength of any economic recovery after the COVID-19 pandemic abates, including following any “second wave,” “third wave” or other intensifying of the pandemic, is uncertain and subject to various**

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### Additional Fund Information (Continued) (Unaudited)

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**factors and conditions. Accordingly, an investment in the Fund is subject to an elevated degree of risk as compared to other market environments.**

**Equity Risk.** Investing in the Fund involves equity risk, which is the risk that the securities held by the Fund will fall in market value due to adverse market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate and the particular circumstances and performance of particular companies whose securities the Fund holds. An investment in the Fund represents an indirect economic stake in the securities owned by the Fund, which are for the most part traded on securities exchanges or in the OTC markets. The market value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The net asset value of the Fund may at any point in time be worth less than the amount at the time the shareholder invested in the Fund, even after taking into account any reinvestment of distributions.

**Common Stock Risk.** Common stock of an issuer in the Fund's portfolio may decline in price for a variety of reasons, including if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. Common stock in which the Fund invests is structurally subordinated as to income and residual value to preferred stock, bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater dividend risk than preferred stock or debt instruments of such issuers. In addition, while common stock has historically generated higher average returns than fixed income securities, common stock has also experienced significantly more volatility in those returns.

**Inflation Risk.** Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Recently, there have been market indicators of a rise in inflation. As inflation increases, the real value of the Fund's shares and distributions therefore may decline. In addition, during any periods of rising inflation, dividend rates of any debt securities issued by the Fund would likely increase, which would tend to further reduce returns to common shareholders. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and the Fund's investments may not keep pace with inflation, which may result in losses to Fund shareholders. This risk is greater for fixed-income instruments with longer maturities.

**Preferred Stock Risk.** There are special risks associated with the Fund's investing in preferred securities, including:

- **Deferral.** Preferred securities may include provisions that permit the issuer, at its discretion, to defer dividends or distributions for a stated period without any adverse consequences to the issuer. If the Fund owns a preferred security that is deferring its dividends or distributions, the Fund may be required to report income for tax purposes although it has not yet received such income.
- **Non-Cumulative Dividends.** Some preferred securities are non-cumulative, meaning that the dividends do not accumulate and need not ever be paid. A portion of the portfolio may include investments in non-cumulative preferred securities, whereby the issuer does not have an obligation to make up any arrearages to its shareholders. Should an issuer of a non-cumulative preferred security held by the Fund determine not to pay dividends or distributions on such security, the Fund's return from that security may

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### Additional Fund Information (Continued) (Unaudited)

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be adversely affected. There is no assurance that dividends or distributions on non-cumulative preferred securities in which the Fund invests will be declared or otherwise made payable.

- **Subordination.** Preferred securities are subordinated to bonds and other debt instruments in an issuer's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than more senior debt security instruments.
- **Liquidity.** Preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. government securities.
- **Limited Voting Rights.** Generally, preferred security holders (such as the Fund) have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may be entitled to elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights.
- **Special Redemption Rights.** In certain varying circumstances, an issuer of preferred securities may redeem the securities prior to a specified date. For instance, for certain types of preferred securities, a redemption may be triggered by a change in U.S. federal income tax or securities laws. A redemption by the issuer may negatively impact the return of the security held by the Fund.

**Convertible Securities Risk.** A convertible security is a bond, debenture, corporate note, preferred stock or other securities that may be exchanged or converted into a prescribed amount of common stock or other equity security of the same or a different issuer within a particular period of time at a specified price or formula. Before conversion, convertible securities have the same overall characteristics as non-convertible debt securities insofar as they generally provide a stable stream of income with generally higher yields than those of equity securities of the same or similar issuers. Convertible securities rank senior to common stock in an issuer's capital structure. They are of a higher credit quality and entail less risk than an issuer's common stock, although the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security.

Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. In the absence of adequate anti-dilution provisions in a convertible security, dilution in the value of the Fund's holding may occur in the event the underlying stock is subdivided, additional equity securities are issued for below market value, a stock dividend is declared or the issuer enters into another type of corporate transaction that has a similar effect.

**Selection Risk.** Different types of stocks tend to shift into and out of favor with stock market investors, depending on market and economic conditions. The performance of funds that invest in value-style stocks may at times be better or worse than the performance of stock funds that focus on other types of stocks or that have a broader investment style.

**Merger Arbitrage Risk.** The Fund may invest in securities of companies for which a tender or exchange offer has been made or announced, and in securities of companies for which a merger, consolidation, liquidation or reorganization proposal has been announced. The principal risk of such investments is that certain of such proposed transactions may be renegotiated, terminated or involve a longer time frame than originally

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### Additional Fund Information (Continued) (Unaudited)

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contemplated, in which case the Fund may realize losses. Such risk is sometimes referred to as "merger arbitrage risk." Among the factors that affect the level of risk with respect to the completion of the transaction are the deal spread and number of bidders, the friendliness of the buyer and seller, the strategic rationale behind the transaction, the existence of regulatory hurdles, the level of due diligence completed on the target company and the ability of the buyer to finance the transaction. If the spread between the purchase price and the current price of the seller's stock is small, the risk that the transaction will not be completed may outweigh the potential return. If there is very little interest by other potential buyers in the target company, the risk of loss may be higher than where there are back-up buyers that would allow the arbitrageur to realize a similar return if the current deal falls through. Unfriendly management of the target company or change in friendly management in the middle of a deal increases the risk that the deal will not be completed even if the target company's board has approved the transaction and may involve the risk of litigation expense if the target company pursues litigation in an attempt to prevent the deal from occurring. The underlying strategy behind the deal is also a risk consideration because the less a target company will benefit from a merger or acquisition, the greater the risk. There is also a risk that an acquiring company may back out of an announced deal if, in the process of completing its due diligence of the target company, it discovers something undesirable about such company. In addition, merger transactions are also subject to regulatory risk because a merger transaction often must be approved by a regulatory body or pass governmental antitrust review. All of these factors affect the timing and likelihood that the transaction will close. Even if the Investment Adviser selects announced deals with the goal of mitigating the risks that the transaction will fail to close, such risks may still delay the closing of such transaction to a date later than the Fund originally anticipated, reducing the level of desired return to the Fund.

Merger arbitrage positions are also subject to the risk of overall market movements. To the extent that a general increase or decline in equity values affects the stocks involved in a merger arbitrage position differently, the position may be exposed to loss.

Finally, merger arbitrage strategies depend for success on the overall volume of global merger activity, which has historically been cyclical in nature. During periods when merger activity is low, it may be difficult or impossible to identify opportunities for profit or to identify a sufficient number of such opportunities to provide balance among potential merger transactions. To the extent that the number of announced deals and corporate reorganizations decreases or the number of investors in such transactions increases, it is possible that merger arbitrage spreads will tighten, causing the profitability of investing in such transactions to diminish, which will in turn decrease the returns to the Fund from such investment activity.

**Recapitalization Risk.** In recapitalizations, a corporation may restructure its balance sheet by selling specific assets, significantly leveraging other assets and creating new classes of equity securities to be distributed, together with a substantial payment in cash or in debt securities, to existing shareholders. In connection with such transactions, there is a risk that the value of the cash and new securities distributed will not be as high as the cost of the Fund's original investment or that no such distribution will ultimately be made and the value of the Fund's investment will decline. To the extent an investment in a company that has undertaken a recapitalization is retained by the Fund, the Fund's risks will generally be comparable to those associated with investments in highly leveraged companies, generally including higher than average sensitivity to (i) short term interest rate fluctuations, (ii) downturns in the general economy or within a particular industry or (iii) adverse developments within the company itself.

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### Additional Fund Information (Continued) (Unaudited)

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**Distribution Risk for Equity Income Securities.** In selecting equity income securities in which the Fund will invest, the Investment Adviser will consider the issuer's history of making regular periodic distributions (i.e., dividends) to its equity holders. An issuer's history of paying dividends, however, does not guarantee that the issuer will continue to pay dividends in the future. The dividend income stream associated with equity income securities generally is not guaranteed and will be subordinate to payment obligations of the issuer on its debt and other liabilities. Accordingly, in the event the issuer does not realize sufficient income in a particular period both to service its liabilities and to pay dividends on its equity securities, it may forgo paying dividends on its equity securities. In addition, because in most instances issuers are not obligated to make periodic distributions to the holders of their equity securities, such distributions or dividends generally may be discontinued at the issuer's discretion.

Dividend-producing equity income securities, in particular those whose market price is closely related to their yield, may exhibit greater sensitivity to interest rate changes. See "—Fixed Income Securities Risks—Interest Rate Risk." The Fund's investments in dividend-producing equity income securities may also limit its potential for appreciation during a broad market advance.

The prices of dividend-producing equity income securities can be highly volatile. Investors should not assume that the Fund's investments in these securities will necessarily reduce the volatility of the Fund's net asset value or provide "protection," compared to other types of equity income securities, when markets perform poorly.

**Value Investing Risk.** The Fund focuses its investments on the securities of companies that the Investment Adviser believes to be undervalued or inexpensive relative to other investments. These types of securities may present risks in addition to the general risks associated with investing in common and preferred stocks. These securities generally are selected on the basis of an issuer's fundamentals relative to current market price. Such securities are subject to the risk of mis-estimation of certain fundamental factors. In addition, during certain time periods market dynamics may strongly favor "growth" stocks of issuers that do not display strong fundamentals relative to market price based upon positive price momentum and other factors. Disciplined adherence to a "value" investment mandate during such periods can result in significant underperformance relative to overall market indices and other managed investment vehicles that pursue growth style investments and/or flexible equity style mandates.

**Fixed Income Securities Risks.** Fixed income securities in which the Fund may invest are generally subject to the following risks:

- **Interest Rate Risk.** The market value of bonds and other fixed-income or dividend-paying securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other income- or dividend-paying securities will increase as interest rates fall and decrease as interest rates rise.

The Fund may be subject to a greater risk of rising interest rates due to the current period of historically low interest rates and recent inflationary price movements. The magnitude of these fluctuations in the market price of bonds and other income- or dividend-paying securities is generally greater for those securities with longer maturities. Fluctuations in the market price of the Fund's investments will not affect interest income derived from instruments already owned by the Fund, but will be reflected in the Fund's net asset value. The Fund may lose money if short term or long term interest rates rise sharply.

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in a manner not anticipated by Fund management. To the extent the Fund invests in debt securities that may be prepaid at the option of the obligor (such as mortgage-related securities), the sensitivity of such securities to changes in interest rates may increase (to the detriment of the Fund) when interest rates rise. Moreover, because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the net asset value of the Fund to the extent that it invests in floating rate debt securities. These basic principles of bond prices also apply to U.S. government securities. A security backed by the "full faith and credit" of the U.S. government is guaranteed only as to its stated interest rate and face value at maturity, not its current market price. Just like other income- or dividend-paying securities, government-guaranteed securities will fluctuate in value when interest rates change.

The Fund's use of leverage will tend to increase the Fund's interest rate risk. The Fund may utilize certain strategies, including taking positions in futures or interest rate swaps, for the purpose of reducing the interest rate sensitivity of income- or dividend-paying securities held by the Fund and decreasing the Fund's exposure to interest rate risk. The Fund is not required to hedge its exposure to interest rate risk and may choose not to do so. In addition, there is no assurance that any attempts by the Fund to reduce interest rate risk will be successful or that any hedges that the Fund may establish will perfectly correlate with movements in interest rates.

The Fund may invest in variable and floating rate debt instruments, which generally are less sensitive to interest rate changes than longer duration fixed rate instruments, but may decline in value in response to rising interest rates if, for example, the rates at which they pay interest do not rise as much, or as quickly, as market interest rates in general. Conversely, variable and floating rate instruments generally will not increase in value if interest rates decline. The Fund also may invest in inverse floating rate debt securities, which may decrease in value if interest rates increase, and which also may exhibit greater price volatility than fixed rate debt obligations with similar credit quality. To the extent the Fund holds variable or floating rate instruments, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities, which may adversely affect the net asset value of the Fund's common shares.

- **Issuer Risk.** Issuer risk is the risk that the value of an income- or dividend-paying security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer's goods and services, historical and prospective earnings of the issuer and the value of the assets of the issuer.
- **Credit Risk.** Credit risk is the risk that one or more income- or dividend-paying securities in the Fund's portfolio will decline in price or fail to pay interest/distributions or principal when due because the issuer of the security experiences a decline in its financial status. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates. To the extent the Fund invests in below investment grade securities, it will be exposed to a greater amount of credit risk than a fund which only invests in investment grade securities. See "—Non-Investment Grade Securities." In addition, to the extent the Fund uses credit derivatives, such use will expose it to additional risk in the



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### Additional Fund Information (Continued) (Unaudited)

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event that the bonds underlying the derivatives default. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities.

- **Prepayment Risk.** Prepayment risk is the risk that during periods of declining interest rates, borrowers may exercise their option to prepay principal earlier than scheduled. For income- or dividend-paying securities, such payments often occur during periods of declining interest rates, forcing the Fund to reinvest in lower yielding securities, resulting in a possible decline in the Fund's income and distributions to shareholders. This is known as prepayment or "call" risk. Below investment grade securities frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met ("call protection"). For premium bonds (bonds acquired at prices that exceed their par or principal value) purchased by the Fund, prepayment risk may be enhanced.
- **Reinvestment Risk.** Reinvestment risk is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed income securities at market interest rates that are below the Fund portfolio's current earnings rate.
- **Duration and Maturity Risk.** The Fund has no set policy regarding portfolio maturity or duration of the fixed-income securities it may hold. The Investment Adviser may seek to adjust the duration or maturity of the Fund's fixed-income holdings based on its assessment of current and projected market conditions and all other factors that the Investment Adviser deems relevant. In comparison to maturity (which is the date on which the issuer of a debt instrument is obligated to repay the principal amount), duration is a measure of the price volatility of a debt instrument as a result in changes in market rates of interest, based on the weighted average timing of the instrument's expected principal and interest payments. Specifically, duration measures the anticipated percentage change in net asset value that is expected for every percentage point change in interest rates. The two have an inverse relationship. Duration can be a useful tool to estimate anticipated price changes to a fixed pool of income securities associated with changes in interest rates. For example, a duration of five years means that a 1% decrease in interest rates will increase the net asset value of the portfolio by approximately 5%; if interest rates increase by 1%, the net asset value will decrease by 5%. However, in a managed portfolio of fixed income securities having differing interest or dividend rates or payment schedules, maturities, redemption provisions, call or prepayment provisions and credit qualities, actual price changes in response to changes in interest rates may differ significantly from a duration-based estimate at any given time. Actual price movements experienced by a portfolio of fixed income securities will be affected by how interest rates move (i.e., changes in the relationship of long term interest rates to short term interest rates), the magnitude of any move in interest rates, actual and anticipated prepayments of principal through call or redemption features, the extension of maturities through restructuring, the sale of securities for portfolio management purposes, the reinvestment of proceeds from prepayments on and from sales of securities, and credit quality-related considerations whether associated with financing costs to lower credit quality borrowers or otherwise, as well as other factors. Accordingly, while duration maybe a useful tool to estimate potential price movements in relation to changes in interest rates, investors are cautioned that duration alone will not predict actual changes in the net asset or market value of the Fund's shares and that actual price movements in the Fund's portfolio may differ significantly from duration-based estimates. Duration differs from maturity in that it takes into account a security's yield, coupon payments and its principal payments



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### **Additional Fund Information (Continued) (Unaudited)**

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in addition to the amount of time until the security matures. As the value of a security changes over time, so will its duration. Prices of securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. In general, a portfolio of securities with a longer duration can be expected to be more sensitive to interest rate changes than a portfolio with a shorter duration. Any decisions as to the targeted duration or maturity of any particular category of investments will be made based on all pertinent market factors at any given time. The Fund may incur costs in seeking to adjust the portfolio average duration or maturity. There can be no assurance that the Investment Adviser's assessment of current and projected market conditions will be correct or that any strategy to adjust duration or maturity will be successful at any given time.

**LIBOR Risk.** The Fund may be exposed to financial instruments that are tied to the London Interbank Offered Rate ("LIBOR") to determine payment obligations, financing terms, hedging strategies or investment value. The Fund's investments may pay interest at floating rates based on LIBOR or may be subject to interest caps or floors based on LIBOR. The Fund may also obtain financing at floating rates based on LIBOR. Derivative instruments utilized by the Fund may also reference LIBOR.

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. LIBOR can no longer be used to calculate new deals as of December 31, 2021. Since December 31, 2021, all sterling, euro, Swiss franc and Japanese yen LIBOR settings and the 1-week and 2-month U.S. dollar LIBOR settings have ceased to be published or are no longer be representative, and after June 30, 2023, the overnight, 1-month, 3-month, 6-month and 12-month U.S. dollar LIBOR settings will cease to be published or will no longer be representative. Various financial industry groups have begun planning for the transition away from LIBOR, but there are challenges to converting certain securities and transactions to a new reference rate (e.g., the Secured Overnight Financing Rate, which is intended to replace the U.S. dollar LIBOR). Neither the effect of the LIBOR transition process nor its ultimate success can yet be known.

At this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR, although the U.S. Federal Reserve, in connection with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with the Secured Overnight Financing Rate ("SOFR"). Given the inherent differences between LIBOR and SOFR, or any other alternative benchmark rate that may be established, there are many uncertainties regarding a transition from LIBOR, including but not limited to the need to amend all contracts with LIBOR as the referenced rate and how this will impact the cost of variable rate debt and certain derivative financial instruments. In addition, SOFR or other replacement rates may fail to gain market acceptance. Any failure of SOFR or alternative reference rates to gain market acceptance could adversely affect the return on, value of and market for securities linked to such rates.

Neither the effect of the LIBOR transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets for, and reduce the effectiveness of, new hedges placed against, instruments whose terms currently include LIBOR. While some existing LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, there may be significant uncertainty regarding the effectiveness of any such alternative methodologies to replicate LIBOR. Not all existing LIBOR-based instruments may

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### Additional Fund Information (Continued) (Unaudited)

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have alternative rate-setting provisions and there remains uncertainty regarding the willingness and ability of issuers to add alternative rate-setting provisions in certain existing instruments. Moreover, these alternative rate-setting provisions may not be designed for regular use in an environment where LIBOR ceases to be published, and may be an ineffective fallback following the discontinuation of LIBOR. This could lead, in some circumstances, including with respect to the rate setting mechanisms for the Series B Preferred Shares, Series C Preferred Shares and Series E Preferred Shares, to circumstances where a last-resort fallback of fixing any LIBOR-based reference rate at the last published LIBOR rate will apply. Such a result could lead to divergent and unexpected economic results for the Fund and holders of any such affected instruments, including holders of the Series B Preferred Shares, Series C Preferred Shares and Series E Preferred Shares, and could result in the rates payable on any such instruments not representing prevailing market rates, all of which could have a material adverse effect on the Fund, holders of such instruments, including holders of Series B Preferred Shares, Series C Preferred Shares and Series E Preferred Shares, or both.

In addition, a liquid market for newly-issued instruments that use a reference rate other than LIBOR still may be developing. There may also be challenges for the Fund to enter into hedging transactions against such newly-issued instruments until a market for such hedging transactions develops. All of the aforementioned may adversely affect the Fund's performance or net asset value.

**Corporate Bonds Risk.** The market value of a corporate bond generally may be expected to rise and fall inversely with interest rates. The market value of intermediate and longer term corporate bonds is generally more sensitive to changes in interest rates than is the market value of shorter term corporate bonds. The market value of a corporate bond also may be affected by factors directly related to the issuer, such as investors' perceptions of the creditworthiness of the issuer, the issuer's financial performance, perceptions of the issuer in the market place, performance of management of the issuer, the issuer's capital structure and use of financial leverage and demand for the issuer's goods and services. Certain risks associated with investments in corporate bonds are described elsewhere in this Annual Report in further detail, including under "—Fixed Income Securities Risks—Credit Risk," "—Fixed Income Securities Risks—Interest Rate Risk," "—Fixed Income Securities Risks—Prepayment Risk," and "—General Risks—Inflation Risk." There is a risk that the issuers of corporate bonds may not be able to meet their obligations on interest or principal payments at the time called for by an instrument. Corporate bonds of below investment grade quality are often high risk and have speculative characteristics and may be particularly susceptible to adverse issuer-specific developments. Corporate bonds of below investment grade quality are subject to the risks described herein under "—Non-Investment Grade Securities."

**Prepayment Risks on Government Sponsored Mortgage-Backed Securities.** The yield and maturity characteristics of government sponsored mortgage-backed securities differ from traditional debt securities. A major difference is that the principal amount of the obligations may generally be prepaid at any time because the underlying assets (i.e., loans) generally may be prepaid at any time. Prepayment risks include the following:

the relationship between prepayments and interest rates may give some lower grade government sponsored mortgage-backed securities less potential for growth in value than conventional bonds with comparable maturities;

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### Additional Fund Information (Continued) (Unaudited)

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in addition, when interest rates fall, the rate of prepayments tends to increase. During such periods, the reinvestment of prepayment proceeds by the Fund will generally be at lower rates than the rates that were carried by the obligations that have been prepaid;

because of these and other reasons, a government sponsored mortgage-backed security's total return and maturity may be difficult to predict; and

to the extent that the Fund purchases government sponsored mortgage-backed securities at a premium, prepayments may result in loss of the Fund's principal investment to the extent of premium paid.

**Non-Investment Grade Securities.** The Fund may invest in below investment-grade securities, also known as high-yield securities or "junk" bonds. These securities, which may be preferred stock or debt, are predominantly speculative and involve major risk exposure to adverse conditions. Securities that are rated lower than "BBB" by S&P or lower than "Baa" by Moody's (or unrated debt securities of comparable quality) are referred to in the financial press as "junk bonds" or "high yield" securities and generally pay a premium above the yields of U.S. government securities or debt securities of investment grade issuers because they are subject to greater risks than these securities. These risks, which reflect their speculative character, include the following:

- greater volatility;

- greater credit risk and risk of default;

- potentially greater sensitivity to general economic or industry conditions;

- potential lack of attractive resale opportunities (illiquidity); and

- additional expenses to seek recovery from issuers who default.

In addition, the prices of these non-investment grade securities are more sensitive to negative developments, such as a decline in the issuer's revenues or a general economic downturn, than are the prices of higher grade securities. Non-investment grade securities tend to be less liquid than investment grade securities. The market value of non-investment grade securities may be more volatile than the market value of investment grade securities and generally tends to reflect the market's perception of the creditworthiness of the issuer and short term market developments to a greater extent than investment grade securities, which primarily reflect fluctuations in general levels of interest rates.

Ratings are relative and subjective and not absolute standards of quality. Securities ratings are based largely on the issuer's historical financial condition and the rating agencies' analysis at the time of rating. Consequently, the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition.

As a part of its investments in non-investment grade securities, the Fund may invest in the securities of issuers in default. The Fund invests in securities of issuers in default only when the Investment Adviser believes that such issuers will honor their obligations and emerge from bankruptcy protection and that the value of such issuers' securities will appreciate. By investing in the securities of issuers in default, the Fund bears the risk that these issuers will not continue to honor their obligations or emerge from bankruptcy protection or that the value of these securities will not otherwise appreciate.

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### Additional Fund Information (Continued) (Unaudited)

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***Small and Mid-Cap Company Risk.*** The Fund may invest in the equity securities of small-cap and/or mid-cap companies.

Small and mid-cap companies offer investment opportunities and additional risks. They may not be well known to the investing public, may not be significantly owned by institutional investors and may not have steady earnings growth. These companies may have limited product or business lines and markets, as well as shorter operating histories, less experienced management and more limited financial resources than larger companies. Changes in any one line of business, therefore, may have a greater impact on a small or mid-cap company's stock price than is the case for a larger company. In addition, the securities of such companies may be more vulnerable to adverse general market or economic developments, more volatile in price, have wider spreads between their bid and ask prices and have significantly lower trading volumes than the securities of larger capitalization companies. As such, securities of these small and mid-cap companies may be less liquid than those of larger companies, and may experience greater price fluctuations than larger companies. In addition, small-cap or mid-cap company securities may not be widely followed by investors, which may result in reduced demand.

As a result, the purchase or sale of more than a limited number of shares of the securities of a small or mid-cap company may affect its market price. The Investment Adviser may need a considerable amount of time to purchase or sell its positions in these securities, particularly when other Investment Adviser-managed accounts or other investors are also seeking to purchase or sell them.

The securities of small and mid-cap companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization securities or the market as a whole. In addition, small and mid-cap securities may be particularly sensitive to changes in interest rates, borrowing costs and earnings. Investing in small and mid-cap securities requires a longer-term view.

Small and mid-cap companies, due to the size and kinds of markets that they serve, may be less susceptible than large-cap companies to intervention from the U.S. federal government by means of price controls, regulations or litigation.

***Financial Services Sector Risk.*** The Fund has in the past invested, and may in the future invest, a significant portion of its total assets in securities issued by financial services companies. Financial services are generally involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, financial investments, or real estate

The profitability of many types of financial services companies may be adversely affected in certain market cycles, including periods of rising interest rates, which may restrict the availability and increase the cost of capital, and declining economic conditions, which may cause credit losses due to financial difficulties of borrowers. Financial services companies are also subject to extensive government regulation, including policy and legislative changes in the United States and other countries.

Additional risks include the effects of changes in interest rates on the profitability of financial services companies, the rate of corporate and consumer debt defaults, price competition, governmental limitations on a company's loans, other financial commitments, product lines and other operations, and recent ongoing changes in financial services companies (including consolidations, development of new products and changes to such companies' regulatory framework). Some financial services companies have recently experienced significant

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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losses in value and the possible recapitalization of such companies may present greater risks of loss. Insurance companies have additional risks, such as heavy price competition, claims activity and marketing competition, and can be particularly sensitive to specific events such as man-made and natural disasters (including weather catastrophes), terrorism, mortality risks and morbidity rates.

***U.S. Government Securities and Credit Rating Downgrade Risk.*** The Fund may invest in direct obligations of the government of the United States or its agencies. Obligations issued or guaranteed by the U.S. government, its agencies, authorities and instrumentalities and backed by the full faith and credit of the U.S. guarantee only that principal and interest will be timely paid to holders of the securities. These entities do not guarantee that the value of such obligations will increase, and, in fact, the market values of such obligations may fluctuate. In addition, not all U.S. government securities are backed by the full faith and credit of the United States; some are the obligation solely of the entity through which they are issued. There is no guarantee that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law.

In 2011, S&P lowered its long term sovereign credit rating on the U.S. to "AA+" from "AAA." The downgrade by S&P increased volatility in both stock and bond markets, resulting in higher interest rates and higher Treasury yields, and increased the costs of all kinds of debt. Repeat occurrences of similar events could have significant adverse effects on the U.S. economy generally and could result in significant adverse impacts on issuers of securities held by the Fund itself. The Investment Adviser cannot predict the effects of similar events in the future on the U.S. economy and securities markets or on the Fund's portfolio. The Investment Adviser monitors developments and seeks to manage the Fund's portfolio in a manner consistent with achieving the Fund's investment objective, but there can be no assurance that it will be successful in doing so and the Investment Adviser may not timely anticipate or manage existing, new or additional risks, contingencies or developments.

***Prepayment Risks on Government Sponsored Mortgage-Backed Securities.*** The yield and maturity characteristics of government sponsored mortgage-backed securities differ from traditional debt securities. A major difference is that the principal amount of the obligations may generally be prepaid at any time because the underlying assets (i.e., loans) generally may be prepaid at any time. Prepayment risks include the following:

the relationship between prepayments and interest rates may give some lower grade government sponsored mortgage-backed securities less potential for growth in value than conventional bonds with comparable maturities;

in addition, when interest rates fall, the rate of prepayments tends to increase. During such periods, the reinvestment of prepayment proceeds by the Fund will generally be at lower rates than the rates that were carried by the obligations that have been prepaid;

because of these and other reasons, a government sponsored mortgage-backed security's total return and maturity may be difficult to predict; and

to the extent that the Fund purchases government sponsored mortgage-backed securities at a premium, prepayments may result in loss of the Fund's principal investment to the extent of premium paid.

***Foreign Securities Risk.*** Investments in the securities of foreign issuers involve certain considerations and risks not ordinarily associated with investments in securities of domestic issuers and such securities may be more volatile than those of issuers located in the United States. Foreign companies are not generally subject to

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies.

Foreign securities exchanges, brokers and listed companies may be subject to less government supervision and regulation than exists in the United States. Dividend and interest income may be subject to withholding and other foreign taxes, which may adversely affect the net return on such investments. There may be difficulty in obtaining or enforcing a court judgment abroad. In addition, it may be difficult to effect repatriation of capital invested in certain countries. In addition, with respect to certain countries, there are risks of expropriation, confiscatory taxation, political or social instability or diplomatic developments that could affect assets of the Fund held in foreign countries. Dividend income the Fund receives from foreign securities may not be eligible for the special tax treatment applicable to qualified dividend income. Moreover, certain equity investments in foreign issuers classified as passive foreign investment companies may be subject to additional taxation risk.

There may be less publicly available information about a foreign company than a U.S. company. Foreign securities markets may have substantially less volume than U.S. securities markets and some foreign company securities are less liquid than securities of otherwise comparable U.S. companies. A portfolio of foreign securities may also be adversely affected by fluctuations in the rates of exchange between the currencies of different nations and by exchange control regulations. Foreign markets also have different clearance and settlement procedures that could cause the Fund to encounter difficulties in purchasing and selling securities on such markets and may result in the Fund missing attractive investment opportunities or experiencing loss. In addition, a portfolio that includes foreign securities can expect to have a higher expense ratio because of the increased transaction costs on non-U.S. securities markets and the increased costs of maintaining the custody of foreign securities.

The Fund also may purchase ADRs or U.S. dollar-denominated securities of foreign issuers. ADRs are receipts issued by U.S. banks or trust companies in respect of securities of foreign issuers held on deposit for use in the U.S. securities markets. While ADRs may not necessarily be denominated in the same currency as the securities into which they may be converted, many of the risks associated with foreign securities may also apply to ADRs. In addition, the underlying issuers of certain depositary receipts, particularly unsponsored or unregistered depositary receipts, are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities.

The following provides more detail on certain pronounced risks with foreign investing:

**Foreign Currency Risk.** The Fund may invest in companies whose securities are denominated or quoted in currencies other than U.S. dollars or have significant operations or markets outside of the United States. In such instances, the Fund will be exposed to currency risk, including the risk of fluctuations in the exchange rate between U.S. dollars (in which the Fund's shares are denominated) and such foreign currencies, the risk of currency devaluations and the risks of non-exchangeability and blockage. As non-U.S. securities may be purchased with and payable in currencies of countries other than the U.S. dollar, the value of these assets measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. Fluctuations in currency rates may adversely affect the ability of the Investment Adviser to acquire such securities at advantageous prices and may also adversely affect the performance of such assets.

Certain non-U.S. currencies, primarily in developing countries, have been devalued in the past and might face devaluation in the future. Currency devaluations generally have a significant and adverse impact on the devaluing



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### Additional Fund Information (Continued) (Unaudited)

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country's economy in the short and intermediate term and on the financial condition and results of companies' operations in that country. Currency devaluations may also be accompanied by significant declines in the values and liquidity of equity and debt securities of affected governmental and private sector entities generally. To the extent that affected companies have obligations denominated in currencies other than the devalued currency, those companies may also have difficulty in meeting those obligations under such circumstances, which in turn could have an adverse effect upon the value of the Fund's investments in such companies. There can be no assurance that current or future developments with respect to foreign currency devaluations will not impair the Fund's investment flexibility, its ability to achieve its investment objective or the value of certain of its foreign currency-denominated investments.

**Tax Consequences of Foreign Investing.** The Fund's transactions in foreign currencies, foreign currency-denominated debt obligations and certain foreign currency options, futures contracts and forward contracts (and similar instruments) may give rise to ordinary income or loss to the extent such income or loss results from fluctuations in the value of the foreign currency concerned. This treatment could increase or decrease the Fund's ordinary income distributions to you, and may cause some or all of the Fund's previously distributed income to be classified as a return of capital. In certain cases, the Fund may make an election to treat gain or loss attributable to certain investments as capital gain or loss.

***EMU and Redenomination Risk.*** As the European debt crisis progressed, the possibility of one or more Eurozone countries exiting the European Monetary Union ("EMU"), or even the collapse of the euro as a common currency, arose, creating significant volatility at times in currency and financial markets generally. The effects of the collapse of the euro, or of the exit of one or more countries from the EMU, on the U.S. and global economies and securities markets are impossible to predict and any such events could have a significant adverse impact on the value and risk profile of the Fund's portfolio. Any partial or complete dissolution of the EMU could have significant adverse effects on currency and financial markets, and on the values of the Fund's portfolio investments. If one or more EMU countries were to stop using the euro as its primary currency, the Fund's investments in such countries may be redenominated into a different or newly adopted currency. As a result, the value of those investments could decline significantly and unpredictably. In addition, securities or other investments that are redenominated may be subject to foreign currency risk, liquidity risk and valuation risk to a greater extent than similar investments currently denominated in euros. To the extent a currency used for redenomination purposes is not specified in respect of certain EMU-related investments, or should the euro cease to be used entirely, the currency in which such investments are denominated may be unclear, making such investments particularly difficult to value or dispose of. The Fund may incur additional expenses to the extent it is required to seek judicial or other clarification of the denomination or value of such securities.

***Emerging Markets Risk.*** The considerations noted above in "Foreign Securities Risk" are generally intensified for investments in emerging market countries, including countries that may be considered "frontier" markets. Emerging market countries typically have economic and political systems that are less fully developed, and can be expected to be less stable than those of more developed countries. Investing in securities of companies in emerging markets may entail special risks relating to potential political and economic instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions on foreign investment, the lack of hedging instruments and restrictions on repatriation of



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### Additional Fund Information (Continued) (Unaudited)

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capital invested. Economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation. Emerging securities markets are substantially smaller, less developed, less liquid and more volatile than the major securities markets. The limited size of emerging securities markets and limited trading volume compared to the volume of trading in U.S. securities could cause prices to be erratic for reasons apart from factors that affect the quality of the securities. For example, limited market size may cause prices to be unduly influenced by traders who control large positions. Adverse publicity and investors' perceptions, whether or not based on fundamental analysis, may decrease the value and liquidity of portfolio securities, especially in these markets. Other risks include high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of investors and financial intermediaries; overdependence on exports, including gold and natural resources exports, making these economies vulnerable to changes in commodity prices; overburdened infrastructure and obsolete or unseasoned financial systems; environmental problems; less developed legal systems; and less reliable securities custodial services and settlement practices. Certain emerging markets may also face other significant internal or external risks, including the risk of war and civil unrest. For all of these reasons, investments in emerging markets may be considered speculative.

*Frontier Markets Risk.* Frontier countries generally have smaller economies or less developed capital markets than traditional emerging markets, and, as a result, the risks of investing in emerging market countries are magnified in frontier countries. The economies of frontier countries are less correlated to global economic cycles than those of their more developed counterparts and their markets have low trading volumes and the potential for extreme price volatility and illiquidity. This volatility may be further heightened by the actions of a few major investors. For example, a substantial increase or decrease in cash flows of mutual funds investing in these markets could significantly affect local stock prices and, therefore, the net asset value of Fund's shares. These factors make investing in frontier countries significantly riskier than in other countries and any one of them could cause the net asset value of a fund's shares to decline.

Governments of many frontier countries in which the Fund may invest may exercise substantial influence over many aspects of the private sector. In some cases, the governments of such frontier countries may own or control certain companies. Accordingly, government actions could have a significant effect on economic conditions in a frontier country and on market conditions, prices and yields of securities in the Fund's portfolio. Moreover, the economies of frontier countries may be heavily dependent upon international trade and, accordingly, have been and may continue to be, adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

*Eurozone Risk.* A number of countries in the EU have experienced, and may continue to experience, severe economic and financial difficulties, increasing the risk of investing in the European markets. In particular, many EU nations are susceptible to economic risks associated with high levels of debt, notably due to investments in sovereign debt of countries such as Greece, Italy, Spain, Portugal, and Ireland. As a result, financial markets in the EU have been subject to increased volatility and declines

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### Additional Fund Information (Continued) (Unaudited)

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in asset values and liquidity. Responses to these financial problems by European governments, central banks, and others, including austerity measures and reforms, may not work, may result in social unrest, and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets, and asset valuations around the world. Greece, Ireland, and Portugal have already received one or more "bailouts" from other Eurozone member states, and it is unclear how much additional funding they will require or if additional Eurozone member states will require bailouts in the future. One or more other countries may also abandon the euro and/or withdraw from the EU, placing its currency and banking system in jeopardy. The impact of these actions, especially if they occur in a disorderly fashion, is not clear, but could be significant and far-reaching.

***Brexit Risk.*** On January 31, 2020, the United Kingdom officially withdrew from the EU, commonly referred to as "Brexit". Following a transition period, the United Kingdom and the EU signed a Trade and Cooperation Agreement ("UK/EU Trade Agreement"), which came into full force on May 1, 2021 and set out the foundation of the economic and legal framework for trade between the United Kingdom and the EU. As the UK/EU Trade Agreement is a new legal framework, the implementation of the UK/EU Trade Agreement may result in uncertainty in its application and periods of volatility in both the United Kingdom and wider European markets. The United Kingdom's exit from the EU is expected to result in additional trade costs and disruptions in this trading relationship. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the UK diverge. The terms of the future relationship may cause continued uncertainty in the global financial markets, and adversely affect our ability, and the ability of our portfolio companies, to execute our respective strategies and to receive attractive returns. In particular, currency volatility may mean that our returns and the returns of our portfolio companies will be adversely affected by market movements and may make it more difficult, or more expensive, for us to implement appropriate currency hedging. Potential declines in the value of the British Pound and/or the euro against other currencies, along with the potential downgrading of the United Kingdom's sovereign credit rating, may also have an impact on the performance of any of our portfolio companies located in the United Kingdom or Europe.

In addition, certain European countries have experienced negative interest rates on certain fixed-income instruments. A negative interest rate policy is an unconventional central bank monetary policy tool where nominal target interest rates are set with a negative value (i.e., below zero percent) intended to help create self-sustaining growth in the local economy. Negative interest rates may result in heightened market volatility and may detract from the Fund's performance to the extent the Fund is exposed to such interest rates. Among other things, these developments have adversely affected the value and exchange rate of the euro and pound sterling, and may continue to significantly affect the economies of all EU countries, which in turn may have a material adverse effect on the Fund's investments in such countries, other countries that depend on EU countries for significant amounts of trade or investment, or issuers with exposure to debt issued by certain EU countries.

To the extent the Fund has exposure to European markets or to transactions tied to the value of the euro, these events could negatively affect the value and liquidity of the Fund's investments. All of these developments may continue to significantly affect the economies of all EU countries, which in turn may have a material adverse

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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effect on the Fund's investments in such countries, other countries that depend on EU countries for significant amounts of trade or investment, or issuers with exposure to debt issued by certain EU countries.

***Restricted and Illiquid Securities.*** Unregistered securities are securities that cannot be sold publicly in the United States without registration under the Securities Act. An illiquid investment is a security or other investment that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which the Fund has valued the investment. Unregistered securities often can be resold only in privately negotiated transactions with a limited number of purchasers or in a public offering registered under the Securities Act. Considerable delay could be encountered in either event and, unless otherwise contractually provided for, the Fund's proceeds upon sale may be reduced by the costs of registration or underwriting discounts. The difficulties and delays associated with such transactions could result in the Fund's inability to realize a favorable price upon disposition of unregistered securities, and at times might make disposition of such securities impossible. The Fund may be unable to sell illiquid investments when it desires to do so, resulting in the Fund obtaining a lower price or being required to retain the investment. Illiquid investments generally must be valued at fair value, which is inherently less precise than utilizing market values for liquid investments, and may lead to differences between the price a security is valued for determining the Fund's net asset value and the price the Fund actually receives upon sale.

***Special Risks Related to Investment in Derivatives.*** The Fund may participate in derivative transactions. Such transactions entail certain execution, market, liquidity, hedging and tax risks. Participation in the options or futures markets, in currency exchange transactions and in other derivatives transactions involves investment risks and transaction costs to which the Fund would not be subject absent the use of these strategies. If the Investment Adviser's prediction of movements in the direction of the securities, foreign currency, interest rate or other referenced instruments or markets is inaccurate, the consequences to the Fund may leave the Fund in a worse position than if it had not used such strategies. Risks inherent in the use of options, foreign currency, futures contracts and options on futures contracts, securities indices and foreign currencies include:

- dependence on the Investment Adviser's ability to predict correctly movements in the direction of the relevant measure;

- imperfect correlation between the price of the derivative instrument and movements in the prices of the referenced assets;

- the fact that skills needed to use these strategies are different from those needed to select portfolio securities;

- the possible absence of a liquid secondary market for any particular instrument at any time;

- the possible need to defer closing out certain positions to avoid adverse tax consequences;

- the possible inability of the Fund to purchase or sell a security or instrument at a time that otherwise would be favorable for it to do so, or the possible need for the Fund to sell a security or instrument at a disadvantageous time due to a need for the Fund to maintain "cover" or to segregate securities in connection with the hedging techniques; and

- the creditworthiness of counterparties.

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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Options, futures contracts, swaps contracts, and options thereon and forward contracts on securities and currencies may be traded on foreign exchanges. Such transactions may not be regulated as effectively as similar transactions in the United States, may not involve a clearing mechanism and related guarantees, and are subject to the risk of governmental actions affecting trading in, or the prices of, foreign securities. The value of such positions also could be adversely affected by (i) other complex foreign political, legal and economic factors, (ii) lesser availability than in the United States of data on which to make trading decisions, (iii) delays in the ability of the Fund to act upon economic events occurring in the foreign markets during non-business hours in the United States, (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States and (v) less trading volume. Exchanges on which options, futures, swaps and options on futures or swaps are traded may impose limits on the positions that the Fund may take in certain circumstances.

Many OTC derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should the Fund wish or be forced to sell such position may be materially different. Such differences can result in an overstatement of the Fund's net asset value and may materially adversely affect the Fund in situations in which the Fund is required to sell derivative instruments. Exchange-traded derivatives and OTC derivative transactions submitted for clearing through a central counterparty have become subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible margin requirements mandated by the SEC or the Commodity Futures Trading Commission (the "CFTC"). These regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. These margin requirements will increase the overall costs for the Fund.

While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the Fund's hedging transactions will be effective.

Derivatives may give rise to a form of leverage and may expose the Fund to greater risk and increase its costs. Recent legislation calls for new regulation of the derivatives markets. The extent and impact of the regulation is not yet known and may not be known for some time. New regulation may make derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the value or performance of derivatives.

**Short Sales Risk.** Short-selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. If the price of the security sold short increases between the time of the short sale and the time the Fund replaces the borrowed security, the Fund will incur a loss; conversely, if the price declines, the Fund will realize a capital gain. Any gain will be decreased, and any loss will be increased, by the transaction costs incurred by the Fund, including the costs associated with providing collateral to the broker-dealer (usually cash and liquid securities) and the maintenance of collateral with its Custodian. Although the Fund's gain is limited to the price at which it sold the security short, its potential loss is theoretically unlimited.

Short-selling necessarily involves certain additional risks. However, if the short seller does not own the securities sold short (an uncovered short sale), the borrowed securities must be replaced by securities purchased at market prices in order to close out the short position, and any appreciation in the price of the borrowed securities

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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would result in a loss. Uncovered short sales expose the Fund to the risk of uncapped losses until a position can be closed out due to the lack of an upper limit on the price to which a security may rise. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. There is the risk that the securities borrowed by the Fund in connection with a short-sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short-sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received at the time the securities were originally sold short.

In September 2008, in response to spreading turmoil in the financial markets, the SEC temporarily banned short selling in the stocks of numerous financial services companies, and also promulgated new disclosure requirements with respect to short positions held by investment managers. The SEC's temporary ban on short selling of such stocks has since expired, but should similar restrictions and/or additional disclosure requirements be promulgated, especially if market turmoil occurs, the Fund may be forced to cover short positions more quickly than otherwise intended and may suffer losses as a result. Such restrictions may also adversely affect the ability of the Fund to execute its investment strategies generally. Similar emergency orders were also instituted in non-U.S. markets in response to increased volatility. The Fund's ability to engage in short sales is also restricted by various regulatory requirements relating to short sales.

**Industry Risk.** The Fund may invest up to 25% of its total assets in securities of a single industry. Should the Fund choose to do so, the net asset value of the Fund will be more susceptible to factors affecting those particular types of companies, which, depending on the particular industry, may include, among others: governmental regulation; inflation; cost increases in raw materials, fuel and other operating expenses; technological innovations that may render existing products and equipment obsolete; and increasing interest rates resulting in high interest costs on borrowings needed for capital investment, including costs associated with compliance with environmental and other regulations. In such circumstances, the Fund's investments may be subject to greater risk and market fluctuation than a fund that had securities representing a broader range of industries.

**Leverage Risk.** The Fund currently uses financial leverage for investment purposes by issuing preferred shares. As of December 31, 2021, the amount of leverage represented approximately 14% of the Fund's net assets. The Fund's leveraged capital structure creates special risks not associated with unleveraged funds that have a similar investment objective and policies. These include the possibility of greater loss and the likelihood of higher volatility of the net asset value of the Fund and the asset coverage for any preferred shares or debt outstanding. Such volatility may increase the likelihood of the Fund having to sell investments in order to meet its obligations to make distributions on the preferred shares or principal or interest payments on debt securities, or to redeem preferred shares or repay debt, when it may be disadvantageous to do so. The Fund's use of leverage may require it to sell portfolio investments at inopportune times in order to raise cash to redeem preferred shares or otherwise de-leverage so as to maintain required asset coverage amounts or comply with the mandatory redemption terms of any outstanding preferred shares. The use of leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. To the extent the Fund is leveraged in its investment operations, the Fund will be subject to substantial risk of loss. The Fund cannot assure that borrowings or the issuance of preferred shares or notes will result in a higher yield or return

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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to the holders of the common shares. Also, to the extent the Fund utilizes leverage, a decline in net asset value could affect the ability of the Fund to make common share distributions and such a failure to make distributions could result in the Fund ceasing to qualify as a RIC under Subchapter M of the Code. For more information regarding the risks of a leverage capital structure to holders of the Fund's common shares, see "Special Risks to Holders of Common Shares—Leverage Risk."

**Market Discount Risk.** The Fund is a diversified, closed-end management investment company. Whether investors will realize gains or losses upon the sale of additional securities of the Fund will depend upon the market price of the securities at the time of sale, which may be less or more than the Fund's net asset value per share or the liquidation value of any Fund preferred shares issued. Since the market price of any additional securities the Fund may issue will be affected by such factors as the Fund's dividend and distribution levels (which are in turn affected by expenses), dividend and distribution stability, net asset value, market liquidity, the relative demand for and supply of such securities in the market, general market and economic conditions and other factors beyond the control of the Fund, we cannot predict whether any such securities will trade at, below or above net asset value or at, below or above their public offering price or at, below or above their liquidation value, as applicable. For example, common shares of closed-end funds often trade at a discount to their net asset values and the Fund's common shares may trade at such a discount. This risk may be greater for investors expecting to sell their securities of the Fund soon after the completion of a public offering for such securities. The risk of a market price discount from net asset value is separate and in addition to the risk that net asset value itself may decline. The Fund's securities are designed primarily for long term investors, and investors in the shares should not view the Fund as a vehicle for trading purposes.

**Long Term Objective; Not a Complete Investment Program.** The Fund is intended for investors seeking long term growth of capital. The Fund is not meant to provide a vehicle for those who wish to exploit short term swings in the stock market. An investment in shares of the Fund should not be considered a complete investment program. Each shareholder should take into account the Fund's investment objective as well as the shareholder's other investments when considering an investment in the Fund.

**Management Risk.** The Fund is subject to management risk because it is an actively managed portfolio. The Investment Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

**Dependence on Key Personnel.** The Investment Adviser is dependent upon the expertise of Mr. Mario J. Gabelli in providing advisory services with respect to the Fund's investments. If the Investment Adviser were to lose the services of Mr. Gabelli, its ability to service the Fund could be adversely affected. There can be no assurance that a suitable replacement could be found for Mr. Gabelli in the event of his death, resignation, retirement or inability to act on behalf of the Investment Adviser.

**Market Disruption and Geopolitical Risk.** The occurrence of events similar to those in recent years, such as localized wars, instability, new and ongoing pandemics (such as COVID-19), epidemics or outbreaks of infectious diseases in certain parts of the world, natural/environmental disasters, terrorist attacks in the United States and around the world, social and political discord, debt crises sovereign debt downgrades, increasingly strained relations between the United States and a number of foreign countries, new and continued political unrest in various countries, the exit or potential exit of one or more countries from the EU or the EMU, continued



## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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changes in the balance of political power among and within the branches of the U.S. government, government shutdowns, among others, may result in market volatility, may have long term effects on the U.S. and worldwide financial markets, and may cause further economic uncertainties in the United States and worldwide.

The current contentious domestic political environment, as well as political and diplomatic events within the United States and abroad, such as the U.S. government's inability at times to agree on a long-term budget and deficit reduction plan, may in the future result in additional government shutdowns, which could have a material adverse effect on the Fund's investments and operations. In addition, the Fund's ability to raise additional capital in the future through the sale of securities could be materially affected by a government shutdown. Additional and/or prolonged U.S. government shutdowns may affect investor and consumer confidence and may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree.

While the extreme volatility and disruption that U.S. and global markets experienced for an extended period of time beginning in 2007 and 2008 had, until the recent coronavirus (COVID-19) outbreak, generally subsided, uncertainty and periods of volatility still remain, and risks to a robust resumption of growth persist. Federal Reserve policy, including with respect to certain interest rates, may adversely affect the value, volatility and liquidity of dividend and interest paying securities. Market volatility, dramatic changes to interest rates and/or a return to unfavorable economic conditions may lower the Fund's performance or impair the Fund's ability to achieve its investment objective.

While the extreme volatility and disruption that U.S. and global markets experienced for an extended period of time beginning in 2007 and 2008 had, until the recent coronavirus (COVID-19) outbreak, generally subsided, uncertainty and periods of volatility still remain, and risks to a robust resumption of growth persist. Federal Reserve policy, including with respect to certain interest rates, may adversely affect the value, volatility and liquidity of dividend and interest paying securities. Market volatility, dramatic changes to interest rates and/or a return to unfavorable economic conditions may lower the Fund's performance or impair the Fund's ability to achieve its investment objective.

As previously discussed, Brexit has led to volatility in the financial markets of the UK and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. The decision made in the British referendum may also lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This mid- to long-term uncertainty may have an adverse effect on the economy generally and on the ability of the Fund and its investments to execute its respective strategies and to receive attractive returns. In particular, currency volatility may mean that the returns of the Fund and its investments are adversely affected by market movements and may make it more difficult, or more expensive, for the Fund to execute prudent currency hedging policies. Potential decline in the value of the British Pound and/or the Euro against other currencies, along with the potential downgrading of the United Kingdom's sovereign credit rating, may also have an impact on the performance of portfolio companies or investments located in the UK or Europe. In light of the above, no definitive assessment can currently be made regarding the impact that Brexit will have on the Fund, its investments or its organization more generally.

In addition, the rules dealing with the U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. The Tax Cuts and Jobs Act



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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made substantial changes to the Code. Among those changes were a significant permanent reduction in the generally applicable corporate tax rate, changes in the taxation of individuals and other non-corporate taxpayers that generally but not universally reduce their taxes on a temporary basis subject to “sunset” provisions, the elimination or modification of various previously allowed deductions (including substantial limitations on the deductibility of interest and, in the case of individuals, the deduction for personal state and local taxes), certain additional limitations on the deduction of net operating losses, certain preferential rates of taxation on certain dividends and certain business income derived by non-corporate taxpayers in comparison to other ordinary income recognized by such taxpayers, and significant changes to the international tax rules. In addition, the Biden administration has indicated that it intends to modify key aspects of the Code, including by increasing corporate and individual tax rates. The effect of these and other changes is uncertain, both in terms of the direct effect on the taxation of an investment in the Fund’s shares and their indirect effect on the value of the Fund’s assets, the Fund’s shares or market conditions generally.

***Regulation and Government Intervention Risk.*** The global financial crisis led the U.S. government and certain foreign governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that experienced extreme volatility, and in some cases a lack of liquidity, including through direct purchases of equity and debt securities. Federal, state and other governments and certain foreign governments and their regulatory agencies or self-regulatory organizations may take legislative and regulatory actions that affect the regulation of the instruments in which the Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Such legislation or regulation may change the way in which the Fund is regulated and could limit or preclude the Fund’s ability to achieve its investment objective.

The SEC and its staff are also reportedly engaged in various initiatives and reviews that seek to improve and modernize the regulatory structure governing investment companies. These efforts appear to be focused on risk identification and controls in various areas, including embedded leverage through the use of derivatives and other trading practices, cybersecurity, liquidity, valuation, enhanced regulatory and public reporting requirements and the evaluation of systemic risks. Any new rules, guidance or regulatory initiatives resulting from these efforts could increase the Fund’s expenses and impact its returns to shareholders or, in the extreme case, impact or limit its use of various portfolio management strategies or techniques and adversely impact the Fund.

On October 28, 2020, the SEC adopted new regulations governing the use of derivatives by registered investment companies (“Rule 18f-4”). The Fund will be required to implement and comply with Rule 18f-4 by August 19, 2022. Once implemented, Rule 18f-4 will impose limits on the amount of derivatives a fund can enter into, eliminate the asset segregation framework currently used by funds to comply with Section 18 of the 1940 Act, treat derivatives as senior securities so that a failure to comply with the limits would result in a statutory violation and require funds whose use of derivatives is more than a limited specified exposure amount to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

In the aftermath of the global financial crisis, there appears to be a renewed popular, political and judicial focus on finance related consumer protection. Financial institution practices are also subject to greater scrutiny and criticism generally. In the case of transactions between financial institutions and the general public, there may be a greater tendency toward strict interpretation of terms and legal rights in favor of the consuming public, particularly where there is a real or perceived disparity in risk allocation and/or where consumers are perceived as not having had an opportunity to exercise informed consent to the transaction. In the event of conflicting

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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interests between retail investors holding common shares of a closed-end investment company such as the Fund and a large financial institution, a court may similarly seek to strictly interpret terms and legal rights in favor of retail investors.

Changes enacted by the current presidential administration could significantly impact the regulation of financial markets in the United States. Areas subject to potential change, amendment or repeal include trade and foreign policy, corporate tax rates, energy and infrastructure policies, the environment and sustainability, criminal and social justice initiatives, immigration, healthcare and the oversight of certain federal financial regulatory agencies and the Federal Reserve. Certain of these changes can, and have, been effectuated through executive order. For example, the current administration has taken steps to address the COVID-19 pandemic, rejoin the Paris climate accord of 2015, cancel the Keystone XL pipeline and change immigration enforcement priorities. Other potential changes that could be pursued by the current presidential administration could include an increase in the corporate income tax rate; changes to regulatory enforcement priorities; and spending on clean energy and infrastructure. It is not possible to predict which, if any, of these actions will be taken or, if taken, their effect on the economy, securities markets or the financial stability of the United States. The Fund may be affected by governmental action in ways that are not foreseeable, and there is a possibility that such actions could have a significant adverse effect on the Fund and its ability to achieve its investment objective.

Additional risks arising from the differences in expressed policy preferences among the various constituencies in the branches of the U.S. government have led in the past, and may lead in the future, to short term or prolonged policy impasses, which could, and have, resulted in shutdowns of the U.S. federal government. U.S. federal government shutdowns, especially prolonged shutdowns, could have a significant adverse impact on the economy in general and could impair the ability of issuers to raise capital in the securities markets. Any of these effects could have an adverse impact on companies in the Fund's portfolios and consequently on the value of their securities and the Fund's net asset values.

**Deflation Risk.** Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and their revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's portfolio.

**Loans of Portfolio Securities Risk.** Consistent with applicable regulatory requirements and the Fund's investment restrictions, the Fund may lend its portfolio securities to securities broker-dealers or financial institutions, provided that such loans are callable at any time by the Fund (subject to notice provisions described herein), and are at all times collateralized in accordance with applicable regulatory requirements. The advantage of such loans is that the Fund continues to receive the income on the loaned securities while at the same time earning interest on the cash amounts deposited as collateral, which will be invested in short term obligations. The Fund will not lend its portfolio securities if such loans are not permitted by the laws or regulations of any state in which its shares are qualified for sale.

**Legal, Tax and Regulatory Risks.** Legal, tax and regulatory changes could occur that may have material adverse effects on the Fund or its shareholders. For example, the regulatory and tax environment for derivative instruments in which the Fund may participate is evolving, and such changes in the regulation or taxation of derivative instruments may have material adverse effects on the value of derivative instruments held by the

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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Fund and the ability of the Fund to pursue its investment strategies. Similarly, the Biden administration has indicated that it intends to modify key aspects of the Code, including by increasing corporate and individual tax rates. Changes to the U.S. federal tax laws and interpretations thereof could adversely affect an investment in the Fund.

We cannot assure you what percentage of the distributions paid on the Fund's shares, if any, will consist of tax-advantaged qualified dividend income or long term capital gains or what the tax rates on various types of income will be in future years.

To qualify for the favorable U.S. federal income tax treatment generally accorded to RICs, the Fund must, among other things, meet certain asset diversification tests, derive in each taxable year at least 90% of its gross income from certain prescribed sources and distribute for each taxable year at least 90% of its "investment company taxable income." Statutory limitations on distributions on the common shares if the Fund fails to satisfy the 1940 Act's asset coverage requirements could jeopardize the Fund's ability to meet such distribution requirements. While the Fund presently intends to purchase or redeem notes or preferred shares, if any, to the extent necessary in order to maintain compliance with such asset coverage requirements, there can be no assurance that such actions can be effected in time to meet the Code requirements. If for any taxable year the Fund does not qualify as a RIC, all of its taxable income for that year (including its net capital gain) would be subject to tax at regular corporate rates without any deduction for distributions to shareholders, and such distributions would be taxable as ordinary dividends to the extent of the Fund's current and accumulated earnings and profits. The resulting corporate taxes would materially reduce the Fund's net assets and the amount of cash available for distribution to shareholders. For a more complete discussion of these and other U.S. federal income tax considerations.

**Investment Dilution Risk.** The Fund's investors do not have preemptive rights to any shares the Fund may issue in the future. The Fund's Declaration of Trust authorizes it to issue an unlimited number of shares. The Board may make certain amendments to the Declaration of Trust. After an investor purchases shares, the Fund may sell additional shares or other classes of shares in the future or issue equity interests in private offerings. To the extent the Fund issues additional equity interests after an investor purchases its shares, such investor's percentage ownership interest in the Fund will be diluted.

**Anti-Takeover Provisions.** The Agreement and Declaration of Trust and By-Laws of the Fund include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to an open-end fund.

**Legislation Risk.** At any time after the date of this Annual Report, legislation may be enacted that could negatively affect the assets of the Fund. Legislation or regulation may change the way in which the Fund itself is regulated. The Investment Adviser cannot predict the effects of any new governmental regulation that may be implemented and there can be no assurance that any new governmental regulation will not adversely affect the Fund's ability to achieve its investment objective.

**Reliance on Service Providers Risk.** The Fund must rely upon the performance of service providers to perform certain functions, which may include functions that are integral to the Fund's operations and financial performance. Failure by any service provider to carry out its obligations to the Fund in accordance with the terms of its appointment, to exercise due care and skill or to perform its obligations to the Fund at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Fund's performance and

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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returns to shareholders. The termination of the Fund's relationship with any service provider, or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Fund and could have a material adverse effect on the Fund's performance and returns to shareholders.

**Cyber Security Risk.** The Fund and its service providers are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Fund and its service providers use to service the Fund's operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Fund and its service providers. Cyber attacks are becoming increasingly common and more sophisticated, and may be perpetrated by computer hackers, cyber-terrorists or others engaged in corporate espionage. Cyber attacks against or security breakdowns of the Fund or its service providers may adversely impact the Fund and its stockholders, potentially resulting in, among other things, financial losses; the inability of Fund stockholders to transact business and the Fund to process transactions; inability to calculate the Fund's NAV; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Fund may incur additional costs for cyber security risk management and remediation purposes. In addition, cyber security risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investment in such issuers to lose value. There have been a number of recent highly publicized cases of companies reporting the unauthorized disclosure of client or customer information, as well as cyberattacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties, including actions by terrorist organizations and hostile foreign governments. Although service providers typically have policies and procedures, business continuity plans and/or risk management systems intended to identify and mitigate cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Fund cannot control the cyber security policies, plans and systems put in place by its service providers or any other third parties whose operations may affect the Fund or its shareholders. There can be no assurance that the Fund or its service providers will not suffer losses relating to cyber attacks or other information security breaches in the future.

Because technology is consistently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Fund's ability to plan for or respond to a cyber attack. In addition to deliberate cyber attacks, unintentional cyber incidents can occur, such as the inadvertent release of confidential information by the Fund or its service providers. Like other funds and business enterprises, the Fund and its service providers are subject to the risk of cyber incidents occurring from time to time.

**Misconduct of Employees and of Service Providers Risk.** Misconduct or misrepresentations by employees of the Investment Adviser or the Fund's service providers could cause significant losses to the Fund. Employee misconduct may include binding the Fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities, concealing unsuccessful trading activities (which, in any case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by the Fund's service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and service providers may improperly use

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future marketing activities. Despite the Investment Adviser's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining the Investment Adviser's due diligence efforts. As a result, no assurances can be given that the due diligence performed by the Investment Adviser will identify or prevent any such misconduct.

#### Special Risks to Holders of Notes

An investment in our notes is subject to special risks. Our notes are not likely to be listed on an exchange or automated quotation system. We cannot assure you that any market will exist for our notes or if a market does exist, whether it will provide holders with liquidity. Broker-dealers that maintain a secondary trading market for the notes are not required to maintain this market, and the Fund is not required to redeem notes if an attempted secondary market sale fails because of a lack of buyers. To the extent that our notes trade, they may trade at a price either higher or lower than their principal amount depending on interest rates, the rating (if any) on such notes and other factors.

#### Special Risks to Holders of Fixed Rate Preferred Shares

***Illiquidity Prior to Exchange Listing.*** Prior to an offering, there will be no public market for any series of fixed rate preferred shares. In the event any additional series of fixed rate preferred shares are issued, we expect to apply to list such shares on a national securities exchange, which will likely be the NYSE. However, during an initial period, which is not expected to exceed 30 days after the date of its initial issuance, such shares may not be listed on any securities exchange. During such period, the underwriters may make a market in such shares, though they will have no obligation to do so. Consequently, an investment in such shares may be illiquid during such period.

***Market Price Fluctuation.*** Fixed rate preferred shares may trade at a premium to or discount from liquidation value for various reasons, including changes in interest rates, perceived credit quality and other factors.

#### Special Risks for Holders of Auction Rate Preferred Shares

***Auction Risk.*** Holders of auction rate preferred shares may not be able to sell their auction rate preferred shares at an auction if the auction fails, i.e., if more auction rate preferred shares are offered for sale than there are buyers for those shares. Also, if you place an order (a hold order) at an auction to retain auction rate preferred shares only at a specified rate that exceeds the rate set at the auction, you will not retain your auction rate preferred shares. Additionally, if you place a hold order without specifying a rate below which you would not wish to continue to hold your shares and the auction sets a below-market rate, you will receive a lower rate of return on your shares than the market rate. Finally, the dividend period may be changed, subject to certain conditions and with notice to the holders of the auction rate preferred shares, which could also affect the liquidity of your investment. Due to recent market disruption, most auction rate preferred share auctions have been unable to hold successful auctions and holders of such shares have suffered reduced liquidity. Since February 2008, all of the auctions of our Series B Statements of Preferences, Series C Statements of Preferences and Series E Statements of Preferences have failed. Holders of our auction rate preferred have continued to receive their dividends on the auction rate preferred shares at the maximum rate determined by reference to short term rates, rather than at a price set by auction. At present, the maximum rate for Series B Statements of Preferences

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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and Series C Statements of Preferences is equal to the greater of (a) 150% of or (b) 150 bps over the 7-day LIBOR, and equal to the greater of (a) 250% of or (b) 250 bps over the 7-day LIBOR for Series E Statements of Preferences. A failed auction is not a default and the Fund has no obligation to redeem its auction rate preferred shares because the auctions continue to fail. There can be no assurance that liquidity will improve.

**Secondary Market Risk.** Holders of auction rate preferred shares who try to sell their auction rate preferred shares between auctions may not be able to sell them for their liquidation preference per share or such amount per share plus accumulated dividends. If the Fund has designated a special dividend period of more than seven days, changes in interest rates could affect the price you would receive if you sold your shares in the secondary market. Broker-dealers that maintain a secondary trading market for the auction rate preferred shares are not required to maintain this market, and the Fund is not required to redeem auction rate preferred shares if either an auction or an attempted secondary market sale fails because of a lack of buyers. The auction rate preferred shares are and will not be registered on a stock exchange. If you sell your auction rate preferred shares to a broker-dealer between auctions, you may receive less than the price you paid for them, especially when market interest rates have risen since the last auction or during a special dividend period.

#### Special Risks to Holders of Notes and Preferred Shares

**Common Share Repurchases.** Repurchases of common shares by the Fund may reduce the net asset coverage of the notes and preferred shares, which could adversely affect their liquidity or market prices.

**Common Share Distribution Policy.** In the event the Fund does not generate a total return from dividends and interest received and net realized capital gains in an amount at least equal to its distributions for a given year, the Fund expects that it would return capital as part of its distribution. This would decrease the asset coverage per share with respect to the Fund's notes or preferred shares, which could adversely affect their liquidity or market prices.

For the fiscal year ended December 31, 2021, the Fund made distributions of \$1.38 per common share, none of which constituted a return of capital. The composition of each distribution is estimated based on earnings as of the record date for the distribution. The actual composition of each distribution may change based on the Fund's investment activity through the end of the calendar year.

**Credit Quality Ratings.** The Fund may obtain credit quality ratings for its preferred shares or notes; however, it is not required to do so and may issue preferred shares or notes without any rating. If rated, the Fund does not impose any minimum rating necessary to issue such preferred shares or notes. In order to obtain and maintain attractive credit quality ratings for preferred shares or notes, if desired, the Fund's portfolio must satisfy over-collateralization tests established by the relevant rating agencies. These tests are more difficult to satisfy to the extent the Fund's portfolio securities are of lower credit quality, longer maturity or not diversified by issuer and industry.

These guidelines could affect portfolio decisions and may be more stringent than those imposed by the 1940 Act. A rating (if any) by a rating agency does not eliminate or necessarily mitigate the risks of investing in our preferred shares or notes, and a rating may not fully or accurately reflect all of the securities' credit risks. A rating (if any) does not address liquidity or any other market risks of the securities being rated. A rating agency could downgrade the rating of our notes or preferred shares, which may make such securities less liquid in the



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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secondary market. If a rating agency downgrades the rating assigned to notes or preferred shares, we may alter our portfolio or redeem the preferred securities or notes under certain circumstances.

#### **Special Risks of Notes to Holders of Preferred Shares**

As provided in the 1940 Act, and subject to compliance with the Fund's investment limitations, the Fund may issue notes. In the event the Fund were to issue such securities, the Fund's obligations to pay dividends or make distributions and, upon liquidation of the Fund, liquidation payments in respect of its preferred shares would be subordinate to the Fund's obligations to make any principal and interest payments due and owing with respect to its outstanding notes. Accordingly, the Fund's issuance of notes would have the effect of creating special risks for the Fund's preferred shareholders that would not be present in a capital structure that did not include such securities.

#### **Special Risk to Holders of Common Shares**

***Dilution Risk.*** If the Fund determines to conduct a rights offering to subscribe for common shares, holders of common shares may experience dilution of the aggregate net asset value of their common shares. Such dilution will depend upon whether (i) such shareholders participate in the rights offering and (ii) the Fund's net asset value per common share is above or below the subscription price on the expiration date of the rights offering.

Shareholders who do not exercise their subscription rights may, at the completion of such an offering, own a smaller proportional interest in the Fund than if they exercised their subscription rights. As a result of such an offering, a shareholder may experience dilution in net asset value per share if the subscription price per share is below the net asset value per share on the expiration date. If the subscription price per share is below the net asset value per share of the Fund's shares on the expiration date, a shareholder will experience an immediate dilution of the aggregate net asset value of such shareholder's shares if the shareholder does not participate in such an offering and the shareholder will experience a reduction in the net asset value per share of such shareholder's shares whether or not the shareholder participates in such an offering. The Fund cannot state precisely the extent of this dilution (if any) if the shareholder does not exercise such shareholder's subscription rights because the Fund does not know what the net asset value per share will be when the offer expires or what proportion of the subscription rights will be exercised.

***Leverage Risk.*** The Fund currently uses financial leverage for investment purposes by issuing preferred shares and is also permitted to use other types of financial leverage, such as through the issuance of debt securities or additional preferred shares and borrowing from financial institutions. As provided in the 1940 Act and subject to certain exceptions, the Fund may issue additional senior securities (which may be stock, such as preferred shares, and/or securities representing debt) only if immediately after such issuance the value of the Fund's total assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding and exceeds 200% of the amount of preferred shares and debt outstanding. As of December 31, 2021, the amount of leverage represented approximately 14% of the Fund's assets.

The Fund's leveraged capital structure creates special risks not associated with unleveraged funds having a similar investment objective and policies. These include the possibility of greater loss and the likelihood of higher volatility of the net asset value of the Fund and the asset coverage for the preferred shares. Such volatility may increase the likelihood of the Fund having to sell investments in order to meet its obligations to make



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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distributions on the preferred shares or principal or interest payments on debt securities, or to redeem preferred shares or repay debt, when it may be disadvantageous to do so. The Fund's use of leverage may require it to sell portfolio investments at inopportune times in order to raise cash to redeem preferred shares or otherwise de-leverage so as to maintain required asset coverage amounts or comply with the mandatory redemption terms of any outstanding preferred shares. The use of leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. To the extent that the Fund employs leverage in its investment operations, the Fund is subject to substantial risk of loss. The Fund cannot assure you that borrowings or the issuance of preferred shares or notes will result in a higher yield or return to the holders of the common shares. Also, since the Fund utilizes leverage, a decline in net asset value could affect the ability of the Fund to make common share distributions and such a failure to make distributions could result in the Fund ceasing to qualify as a RIC under the Code.

Any decline in the net asset value of the Fund's investments would be borne entirely by the holders of common shares. Therefore, if the market value of the Fund's portfolio declines, the leverage will result in a greater decrease in net asset value to the holders of common shares than if the Fund were not leveraged. This greater net asset value decrease will also tend to cause a greater decline in the market price for the common shares. The Fund might be in danger of failing to maintain the required asset coverage of its borrowings, notes or preferred shares or of losing its ratings on its notes or preferred shares or, in an extreme case, the Fund's current investment income might not be sufficient to meet the distribution or interest requirements on the preferred shares or notes. In order to counteract such an event, the Fund might need to liquidate investments in order to fund a redemption of some or all of the preferred shares or notes.

- *Preferred Share and Note Risk.* The issuance of preferred shares or notes causes the net asset value and market value of the common shares to become more volatile. If the dividend rate on the preferred shares or the interest rate on the notes approaches the net rate of return on the Fund's investment portfolio, the benefit of leverage to the holders of the common shares would be reduced. If the dividend rate on the preferred shares or the interest rate on the notes plus the management fee annual rate of 1.00% exceeds the net rate of return on the Fund's portfolio, the leverage will result in a lower rate of return to the holders of common shares than if the Fund had not issued preferred shares or notes. If the Fund has insufficient investment income and gains, all or a portion of the distributions to preferred shareholders or interest payments to note holders would come from the common shareholders' capital. Such distributions and interest payments reduce the net assets attributable to common shareholders. The Prospectus Supplement relating to any sale of preferred shares will set forth dividend rate on such preferred shares.

In addition, the Fund would pay (and the holders of common shares will bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred shares or notes, including the advisory fees on the incremental assets attributable to the preferred shares or notes.

Holders of preferred shares and notes may have different interests than holders of common shares and may at times have disproportionate influence over the Fund's affairs. As provided in the 1940 Act and subject to certain exceptions, the Fund may issue senior securities (which may be stock, such as preferred shares, and/or securities representing debt, such as notes) only if immediately after such issuance the value of the Fund's total assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding (i.e., for every dollar of indebtedness outstanding, the Fund is

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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required to have at least three dollars of assets) and exceeds 200% of the amount of preferred shares and debt outstanding (i.e., for every dollar in liquidation preference of preferred stock outstanding, the Fund is required to have two dollars of assets), which is referred to as the "asset coverage" required by the 1940 Act. In the event the Fund fails to maintain an asset coverage of 100% for any notes outstanding for certain periods of time, the 1940 Act requires that either an event of default be declared or that the holders of such notes have the right to elect a majority of the Fund's Trustees until asset coverage recovers to 110%. In addition, holders of preferred shares, voting separately as a single class, have the right (subject to the rights of noteholders) to elect two members of the Board at all times and in the event dividends become two full years in arrears would have the right to elect a majority of the Trustees until such arrearage is completely eliminated. In addition, preferred shareholders have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion of the Fund to open-end status, and accordingly can veto any such changes. Further, interest on notes will be payable when due as described in a Prospectus Supplement and if the Fund does not pay interest when due, it will trigger an event of default and the Fund expects to be restricted from declaring dividends and making other distributions with respect to common shares and preferred shares. Upon the occurrence and continuance of an event of default, the holders of a majority in principal amount of a series of outstanding notes or the trustee will be able to declare the principal amount of that series of notes immediately due and payable upon written notice to the Fund. The 1940 Act also generally restricts the Fund from declaring distributions on, or repurchasing, common or preferred shares unless notes have an asset coverage of 300% (200% in the case of declaring distributions on preferred shares). The Fund's common shares are structurally subordinated as to income and residual value to any preferred shares or notes in the Fund's capital structure, in terms of priority to income and payment in liquidation.

Restrictions imposed on the declarations and payment of dividends or other distributions to the holders of the Fund's common shares and preferred shares, both by the 1940 Act and by requirements imposed by rating agencies, might impair the Fund's ability to maintain its qualification as a RIC for U.S. federal income tax purposes. While the Fund intends to redeem its preferred shares or notes to the extent necessary to enable the Fund to distribute its income as required to maintain its qualification as a RIC under the Code, there can be no assurance that such actions can be effected in time to meet the Code requirements.

- *Portfolio Guidelines of Rating Agencies for Preferred Shares and/or Credit Facility.* In order to obtain and maintain attractive credit quality ratings for preferred shares or borrowings, the Fund must comply with investment quality, diversification and other guidelines established by the relevant rating agencies. These guidelines could affect portfolio decisions and may be more stringent than those imposed by the 1940 Act. In the event that a rating on the Fund's preferred shares or notes is lowered or withdrawn by the relevant rating agency, the Fund may also be required to redeem all or part of its outstanding preferred shares or notes, and the common shares of the Fund will lose the potential benefits associated with a leveraged capital structure.
- *Impact on Common Shares.* Assuming that leverage will (1) be equal in amount to approximately 14% of the Fund's total net assets (the Fund's average amount of outstanding financial leverage during the fiscal year ended December 31, 2021), and (2) charge interest or involve dividend payments at a projected blended annual average leverage dividend or interest rate of 3.71%, then the total return generated by the Fund's portfolio (net of estimated expenses) must exceed approximately 0.54% of the Fund's total

**The Gabelli Dividend & Income Trust**  
**Additional Fund Information (Continued) (Unaudited)**

net assets in order to cover such interest or dividend payments and other expenses specifically related to leverage.

Of course, these numbers are merely estimates, used for illustration. Actual dividend rates, interest or payment rates may vary frequently and may be significantly higher or lower than the rate estimated above. The following table is furnished in response to requirements of the SEC. It is designed to illustrate the effect of leverage on common share total return, assuming investment portfolio total returns (comprised of net investment income of the Fund, realized gains or losses of the Fund and changes in the value of the securities held in the Fund's portfolio) of -10%, -5%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of the investment portfolio returns experienced or expected to be experienced by the Fund. The table further reflects leverage representing 14% of the Fund's net assets (the Fund's average amount of outstanding financial leverage during the fiscal year ended December 31, 2021), the Fund's current projected blended annual average leverage dividend or interest rate of 3.71% (the average dividend rate on the Fund's outstanding financial leverage during the fiscal year ended December 31, 2021), a base management fee at an annual rate of 1.00% and estimated annual incremental expenses attributable to any outstanding preferred shares of approximately 0.01% of the Fund's net assets attributable to common shares. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of the investment portfolio returns experienced or expected to be experienced by the Fund.

Assumed Return on Portfolio (Net of Expenses)	(10)%	(5)%	0%	5%	10%
Corresponding Return to Common Shareholder	(12.50)%	(6.65)%	(0.81)%	5.03%	10.87%

Common share total return is composed of two elements—the common share distributions paid by the Fund (the amount of which is largely determined by the taxable income of the Fund (including realized gains or losses) after paying interest on any debt and/or dividends on any preferred shares) and unrealized gains or losses on the value of the securities the Fund owns. As required by SEC rules, the table assumes that the Fund is more likely to suffer capital losses than to enjoy total return. For example, to assume a total return of 0% the Fund must assume that the income it receives on its investments is entirely offset by expenses and losses in the value of those investments.

Market Discount Risk. As described above in "—General Risks—Market Discount Risk," common shares of closed-end funds often trade at a discount to their net asset values and the Fund's common shares may trade at such a discount. This risk may be greater for investors expecting to sell their common shares of the Fund soon after completion of a public offering. The common shares of the Fund are designed primarily for long-term investors and investors in the shares should not view the Fund as a vehicle for trading purposes.

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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#### **Special Risk to Holders of Subscription Rights**

There is a risk that changes in market conditions may result in the underlying common or preferred shares purchasable upon exercise of the subscription rights being less attractive to investors at the conclusion of the subscription period. This may reduce or eliminate the value of the subscription rights. Investors who receive subscription rights may find that there is no market to sell rights they do not wish to exercise. If investors exercise only a portion of the rights, the number of common or preferred shares issued may be reduced, and the common or preferred shares may trade at less favorable prices than larger offerings for similar securities.

#### **INVESTMENT POLICIES**

##### **Additional Investment Policies**

**Options.** The Fund may purchase or sell, i.e., write, options on securities, securities indices and foreign currencies which are listed on a national securities exchange or in the over-the-counter ("OTC") market, as a means of achieving additional return or of hedging the value of the Fund's portfolio. The Fund may purchase call or put options as long as the aggregate initial margins and premiums, measured at the time of such investment, do not exceed 10% of the fair market value of the Fund's total assets.

A call option is a contract that gives the holder of the option the right to buy from the writer of the call option, in return for a premium, the security or currency underlying the option at a specified exercise price at any time during the term of the option. The writer of the call option has the obligation, upon exercise of the option, to deliver the underlying security or currency upon payment of the exercise price during the option period.

A put option is a contract that gives the holder of the option the right, in return for a premium, to sell to the seller the underlying security at a specified price. The seller of the put option has the obligation to buy the underlying security upon exercise at the exercise price.

A call option is "covered" if the Fund owns the underlying instrument covered by the call or has an absolute and immediate right to acquire that instrument without additional cash consideration (or for additional cash consideration held in a segregated account by its custodian) upon conversion or exchange of other instruments held in its portfolio. A call option is also covered if the Fund holds a call on the same instrument as the call written where the exercise price of the call held is (i) equal to or less than the exercise price of the call written or (ii) greater than the exercise price of the call written if the difference is maintained by the Fund in cash, U.S. government securities or other high-grade short term obligations in a segregated account with its custodian. A put option is "covered" if the Fund maintains cash or other high-grade short term obligations with a value equal to the exercise price in a segregated account with its custodian, or else holds a put on the same instrument as the put written where the exercise price of the put held is equal to or greater than the exercise price of the put written.

A call option is "covered" if the Fund owns the underlying instrument covered by the call or has an absolute and immediate right to acquire that instrument without additional cash consideration (or for additional cash consideration held in a segregated account by its custodian) upon conversion or exchange of other instruments held in its portfolio. A call option is also covered if the Fund holds a call on the same instrument as the call written where the exercise price of the call held is (i) equal to or less than the exercise price of the call written or (ii) greater than the exercise price of the call written if the difference is maintained by the Fund in cash, U.S.

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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government securities or other high-grade short term obligations in a segregated account with its custodian. A put option is "covered" if the Fund maintains cash or other high-grade short term obligations with a value equal to the exercise price in a segregated account with its custodian, or else holds a put on the same instrument as the put written where the exercise price of the put held is equal to or greater than the exercise price of the put written.

If the Fund has written an option, it may terminate its obligation by effecting a closing purchase transaction. This is accomplished by purchasing an option of the same series as the option previously written. However, once the Fund has been assigned an exercise notice, the Fund will be unable to effect a closing purchase transaction. Similarly, if the Fund is the holder of an option it may liquidate its position by effecting a closing sale transaction. This is accomplished by selling an option of the same series as the option previously purchased. There can be no assurance that either a closing purchase or sale transaction can be effected when the Fund so desires.

The Fund realizes a profit from a closing transaction if the price of the transaction is less than the premium received from writing the option or is more than the premium paid to purchase the option; the Fund realizes a loss from a closing transaction if the price of the transaction is more than the premium received from writing the option or is less than the premium paid to purchase the option. Since call option prices generally reflect increases in the price of the underlying security, any loss resulting from the repurchase of a call option may also be wholly or partially offset by unrealized appreciation of the underlying security. Other principal factors affecting the market value of a put or a call option include supply and demand, interest rates, the current market price and price volatility of the underlying security and the time remaining until the expiration date. Gains and losses on investments in options depend, in part, on the ability of the Investment Adviser to predict correctly the effect of these factors. The use of options cannot serve as a complete hedge since the price movement of securities underlying the options will not necessarily follow the price movements of the portfolio securities subject to the hedge.

An option position may be closed out only on an exchange which provides a secondary market for an option of the same series or in a private transaction. Although the Fund generally purchases or writes only those options for which there appears to be an active secondary market, there is no assurance that a liquid secondary market on an exchange will exist for any particular option. In such event it might not be possible to effect closing transactions in particular options, so that the Fund would have to exercise its options in order to realize any profit and would incur brokerage commissions upon the exercise of call options and upon the subsequent disposition of underlying securities for the exercise of put options. If the Fund, as a covered call option writer, is unable to effect a closing purchase transaction in a secondary market, it will not be able to sell the underlying security until the option expires or it delivers the underlying security upon exercise or otherwise covers the position.

**Options on Securities Indices.** The Fund may purchase and sell securities index options. One effect of such transactions may be to hedge all or part of the Fund's securities holdings against a general decline in the securities market or a segment of the securities market. Options on securities indices are similar to options on stocks except that, rather than the right to take or make delivery of stock at a specified price, an option on a securities index gives the holder the right to receive, upon exercise of the option, an amount of cash if the closing level of the securities index upon which the option is based is greater than, in the case of a call, or less than, in the case of a put, the exercise price of the option.

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### Additional Fund Information (Continued) (Unaudited)

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The Fund's successful use of options on indices depends upon its ability to predict the direction of the market and is subject to various additional risks. The correlation between movements in the index and the price of the securities being hedged against is imperfect and the risk from imperfect correlation increases as the composition of the Fund diverges from the composition of the relevant index. Accordingly, a decrease in the value of the securities being hedged against may not be wholly offset by a gain on the exercise or sale of a securities index put option held by the Fund.

***Options on Foreign Currencies.*** Instead of purchasing or selling currency futures (as described below), the Fund may attempt to accomplish similar objectives by purchasing put or call options on currencies or by writing put options or call options on currencies either on exchanges or in OTC markets. A put option gives the Fund the right to sell a currency at the exercise price until the option expires. A call option gives the Fund the right to purchase a currency at the exercise price until the option expires. Both types of options serve to insure against adverse currency price movements in the underlying portfolio assets designated in a given currency. The Fund's use of options on currencies will be subject to the same limitations as its use of options on securities described above. Currency options may be subject to position limits which may limit the ability of the Fund to fully hedge its positions by purchasing the options.

As in the case of interest rate futures contracts and options thereon, described below, the Fund may hedge against the risk of a decrease or increase in the U.S. dollar value of a foreign currency denominated debt security which the Fund owns or intends to acquire by purchasing or selling options contracts, futures contracts or options thereon with respect to a foreign currency other than the foreign currency in which such debt security is denominated, where the values of such different currencies (vis-à-vis the U.S. dollar) historically have a high degree of positive correlation.

***Futures Contracts and Options on Futures.*** The Fund may, without limit, enter into futures contracts or options on futures contracts. It is anticipated that these investments, if any, will be made by the Fund primarily 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 Fund. In this regard, the Fund may enter into futures contracts or options on futures for the purchase or sale of securities indices or other financial instruments including but not limited to U.S. government securities.

A "sale" of a futures contract (or a "short" futures position) means the assumption of a contractual obligation to deliver the securities underlying the contract at a specified price at a specified future time. A "purchase" of a futures contract (or a "long" futures position) means the assumption of a contractual obligation to acquire the securities underlying the contract at a specified price at a specified future time. Certain futures contracts, including stock and bond index futures, are settled on a net cash payment basis rather than by the sale and delivery of the securities underlying the futures contracts.

No consideration will be paid or received by the Fund upon the purchase or sale of a futures contract. Initially, the Fund will be required to deposit with the broker an amount of cash or cash equivalents equal to approximately 1% to 10% of the contract amount (this amount is subject to change by the exchange or board of trade on which the contract is traded and brokers or members of such board of trade may charge a higher amount). This amount is known as the "initial margin" and is in the nature of a performance bond or good faith deposit on the



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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contract. Subsequent payments, known as "variation margin," to and from the broker will be made daily as the price of the index or security underlying the futures contract fluctuates. At any time prior to the expiration of the futures contract, the Fund may elect to close the position by taking an opposite position, which will operate to terminate its existing position in the contract.

An option on a futures contract gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract at a specified exercise price at any time prior to the expiration of the option. Upon exercise of an option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer's futures margin account attributable to that contract, which represents the amount by which the market price of the futures contract exceeds, in the case of a call, or is less than, in the case of a put, the exercise price of the option on the futures contract. The potential loss related to the purchase of an option on futures contracts is limited to the premium paid for the option (plus transaction costs). Because the value of the option purchased is fixed at the point of sale, there are no daily cash payments by the purchaser to reflect changes in the value of the underlying contract; however, the value of the option does change daily and that change would be reflected in the net assets of the Fund.

Futures and options on futures entail certain risks, including but not limited to the following: no assurance that futures contracts or options on futures can be offset at favorable prices; possible reduction of the yield of the Fund due to the use of hedging; possible reduction in value of both the securities hedged and the hedging instrument; possible lack of liquidity due to daily limits on price fluctuations; imperfect correlation between the contracts and the securities being hedged; losses from investing in futures transactions that are potentially unlimited; and the segregation requirements described below.

In the event the Fund sells a put option or enters into long futures contracts, under current interpretations of the 1940 Act, an amount of cash, U.S. government securities or other liquid assets equal to the market value of the contract must be deposited and maintained in a segregated account with the Fund's custodian to collateralize the positions, in order for the Fund to avoid being treated as having issued a senior security in the amount of its obligations. For short positions in futures contracts and sales of call options, the Fund may establish a segregated account (not with a futures commission merchant or broker) with cash, U.S. government securities or other liquid assets that, when added to amounts deposited with a futures commission merchant or a broker as margin, equal the market value of the instruments or currency underlying the futures contracts or call options, respectively (but are not less than the stock price of the call option or the market price at which the short positions were established).

***Interest Rate Futures Contracts and Options Thereon.*** The Fund may purchase or sell interest rate futures contracts to take advantage of or to protect the Fund against fluctuations in interest rates affecting the value of debt securities which the Fund holds or intends to acquire. For example, if interest rates are expected to increase, the Fund might sell futures contracts on debt securities, the values of which historically have a high degree of positive correlation to the values of the Fund's portfolio securities. Such a sale would have an effect similar to selling an equivalent value of the Fund's portfolio securities. If interest rates increase, the value of the Fund's portfolio securities will decline, but the value of the futures contracts to the Fund will increase at approximately an equivalent rate thereby keeping the net asset value of the Fund from declining as much as it otherwise would have. The Fund could accomplish similar results by selling debt securities with longer maturities and investing in debt securities with shorter maturities when interest rates are expected to increase. However, since the futures

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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market may be more liquid than the cash market, the use of futures contracts as a risk management technique allows the Fund to maintain a defensive position without having to sell its portfolio securities.

Similarly, the Fund may purchase interest rate futures contracts when it is expected that interest rates may decline. The purchase of futures contracts for this purpose constitutes a hedge against increases in the price of debt securities (caused by declining interest rates) which the Fund intends to acquire. Since fluctuations in the value of appropriately selected futures contracts should approximate that of the debt securities that will be purchased, the Fund can take advantage of the anticipated rise in the cost of the debt securities without actually buying them. Subsequently, the Fund can make its intended purchase of the debt securities in the cash market and liquidate its futures position.

The purchase of a call option on a futures contract is similar in some respects to the purchase of a call option on an individual security. Depending on the pricing of the option compared to either the price of the futures contract upon which it is based or the price of the underlying debt securities, it may or may not be less risky than ownership of the futures contract or underlying debt securities. As with the purchase of futures contracts, when the Fund is not fully invested it may purchase a call option on a futures contract to hedge against a market advance due to declining interest rates.

The purchase of a put option on a futures contract is similar to the purchase of protective put options on portfolio securities. The Fund will purchase a put option on a futures contract to hedge the Fund's portfolio against the risk of rising interest rates and consequent reduction in the value of portfolio securities.

The writing of a call option on a futures contract constitutes a partial hedge against declining prices of the securities which are deliverable upon exercise of the futures contract. If the futures price at expiration of the option is below the exercise price, the Fund will retain the full amount of the option premium which provides a partial hedge against any decline that may have occurred in the Fund's portfolio holdings. The writing of a put option on a futures contract constitutes a partial hedge against increasing prices of the securities that are deliverable upon exercise of the futures contract. If the futures price at expiration of the option is higher than the exercise price, the Fund will retain the full amount of the option premium, which provides a partial hedge against any increase in the price of debt securities that the Fund intends to purchase. If a put or call option the Fund has written is exercised, the Fund will incur a loss which will be reduced by the amount of the premium it received. Depending on the degree of correlation between changes in the value of its portfolio securities and changes in the value of its futures positions, the Fund's losses from options on futures it has written may to some extent be reduced or increased by changes in the value of its portfolio securities.

**Currency Futures and Options Thereon.** Generally, foreign currency futures contracts and options thereon are similar to the interest rate futures contracts and options thereon discussed previously. By entering into currency futures and options thereon, the Fund will seek to establish the rate at which it will be entitled to exchange U.S. dollars for another currency at a future time. By selling currency futures, the Fund will seek to establish the number of dollars it will receive at delivery for a certain amount of a foreign currency. In this way, whenever the Fund anticipates a decline in the value of a foreign currency against the U.S. dollar, the Fund can attempt to "lock in" the U.S. dollar value of some or all of the securities held in its portfolio that are denominated in that currency. By purchasing currency futures, the Fund can establish the number of dollars it will be required to pay for a specified amount of a foreign currency in a future month. Thus, if the Fund intends to buy securities in

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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the future and expects the U.S. dollar to decline against the relevant foreign currency during the period before the purchase is effected, the Fund can attempt to "lock in" the price in U.S. dollars of the securities it intends to acquire.

The purchase of options on currency futures will allow the Fund, for the price of the premium and related transaction costs it must pay for the option, to decide whether or not to buy (in the case of a call option) or to sell (in the case of a put option) a futures contract at a specified price at any time during the period before the option expires. If the Investment Adviser, in purchasing an option, has been correct in its judgment concerning the direction in which the price of a foreign currency would move as against the U.S. dollar, the Fund may exercise the option and thereby take a futures position to hedge against the risk it had correctly anticipated or close out the option position at a gain that will offset, to some extent, currency exchange losses otherwise suffered by the Fund. If exchange rates move in a way the Fund did not anticipate, however, the Fund will have incurred the expense of the option without obtaining the expected benefit; any such movement in exchange rates may also thereby reduce rather than enhance the Fund's profits on its underlying securities transactions.

***Securities Index Futures Contracts and Options Thereon.*** Purchases or sales of securities index futures contracts are used for hedging purposes to attempt to protect the Fund's current or intended investments from broad fluctuations in stock or bond prices. For example, the Fund may sell securities index futures contracts in anticipation of or during a market decline to attempt to offset the decrease in market value of the Fund's securities portfolio that might otherwise result. If such decline occurs, the loss in value of portfolio securities may be offset, in whole or part, by gains on the futures position. When the Fund is not fully invested in the securities market and anticipates a significant market advance, it may purchase securities index futures contracts in order to gain rapid market exposure that may, in part or entirely, offset increases in the cost of securities that the Fund intends to purchase. As such purchases are made, the corresponding positions in securities index futures contracts will be closed out. The Fund may write put and call options on securities index futures contracts for hedging purposes.

***Traditional Preferred Securities.*** Traditional preferred securities generally pay fixed or adjustable rate dividends to investors and generally have a "preference" over common stock in the payment of dividends and the liquidation of a company's assets. This means that a company must pay dividends on preferred stock before paying any dividends on its common stock. In order to be payable, distributions on such preferred securities must be declared by the issuer's board of directors. Income payments on typical preferred securities currently outstanding are cumulative, causing dividends and distributions to accumulate even if not declared by the board of directors or otherwise made payable. In such a case all accumulated dividends must be paid before any dividend on the common stock can be paid. However, some traditional preferred stocks are non-cumulative, in which case dividends do not accumulate and need not ever be paid. A portion of the portfolio may include investments in non-cumulative preferred securities, whereby the issuer does not have an obligation to make up any arrearages to its shareholders. Should an issuer of a non-cumulative preferred stock held by the Fund determine not to pay dividends on such stock, the amount of dividends the Fund pays may be adversely affected. There is no assurance that dividends or distributions on the preferred securities in which the Fund invests will be declared or otherwise made payable.

Preferred shareholders usually have no right to vote for corporate directors or on other matters. Shares of preferred stock have a liquidation value that generally equals the original purchase price at the date of issuance.

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### Additional Fund Information (Continued) (Unaudited)

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The market value of preferred securities may be affected by favorable and unfavorable changes impacting companies in which the Fund invests and by actual and anticipated changes in tax laws, such as changes in corporate income tax rates or the "Dividends Received Deduction." Because the claim on an issuer's earnings represented by preferred securities may become onerous when interest rates fall below the rate payable on such securities, the issuer may redeem the securities. Thus, in declining interest rate environments in particular, the Fund's holdings, if any, of higher rate-paying fixed rate preferred securities may be reduced and the Fund may be unable to acquire securities of comparable credit quality paying comparable rates with the redemption proceeds.

**Trust Preferred Securities.** The Fund may invest in trust preferred securities. Trust preferred securities are typically issued by corporations, generally in the form of interest bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The trust preferred securities market consists of both fixed and adjustable coupon rate securities that are either perpetual in nature or have stated maturity dates.

Trust preferred securities are typically junior and fully subordinated liabilities of an issuer and benefit from a guarantee that is junior and fully subordinated to the other liabilities of the guarantor. In addition, trust preferred securities typically permit an issuer to defer the payment of income for five years or more without triggering an event of default. Because of their subordinated position in the capital structure of an issuer, the ability to defer payments for extended periods of time without default consequences to the issuer, and certain other features (such as restrictions on common dividend payments by the issuer or ultimate guarantor when full cumulative payments on the trust preferred securities have not been made), these trust preferred securities are often treated as close substitutes for traditional preferred securities, both by issuers and investors. Trust preferred securities have many of the key characteristics of equity due to their subordinated position in an issuer's capital structure and because their quality and value are heavily dependent on the profitability of the issuer rather than on any legal claims to specific assets or cash flows.

Trust preferred securities include but are not limited to trust originated preferred securities ("TOPRS®"); monthly income preferred securities ("MIPS®"); quarterly income bond securities ("QUIBS®"); quarterly income debt securities ("QUIDS®"); quarterly income preferred securities ("QUIPSSM"); corporate trust securities ("CORTS®"); public income notes ("PINES®"); and other trust preferred securities.

Trust preferred securities are typically issued with a final maturity date, although some are perpetual in nature. In certain instances, a final maturity date may be extended and/or the final payment of principal may be deferred at the issuer's option for a specified time without default. No redemption can typically take place unless all cumulative payment obligations have been met, although issuers may be able to engage in open-market repurchases without regard to whether all payments have been paid.

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## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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Many trust preferred securities are issued by trusts or other special purpose entities established by operating companies and are not a direct obligation of an operating company. At the time the trust or special purpose entity sells such preferred securities to investors, it purchases debt of the operating company (with terms comparable to those of the trust or special purpose entity securities), which enables the operating company to deduct for tax purposes the interest paid on the debt held by the trust or special purpose entity. The trust or special purpose entity is generally required to be treated as transparent for Federal income tax purposes such that the holders of the trust preferred securities are treated as owning beneficial interests in the underlying debt of the operating company. Accordingly, payments on the trust preferred securities are treated as interest rather than dividends for Federal income tax purposes. The trust or special purpose entity in turn would be a holder of the operating company's debt and would have priority with respect to the operating company's earnings and profits over the operating company's common shareholders, but would typically be subordinated to other classes of the operating company's debt. Typically a preferred share has a rating that is slightly below that of its corresponding operating company's senior debt securities.

***Convertible Securities.*** A convertible security entitles the holder to exchange such security for a fixed number of shares of common stock or other equity security, usually of the same company, at fixed prices within a specified period of time and to receive the fixed income of a bond or the dividend preference of a preferred stock until the holder elects to exercise the conversion privilege. The fixed income or dividend component of a convertible security is referred to as the security's "investment value."

A convertible security's position in a company's capital structure depends upon its particular provisions. In the case of subordinated convertible debentures, the holder's claims on assets and earnings are subordinated to the claims of others and are senior to the claims of common stockholders.

To the degree that the price of a convertible security rises above its investment value because of a rise in price of the underlying common stock, the value of such security is influenced more by price fluctuations of the underlying common stock and less by its investment value. The price of a convertible security that is supported principally by its conversion value will rise along with any increase in the price of the common stock, and such price generally will decline along with any decline in the price of the common stock except that the security will receive additional support as its price approaches investment value. A convertible security purchased or held at a time when its price is influenced by its conversion value will produce a lower yield than nonconvertible senior securities with comparable investment values. Convertible securities may be purchased by the Fund at varying price levels above their investment values and/or their conversion values in keeping with the Fund's investment objective.

Many convertible securities in which the Fund will invest have call provisions entitling the issuer to redeem the security at a specified time and at a specified price. This is one of the features of a convertible security which affects valuation. Calls may vary from absolute calls to provisional calls. Convertible securities with superior call protection usually trade at a higher premium. If long term interest rates decline, the interest rates of new convertible securities will also decline. Therefore, in a falling interest rate environment, companies may be expected to call convertible securities with high coupons and the Fund would have to invest the proceeds from such called issues in securities with lower coupons. Thus, convertible securities with superior call protection will permit the Fund to maintain a higher yield than with issues without call protection.

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### Additional Fund Information (Continued) (Unaudited)

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**Small- and Mid-Capitalization Company Risk.** In addition to the risks described in the Prospectus, investments in small- and mid-cap company stocks may be subject to the following risks.

*Small- and Mid-Cap Stock Risk.* Small- and mid-cap company stocks can be more volatile than, and perform differently from, larger company stocks. There may be less trading in a small- or mid-cap company's stock, which means that buy and sell transactions in that stock could have a larger impact on the stock's price than is the case with larger company stocks. Small- and mid-cap company stocks may be particularly sensitive to changes in interest rates, borrowing costs and earnings. Small- and mid-cap companies may have fewer business lines; changes in any one line of business, therefore, may have a greater impact on a small- and mid-cap company's stock price than is the case for a larger company. As a result, the purchase or sale of more than a limited number of shares of a small- and mid-cap company may affect its market price. The Fund may need a considerable amount of time to purchase or sell its positions in these securities. In addition, small- and mid-cap company stocks may not be well known to the investing public.

*Unseasoned Companies Investment Risk.* The Fund may invest in the securities of smaller, less seasoned companies. These investments may present greater opportunities for growth but also involve greater risks than customarily are associated with investments in securities of more established companies. Some of the companies in which the Fund may invest will be start-up companies which may have insubstantial operational or earnings history or may have limited products, markets, financial resources or management depth. Some may also be emerging companies at the research and development stage with no products or technologies to market or approved for marketing. In addition, it is more difficult to get information on smaller companies, which tend to be less well known, have shorter operating histories, do not have significant ownership by large investors and are followed by relatively few securities analysts. Securities of emerging companies may lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. Competitors of certain companies, which may or may not be in the same industry, may have substantially greater financial resources than many of the companies in which the Fund may invest.

*Small-Cap and Emerging Growth Companies Investment Risk.* Investment in smaller or emerging growth companies involves greater risk than is customarily associated with investments in more established companies. The securities of smaller or emerging growth companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group.

While small-cap or emerging growth company issuers may offer greater opportunities for capital appreciation than large-cap issuers, investments in smaller or emerging growth companies may involve greater risks and thus may be considered speculative. Fund management believes that properly selected companies of this type have the potential to increase their earnings or market valuation at a rate substantially in excess of the general growth of the economy. Full development of these companies and trends frequently takes time.



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### Additional Fund Information (Continued) (Unaudited)

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Small-cap and emerging growth securities will often be traded only in the OTC market or on a regional securities exchange and may not be traded every day or in the volume typical of trading on a national securities exchange. As a result, the disposition by the Fund of portfolio securities may require the Fund to make many small sales over a lengthy period of time, or to sell these securities at a discount from market prices or during periods when, in Fund management's judgment, such disposition is not desirable.

The process of selection and continuous supervision by Fund management does not, of course, guarantee successful investment results; however, it does provide access to an asset class not available to the average individual due to the time and cost involved. Careful initial selection is particularly important in this area as many new enterprises have promise but lack certain fundamental factors necessary to prosper. Investing in small-cap and emerging growth companies requires specialized research and analysis. In addition, many investors cannot invest sufficient assets in such companies to provide wide diversification.

Small-cap companies are generally little known to most individual investors although some may be dominant in their respective industries. The Fund may invest in securities of small issuers in the relatively early stages of business development that have a new technology, a unique or proprietary product or service, or a favorable market position. Such companies may not develop into major industrial companies or provide the level of returns anticipated.

Equity securities of specific small-cap issuers may present different opportunities for long term capital appreciation during varying portions of economic or securities market cycles, as well as during varying stages of their business development. The market valuation of small-cap issuers tends to fluctuate during economic or market cycles, presenting attractive investment opportunities at various points during these cycles.

**Forward Foreign Currency Exchange Contracts.** The Fund may enter into forward foreign currency exchange contracts to protect the value of its portfolio against uncertainty in the level of future currency exchange rates between a particular foreign currency and the U.S. dollar or between foreign currencies in which its securities are or may be denominated. The Fund may enter into such contracts on a spot (i.e., cash) basis at the rate then prevailing in the currency exchange market or on a forward basis, by entering into a forward contract to purchase or sell currency. A forward contract on foreign currency is an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days agreed upon by the parties from the date of the contract at a price set on the date of the contract. Forward currency contracts (i) are traded in a market conducted directly between currency traders (typically, commercial banks or other financial institutions) and their customers, (ii) generally have no deposit requirements and (iii) are typically consummated without payment of any commissions. The Fund, however, may enter into forward currency contracts requiring deposits or involving the payment of commissions.

The dealings of the Fund in forward foreign exchange are limited to hedging involving either specific transactions or portfolio positions. Transaction hedging is the purchase or sale of one forward foreign currency for another currency with respect to specific receivables or payables of the Fund accruing in connection with the purchase and sale of its portfolio securities or its payment of distributions. Position hedging is the purchase or sale of one forward foreign currency for another currency with respect to portfolio security positions denominated or quoted in the foreign currency to offset the effect of an anticipated substantial appreciation or depreciation, respectively, in the value of the currency relative to the U.S. dollar. In this situation, the Fund also may, for example, enter

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### Additional Fund Information (Continued) (Unaudited)

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into a forward contract to sell or purchase a different foreign currency for a fixed U.S. dollar amount where it is believed that the U.S. dollar value of the currency to be sold or bought pursuant to the forward contract will fall or rise, as the case may be, whenever there is a decline or increase, respectively, in the U.S. dollar value of the currency in which its portfolio securities are denominated (this practice being referred to as a "cross-hedge").

In hedging a specific transaction, the Fund may enter into a forward contract with respect to either the currency in which the transaction is denominated or another currency deemed appropriate by the Investment Adviser. The amount the Fund may invest in forward currency contracts is limited to the amount of its aggregate investments in foreign currencies.

The use of forward currency contracts may involve certain risks, including the failure of the counterparty to perform its obligations under the contract, and such use may not serve as a complete hedge because of an imperfect correlation between movements in the prices of the contracts and the prices of the currencies hedged or used for cover. The Fund will only enter into forward currency contracts with parties which the Investment Adviser believes to be creditworthy institutions.

Under current interpretations of the SEC and its staff under the 1940 Act, the Fund must segregate with its custodian liquid assets, or engage in other SEC or staff approved measures, to "cover" open positions in certain types of derivative instruments. The purpose of these requirements is to prevent the Fund from incurring excessive leverage through such instruments. In the case of futures and forward contracts, for example, that are not required as a result of one or more contractual arrangements to settle for cash only in an amount equal to the change in value of the contract over its term but rather may settle through physical delivery or in the notional amount, the Fund must segregate liquid assets equal to such contract's full notional value while its position is open. With respect to contracts that the Fund is contractually obligated to settle for cash in an amount equal to the change in value of the contract, the Fund needs to segregate liquid assets only in an amount equal to the Fund's unpaid mark to market obligation rather than the entire notional amount. This is because the Fund's maximum potential obligation at that point in time is its net unpaid mark to market obligation rather than the full notional amount.

**Securities of Investment Companies.** To the extent permitted by law, the Fund may invest in investment company securities, including preferred shares and the common equity of such companies. Investments in the common equity of investment companies will cause the Fund to bear a ratable share of any such investment company's expenses, including management fees. The Fund will also remain obligated to pay management fees to the Investment Adviser with respect to the assets invested in any securities of another investment company. In these circumstances, holders of the Fund's common shares will be subject to duplicative investment expenses.

**Warrants and Rights.** The Fund may invest in warrants and rights (including those acquired in units or attached to other securities) which entitle the holder to buy equity securities at a specific price for or at the end of a specific period of time. The Fund will do so only if the underlying equity securities are deemed appropriate by the Investment Adviser for inclusion in the Fund's portfolio.

Investing in rights and warrants can provide a greater potential for profit or loss than an equivalent investment in the underlying security, and thus can be a riskier investment. The value of a right or warrant may decline because of a decline in the value of the underlying security, the passage of time, changes in interest rates or in the dividend or other policies of the Fund whose equity underlies the warrant, a change in the perception as

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### Additional Fund Information (Continued) (Unaudited)

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to the future price of the underlying security, or any combination thereof. Rights and warrants generally pay no dividends and confer no voting or other rights other than the right to purchase the underlying security.

***Asset-Backed and Mortgage-Backed Securities.*** The Fund may invest in asset-backed and mortgage-backed securities, although investments in asset- or mortgage-backed securities do not constitute a substantial part of the Fund's investment portfolio.

Mortgage-backed securities are securities that indirectly represent a participation in, or are secured by and payable from, a pool of mortgage loans secured by real property. Aggregate principal and interest payments received from the pool are used to pay principal and interest on a mortgage-backed security. Mortgage-backed securities may be more volatile than other fixed income securities and are subject to prepayment risk which can result in the Fund failing to recoup all of its investment or achieving lower than expected returns.

Asset-backed securities are securities, which through the use of trusts and special purpose vehicles, are securitized with various types of assets such as automobile receivables, credit card receivables, home equity loans, leases or royalties in pass-through structures similar to mortgage-backed securities. In general, the collateral supporting asset-backed securities is of shorter maturity than the collateral supporting mortgage loans and is less likely to experience substantial prepayments. However, asset-backed securities are not backed by any governmental agency.

Prepayments of principal generally may be made at any time without penalty on residential mortgages and these prepayments are passed through to holders of one or more of the classes of mortgage-backed securities. Prepayment rates may change rapidly and greatly, thereby affecting yield to maturity, reinvestment risk, and market value of the mortgage backed securities. As a result, the high credit quality of many of these securities may provide little or no protection against loss in market value, and there have been periods during which many mortgage backed securities have experienced substantial losses in market value. The Investment Adviser believes that, under certain circumstances, many of these securities may trade at prices below their inherent value on a risk-adjusted basis and believes that selective purchases by a Fund may provide high yield and total return in relation to risk levels.

Prepayments of principal may be made at any time on the obligations underlying asset- and mortgage-backed securities and are passed on to the holders of the asset- and mortgage-backed securities. As a result, if the Fund purchases such a security at a premium, faster than expected prepayments will reduce and slower than expected prepayments will increase yield to maturity. Conversely, if the Fund purchases these securities at a discount, faster than expected prepayments will increase and slower than expected prepayments will reduce yield to maturity.

***Sovereign Government and Supranational Debt.*** The Fund may invest in all types of debt securities of governmental issuers in all countries, including emerging market countries. These sovereign debt securities may include: debt securities issued or guaranteed by governments, governmental agencies or instrumentalities and political subdivisions located in emerging market countries; debt securities issued by government owned, controlled or sponsored entities located in emerging market countries; interests in entities organized and operated for the purpose of restructuring the investment characteristics of instruments issued by any of the above issuers; or debt securities issued by supranational entities such as the World Bank. A supranational entity

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### Additional Fund Information (Continued) (Unaudited)

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is a bank, commission or company established or financially supported by the national governments of one or more countries to promote reconstruction or development.

Sovereign government and supranational debt involve all the risks described in the Prospectus regarding foreign and emerging markets investments as well as the risk of debt moratorium, repudiation or renegotiation. In addition, investments in sovereign debt involve special risks. Foreign governmental issuers of debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or pay interest when due. In the event of default, there may be limited or no legal recourse in that, generally, remedies for defaults must be pursued in the courts of the defaulting party. Political conditions, especially a sovereign entity's willingness to meet the terms of its debt obligations, are of considerable significance. The ability of a foreign sovereign issuer, especially an emerging market country, to make timely payments on its debt obligations will also be strongly influenced by the sovereign issuer's balance of payments, including export performance, its access to international credit facilities and investments, fluctuations of interest rates and the extent of its foreign reserves. The cost of servicing external debt will also generally be adversely affected by rising international interest rates, as many external debt obligations bear interest at rates which are adjusted based upon international interest rates. Also, there can be no assurance that the holders of commercial bank loans to the same sovereign entity may not contest payments to the holders of sovereign debt in the event of default under commercial bank loan agreements. In addition, there is no bankruptcy proceeding with respect to sovereign debt on which a sovereign has defaulted and the Fund may be unable to collect all or any part of its investment in a particular issue. Foreign investment in certain sovereign debt is restricted or controlled to varying degrees, including requiring governmental approval for the repatriation of income, capital or proceeds of sales by foreign investors. These restrictions or controls may at times limit or preclude foreign investment in certain sovereign debt and increase the costs and expenses of the Fund.

**Loans of Portfolio Securities.** Consistent with applicable regulatory requirements and the Fund's investment restrictions, the Fund may lend its portfolio securities to securities broker-dealers or financial institutions, provided that such loans are callable at any time by the Fund (subject to notice provisions described below), and are at all times collateralized by cash or cash equivalents, which are maintained at all times in an amount equal to at least 100% of the market value, determined daily, of the loaned securities. The advantage of such loans is that the Fund continues to receive the income on the loaned securities while at the same time earning interest on the cash amounts deposited as collateral, which will be invested in short term highly liquid obligations. The Fund's loans of portfolio securities will be collateralized in accordance with applicable regulatory requirements, which means that "cash equivalents" accepted as collateral will be limited to securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities or irrevocable letters of credit issued by a bank (other than the fund's bank lending agent, if any, or a borrower of the Fund's portfolio securities or any affiliate of such bank or borrower) which qualifies as a custodian bank for an investment company under the 1940 Act. The Fund's ability to lend portfolio securities may be limited by rating agency guidelines (if any).

A loan may generally be terminated by the borrower on one business day's notice, or by the Fund at any time thereby requiring the borrower to redeliver the borrowed securities within the normal and customary settlement time for securities transactions. If the borrower fails to deliver the loaned securities within the normal and customary settlement time for securities transactions, the Fund could use the collateral to replace the securities while holding the borrower liable for any excess of replacement cost over the value of the collateral pledged

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### Additional Fund Information (Continued) (Unaudited)

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by the borrower. As with any extensions of credit, there are risks of delay in recovery and in some cases even loss of rights in the collateral should the borrower of the securities violate the terms of the loan or fail financially.

However, these loans of portfolio securities will only be made to firms deemed by the Investment Adviser to be creditworthy and when the income which can be earned from such loans justifies the attendant risks. The Board will oversee the creditworthiness of the contracting parties on an ongoing basis. Upon termination of the loan, the borrower is required to return the securities to the Fund. Any gain or loss in the market price during the loan period would inure to the Fund.

The risks associated with loans of portfolio securities are substantially similar to those associated with repurchase agreements. Thus, if the counter party to the loan petitions for bankruptcy or becomes subject to the United States Bankruptcy Code, the law regarding the rights of the Fund is unsettled. As a result, under extreme circumstances, there may be a restriction on the Fund's ability to sell the collateral and the Fund would suffer a loss. Moreover, because the Fund will reinvest any cash collateral it receives, as described above, the Fund is subject to the risk that the value of the investments it makes will decline and result in losses to the Fund. These losses, in extreme circumstances such as the 2007-2009 financial crisis, could be substantial and have a significant adverse impact on the Fund and its shareholders.

When voting or consent rights which accompany loaned securities pass to the borrower, the Fund will follow the policy of calling the loaned securities, to be delivered within one day after notice, to permit the exercise of such rights if the matters involved would have a material effect on the Fund's investment in such loaned securities. The Fund will pay reasonable finder's, administrative and custodial fees in connection with a loan of its securities, and may also pay fees to one or more securities lending agents and/or pay other fees or rebates to borrowers.

#### **Additional Risks Relating to Derivative Investments**

**Counterparty Risk.** The Fund will be subject to credit risk with respect to the counterparties to the derivative contracts purchased by the Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances.

The counterparty risk for cleared derivatives is generally lower than for uncleared OTC derivative transactions since generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing organization for performance of financial obligations under the derivative contract. However, there can be no assurance that a clearing organization, or its members, will satisfy its obligations to the Fund, or that the Fund would be able to recover the full amount of assets deposited on its behalf with the clearing organization in the event of the default by the clearing organization or the Fund's clearing broker. In addition, cleared derivative transactions benefit from daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Uncleared OTC derivative transactions generally do not benefit from such protections. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such

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### Additional Fund Information (Continued) (Unaudited)

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"counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

**Failure of Futures Commission Merchants and Clearing Organizations Risk.** The Fund may deposit funds required to margin open positions in the derivative instruments subject to the CEA with a clearing broker registered as a "futures commission merchant" ("FCM"). The CEA requires an FCM to segregate all funds received from customers with respect to any orders for the purchase or sale of U.S. domestic futures contracts and cleared swaps from the FCM's proprietary assets. Similarly, the CEA requires each FCM to hold in a separate secure account all funds received from customers with respect to any orders for the purchase or sale of foreign futures contracts and segregate any such funds from the funds received with respect to domestic futures contracts. However, all funds and other property received by a clearing broker from its customers are held by the clearing broker on a commingled basis in an omnibus account and may be invested by the clearing broker in certain instruments permitted under the applicable regulation. There is a risk that assets deposited by the Fund with any swaps or futures clearing broker as margin for futures contracts may, in certain circumstances, be used to satisfy losses of other clients of the Fund's clearing broker. In addition, the assets of the Fund may not be fully protected in the event of the clearing broker's bankruptcy, as the Fund would be limited to recovering only a pro rata share of all available funds segregated on behalf of the clearing broker's combined domestic customer accounts.

Similarly, the CEA requires a clearing organization approved by the Commodity Futures Trading Commission (the "CFTC") as a derivatives clearing organization to segregate all funds and other property received from a clearing member's clients in connection with domestic futures, swaps and options contracts from any funds held at the clearing organization to support the clearing member's proprietary trading. Nevertheless, with respect to futures and options contracts, a clearing organization may use assets of a non-defaulting customer held in an omnibus account at the clearing organization to satisfy payment obligations of a defaulting customer of the clearing member to the clearing organization. As a result, in the event of a default or the clearing broker's other clients or the clearing broker's failure to extend own funds in connection with any such default, the Fund would not be able to recover the full amount of assets deposited by the clearing broker on its behalf with the clearing organization.

**Dodd-Frank Act Risk.** Title VII of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") (the "Derivatives Title") imposed a new regulatory structure on derivatives markets, with particular emphasis on swaps and security-based swaps (collectively "swaps"), which are subject to oversight by the CFTC and by the SEC, respectively. The regulatory framework covers a broad range of swap market participants, including banks, non-banks, credit unions, insurance companies, broker-dealers and investment advisers.

The SEC, other U.S. regulators, and to a lesser extent the CFTC (the "Regulators") still are in the process of adopting regulations, making determinations and providing guidance to implement the Derivatives Title, though certain aspects of the new regulatory structure are substantially complete. Until the Regulators complete their rulemaking efforts, the full extent to which the Derivatives Title and the rules adopted thereunder will impact the Funds is unclear. It is possible that the continued development of this new regulatory structure for swaps may jeopardize certain trades and/or trading strategies that may be employed by the Fund, or at least make them more costly.



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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Current regulations require the mandatory central clearing and mandatory exchange trading of particular types of interest rate swaps and index credit default swaps (together, "Covered Swaps"). Together, these new regulatory requirements change the fund's trading of Covered Swaps. With respect to mandatory central clearing, the Fund is now required to clear its Covered Swaps through a clearing broker, which requires, among other things, posting initial margin and variation margin to the Fund's clearing broker in order to enter into and maintain positions in Covered Swaps. With respect to mandatory exchange trading, the Fund may be required to become a participant of a type of execution platform called a swap execution facility ("SEF") or may be required to access the SEF through an intermediary (such as an executing broker) in order to be able to trade Covered Swaps for the Fund. In either scenario, the Fund may incur additional legal and compliance costs and transaction fees. Just as with the other regulatory changes imposed as a result of the implementation of the Derivatives Title, the increased costs and fees associated with trading Covered Swaps may jeopardize certain trades and/or trading strategies that may be employed by the Fund, or at least make them more costly.

Additionally, the Regulators have finalized regulations with a phased implementation that may require swap dealers to collect from, and post to, the Fund variation margin (and initial margin, if the Fund exceeds a specified exposure threshold) for uncleared derivatives transactions in certain circumstances. U.S. federal banking regulators have also finalized regulations that would impose upon swap dealers new capital requirements. The CFTC and SEC have adopted capital requirements for swap dealers, and the SEC has finalized its uncleared margin rules. Such requirements may make certain types of trades and/or trading strategies more costly or impermissible.

There may be market dislocations due to uncertainty during the implementation period of any new regulation and the Fund cannot know how the derivatives market will adjust to new regulations. Until the Regulators complete the rulemaking process for the Derivatives Title, it is unknown the extent to which such risks may materialize.

**Legal and Regulatory Risk.** At any time after the date hereof, legislation or additional regulations may be enacted that could negatively affect the assets of the Fund. Changing approaches to regulation may have a negative impact on the securities in which the Fund invests. Legislation or regulation may also change the way in which the Fund itself is regulated. There can be no assurances that future legislation, regulation or deregulation will not have a material adverse effect on the Fund or will not impair the ability of the Fund to achieve its investment objective. In addition, as new rules and regulations resulting from the passage of the Dodd-Frank Act are implemented and new international capital and liquidity requirements are introduced under the Basel III Accords, the market may not react the way the Investment Adviser expects. Whether the Fund achieves its investment objective may depend on, among other things, whether the Investment Adviser correctly forecasts market reactions to this and other legislation. In the event the Investment Adviser incorrectly forecasts market reaction, the Fund may not achieve its investment objective.

**Special Risk Considerations Relating to Futures and Options Thereon.** The Fund's ability to establish and close out positions in futures contracts and options thereon will be subject to the development and maintenance of liquid markets. Although the Fund generally purchases or sells only those futures contracts and options thereon for which there appears to be a liquid market, there is no assurance that a liquid market on an exchange will exist for any particular futures contract or option thereon at any particular time. In the event no liquid market exists for a particular futures contract or option thereon in which the Fund maintains a position, it will not be

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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possible to effect a closing transaction in that contract or to do so at a satisfactory price and the Fund would have to either make or take delivery under the futures contract or, in the case of a written option, wait to sell the underlying securities until the option expires or is exercised or, in the case of a purchased option, exercise the option. In the case of a futures contract or an option thereon which the Fund has written and which the Fund is unable to close, the Fund would be required to maintain margin deposits on the futures contract or option thereon and to make variation margin payments until the contract is closed.

Successful use of futures contracts and options thereon and forward contracts by the Fund is subject to the ability of the Investment Adviser to predict correctly movements in the direction of interest and foreign currency rates. If the Investment Adviser's expectations are not met, the Fund will be in a worse position than if a hedging strategy had not been pursued. For example, if the Fund has hedged against the possibility of an increase in interest rates that would adversely affect the price of securities in its portfolio and the price of such securities increases instead, the Fund will lose part or all of the benefit of the increased value of its securities because it will have offsetting losses in its futures positions. In addition, in such situations, if the Fund has insufficient cash to meet daily variation margin requirements, it may have to sell securities to meet the requirements. These sales may be, but will not necessarily be, at increased prices which reflect the rising market. The Fund may have to sell securities at a time when it is disadvantageous to do so.

***Limitations on the Purchase and Sale of Futures Contracts and Options on Futures Contracts.*** Subject to the guidelines of the Board, the Fund may engage in "commodity interest" transactions (generally, transactions in futures, certain options, certain currency transactions and certain types of swaps) only for bona fide hedging, yield enhancement and risk management purposes, in each case in accordance with the rules and regulations of the CFTC. CFTC Rule 4.5, upon which the Fund relies to avoid having its adviser register with the CFTC as a "commodity pool operator," imposes certain commodity interest trading restrictions on the Fund. These trading restrictions permit the Fund to engage in commodity interest transactions that include (i) "bona fide hedging" transactions, as that term is defined and interpreted by the CFTC and its staff, without regard to the percentage of the Fund's assets committed to margin and option premiums and (ii) non-bona fide hedging transactions, provided that the Fund not enter into such non-bona fide hedging transactions if, immediately thereafter, either (a) the sum of the amount of initial margin deposits on the Fund's existing futures or swaps positions and option or swaption premiums would exceed 5% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions, or (b) the aggregate net notional value of the Fund's commodity interest transactions would not exceed 100% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions. In addition to meeting one of the foregoing trading limitations, the Fund may not market itself as a commodity pool or otherwise as a vehicle for trading in the futures, options or swaps markets. If the Investment Adviser was required to register as a commodity pool operator with respect to the Fund, compliance with additional registration and regulatory requirements would increase Fund expenses. Other potentially adverse regulatory initiatives could also develop.

***Additional Risks of Foreign Options, Futures Contracts, Options on Futures Contracts and Forward Contracts.*** Options, futures contracts and options thereon and forward contracts on securities and currencies may be traded on foreign exchanges. Such transactions may not be regulated as effectively as similar transactions in the United States, may not involve a clearing mechanism and related guarantees, and are subject to the risk

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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of governmental actions affecting trading in, or the prices of, foreign securities. The value of such positions also could be adversely affected by (i) other complex foreign political, legal and economic factors, (ii) lesser availability than in the United States of data on which to make trading decisions, (iii) delays in the Fund's ability to act upon economic events occurring in the foreign markets during non-business hours in the United States, (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States and (v) lesser trading volume.

Exchanges on which options, futures and options on futures are traded may impose limits on the positions that the Fund may take in certain circumstances.

**Risks of Currency Transactions.** Currency transactions are also subject to risks different from those of other portfolio transactions. Because currency control is of great importance to the issuing governments and influences economic planning and policy, purchases and sales of currency and related instruments can be adversely affected by government exchange controls, limitations or restrictions on repatriation of currency, and manipulation, or exchange restrictions imposed by governments. These forms of governmental action can result in losses to the Fund if it is unable to deliver or receive currency or monies in settlement of obligations and could also cause hedges it has entered into to be rendered useless, resulting in full currency exposure and incurring transaction costs.

#### INVESTMENT RESTRICTIONS

The Fund operates under the following restrictions that constitute fundamental policies under the 1940 Act that, except as otherwise noted, cannot be changed without the affirmative vote of a majority, as defined in the 1940 Act, of the outstanding voting securities (voting together as a single class) of the Fund. The Fund has issued preferred shares and may in the future issue additional series of preferred shares. Accordingly, the affirmative vote of the holders of a majority, as defined in the 1940 Act, of the outstanding preferred shares of the Fund voting as a separate class would also be required to change a fundamental policy. Except as otherwise noted, all percentage limitations set forth below apply immediately after a purchase or initial investment and any subsequent change in any applicable percentage resulting from market fluctuations does not require any action. The Fund may not:

- invest more than 25% of its total assets, taken at market value at the time of each investment, in the securities of issuers in any particular industry. This restriction does not apply to investments in U.S. government securities;

- purchase commodities or commodity contracts if such purchase would result in regulation of the Fund as a commodity pool operator;

- make loans of money or other property, except that (i) the Fund may acquire debt obligations of any type (including through extensions of credit), enter into repurchase agreements and lend portfolio assets and (ii) the Fund may lend money or other property to other investment companies advised by the Investment Adviser pursuant to a common lending program to the extent permitted by applicable law;

- borrow money, except to the extent permitted by applicable law;

- issue senior securities, except to the extent permitted by applicable law; or

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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underwrite securities of other issuers, except insofar as the Fund may be deemed an underwriter under applicable law in selling portfolio securities; provided, however, this restriction shall not apply to securities of any investment company organized by the Fund that are to be distributed pro rata as a dividend to its shareholders.

The Fund may become subject to rating agency guidelines that are more limiting than its current investment restrictions in order to obtain and maintain a desired rating on its preferred shares, if any. Neither the Fund's investment objective nor, except as expressly stated above, any of its policies are fundamental, and each may be modified by the Board without shareholder approval.

With respect to investment restriction (2), the Fund may only sell commodities or commodity contracts to the extent consistent with maintaining its or the Investment Adviser's exclusion from "commodity pool operator" status under CFTC Rule 4.5. See "Investment Policies—Additional Risks Relating to Derivative Investments—Limitations on the Purchase and Sale of Futures Contracts and Options on Futures Contracts."

With respect to investment restriction (5), the 1940 Act permits the Fund to borrow money in amounts of up to one-third of the Fund's total assets from banks for any purpose, and to borrow up to 5% of the Fund's total assets from banks or other lenders for temporary purposes. The Fund's total assets include the amounts being borrowed. To limit the risks attendant to borrowing, the 1940 Act requires the Fund to maintain at all times an "asset coverage" of at least 300% of the amount of its borrowings. Asset coverage means the ratio that the value of the Fund's total assets (including amounts borrowed), minus liabilities other than borrowings, bears to the aggregate amount of all borrowings. Borrowing money to increase portfolio holdings is known as "leveraging." Certain trading practices and investments, such as reverse repurchase agreements, may be considered to be borrowings or involve leverage and thus are subject to the 1940 Act restrictions. In accordance with SEC staff guidance and interpretations, when the Fund engages in certain such transactions, other than reverse repurchase agreements, the Fund, instead of maintaining asset coverage of at least 300%, may segregate or earmark liquid assets, or enter into an offsetting position, in an amount at least equal to the Fund's exposure to the transaction (as calculated pursuant to requirements of the SEC). From the outset of the transaction, in accordance with 1940 Act Release 10666, "Securities Trading Practices of Registered Investment Companies" (April 18, 1979), for reverse repurchase agreements, the Fund will segregate the full amount of the Fund's actual or potential cash payment obligations that the Fund will owe at settlement. The investment restriction in (5) above will be interpreted to permit the Fund to (a) engage in trading practices and investments that may be considered to be borrowing or to involve leverage to the extent permitted by the 1940 Act, (b) segregate or earmark liquid assets or enter into offsetting positions in accordance with SEC staff guidance and interpretations, (c) engage in securities lending in accordance with SEC staff guidance and interpretations and (d) settle securities transactions within the ordinary settlement cycle for such transactions.

With respect to investment restriction (6), under the 1940 Act, the Fund may issue senior securities (which may be stock, such as preferred shares, and/or securities representing debt, such as notes) only if immediately after such issuance the value of the Fund's total assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding and exceeds 200% of the amount of preferred shares (measured by liquidation value) and debt outstanding, which is referred to as the "asset coverage" required by the 1940 Act. The 1940 Act also generally restricts the Fund from declaring cash distributions on, or repurchasing, common or preferred shares unless outstanding debt securities have an asset coverage of 300% (200% in the case of declaring

**The Gabelli Dividend & Income Trust**  
**Additional Fund Information (Continued) (Unaudited)**

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distributions on preferred shares), or from declaring cash distributions on, or repurchasing, common shares unless preferred shares have an asset coverage of 200% (in each case, after giving effect to such distribution or repurchase).

# The Gabelli Dividend & Income Trust

## Additional Fund Information (Continued) (Unaudited)

### MANAGEMENT OF THE FUND

#### Trustees and Officers

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and Officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Dividend & Income Trust at One Corporate Center, Rye, NY 10580-1422.

<u>Name, Position(s) Address<sup>1</sup> and Age</u>	<u>Term of Office and Length of Time Served<sup>2</sup></u>	<u>Number of Funds in Fund Complex Overseen by Trustee</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Trustee<sup>3</sup></u>
<b>INTERESTED TRUSTEES<sup>4</sup>:</b>				
<b>Mario J. Gabelli, CFA</b> Chairman and Chief Investment Officer Age: 79	Since 2003*	31	Chairman, Chief Executive Officer, and Chief Investment Officer— Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management, Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies within the Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications) (2013-2018)
<b>Agnes Mullady</b> Trustee Age: 63	Since 2021***	11	Senior Vice President of GAMCO Investors, Inc. (2008-2019); Executive Vice President of Associated Capital Group, Inc. (November 2016-2019); President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC (2010- 2019); Vice President of Gabelli Funds, LLC (2006-2019); Chief Executive Officer of G.distributors, LLC (2011-2019); and an officer of all of the Gabelli/GAMCO/Teton Funds (2006-2019)	—
<b>INDEPENDENT TRUSTEES<sup>5</sup>:</b>				
<b>Elizabeth C. Bogan</b> Trustee Age: 77	Since 2021***	12	Senior Lecturer in Economics at Princeton University	—
<b>Anthony S. Colavita<sup>6,7</sup></b> Trustee Age: 60	Since 2018***	21	Attorney, Anthony S. Colavita, P.C.; Supervisor, Town of Eastchester, NY	—
<b>James P. Conn<sup>6</sup></b> Trustee Age: 83	Since 2003***	23	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings, Ltd. (1992-1998)	—



## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

<b>Name, Position(s) Address<sup>1</sup> and Age</b>	<b>Term of Office and Length of Time Served<sup>2</sup></b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Other Directorships Held by Trustee<sup>3</sup></b>
<b>Frank J. Fahrenkopf, Jr.<sup>7</sup></b> Trustee Age: 82	Since 2003**	12	Co-Chairman of the Commission on Presidential Debates; Former President and Chief Executive Officer of the American Gaming Association (1995-2013); Former Chairman of the Republican National Committee (1983-1989)	Director of First Republic Bank (banking); Director of Eldorado Resorts, Inc. (casino entertainment company)
<b>Michael J. Melarkey</b> Trustee Age: 72	Since 2003*	22	Of Counsel in the law firm of McDonald Carano Wilson LLP; Partner in the law firm of Avansino, Melarkey, Knobel, Mulligan & McKenzie (1980-2015)	Chairman of Southwest Gas Corporation (natural gas utility)
<b>Kuni Nakamura</b> Trustee Age: 53	Since 2018*	34	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate); Trustee on Long Island University Board of Trustees	—
<b>Salvatore M. Salibello<sup>8</sup></b> Trustee Age: 76	Since 2003***	6	Senior Partner of Bright Side Consulting (consulting); Certified Public Accountant and Managing Partner of the certified public accounting firm of Salibello & Broder LLP (1978-2012); Partner of BDO Seidman, LLP (2012-2013)	Director of Nine West, Inc. (consumer products) (2002-2014); Director of LICT Corp. (Telecommunications)
<b>Anthonie C. van Ekris<sup>7</sup></b> Trustee Age: 87	Since 2003**	23	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)	—
<b>Susan V. Watson<sup>8</sup></b> Trustee Age: 69	Since 2017*	1	Executive Search Associate with Spencer Stuart (2010-2016); President of Investor Relations Association (1998-2000)	Director, PMV Consumer Acquisition Corp.
<b>Salvatore J. Zizza<sup>7</sup></b> Trustee Age: 76	Since 2003**	32	President, Zizza & Associates Corp. (private holding company); Chairman of Bergen Cove Realty Inc. (residential real estate)	Director and Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals) (2009-2018); Retired Chairman of BAM (semiconductor and aerospace manufacturing)

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

<b>Name, Position(s) Address<sup>1</sup> and Age</b>	<b>Term of Office and Length of Time Served<sup>2</sup></b>	<b>Principal Occupation(s) During Past Five Years</b>
<b>OFFICERS:</b>		
<b>Bruce N. Alpert</b> President Age: 70	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008; Vice President – Mutual Funds, G.research, LLC
<b>John C. Ball</b> Treasurer Age: 45	Since 2017	Treasurer of registered investment companies within the Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Chief Executive Officer, G.distributors, LLC since December 2020
<b>Peter Goldstein</b> Secretary and Vice President Age: 68	Since 2020	General Counsel, Gabelli Funds, LLC since July 2020; General Counsel and Chief Compliance Officer, Buckingham Capital Management, Inc. (2012-2020); Chief Legal Officer and Chief Compliance Officer, The Buckingham Research Group, Inc. (2012-2020)
<b>Richard J. Walz</b> Chief Compliance Officer Age: 62	Since 2013	Chief Compliance Officer of registered investment companies within the Fund Complex since 2013; Chief Compliance Officer for Gabelli Funds, LLC since 2015
<b>Carter W. Austin</b> Vice President and Ombudsman Age: 55	Since 2003	Vice President and/or Ombudsman of closed-end funds within the Fund Complex; Senior Vice President (since 2015) and Vice President (1996-2015) of Gabelli Funds, LLC
<b>Laurissa M. Martire</b> Vice President and Ombudsman Age: 45	Since 2011	Vice President and/or Ombudsman of closed-end funds within the Fund Complex; Senior Vice President (since 2019) and other positions (2003-2019) of GAMCO Investors, Inc.
<b>Daniel Plourde</b> Vice President Age: 41	Since 2021	Vice President of registered investment companies within the Fund Complex since 2021; Assistant Treasurer of the North American SPDR ETFs and State Street Global Advisors Mutual Funds (2017-2021); Fund Administration at State Street Bank (2009-2017)
<b>David I. Schachter</b> Vice President Age: 68	Since 2011	Vice President and/or Ombudsman of closed-end funds within the Fund Complex; Senior Vice President (since 2015) and Vice President (1999-2015) of G.research, LLC

<sup>1</sup> Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

<sup>2</sup> The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:

\* Term expires at the Fund's 2022 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

\*\* Term expires at the Fund's 2023 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

\*\*\* Term expires at the Fund's 2024 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

<sup>3</sup> This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.

<sup>4</sup> "Interested person" of the Fund, as defined in the 1940 Act. Mr. Gabelli and Ms. Mullady are considered an "interested person" because of

## The Gabelli Dividend & Income Trust

### Additional Fund Information (Continued) (Unaudited)

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their affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

<sup>5</sup> Trustees who are not interested persons are considered "Independent" Trustees.

<sup>6</sup> This Trustee is elected solely by and represents the shareholders of the preferred shares issued by this Fund.

<sup>7</sup> Mr. Colavita's father, Anthony J. Colavita, and Mr. Fahrenkopf's daughter, Leslie F. Foley, serve as directors of other funds in the Fund Complex. Mr. van Ekris is an independent director of Gabelli International Ltd., Gabelli Fund LDC, Gama Capital Opportunities Master Ltd., and GAMCO International SICAV, Mr. Zizza is an independent director of Gabelli International Ltd., which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and in that event would be deemed to be under common control with the Fund's Adviser. On September 9, 2015, Mr. Zizza entered into a settlement with the SEC to resolve an inquiry relating to an alleged violation regarding the making of false statements or omissions to the accountants of a company concerning a related party transaction. The company in question is not an affiliate of, nor has any connection to, the Fund. Under the terms of the settlement, Mr. Zizza, without admitting or denying the SEC's findings and allegation, paid \$150,000 and agreed to cease and desist committing or causing any future violations of Rule 13b2-2 of the Securities Exchange Act of 1934, as amended. The Board has discussed this matter and has determined that it does not disqualify Mr. Zizza from serving as an Independent Trustee.

<sup>8</sup> Mr. Salibello is a director of LICT Corp., and Ms. Watson is a director of PMV Consumer Acquisition Corp., both of which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and in that event would be deemed to be under common control with the Fund's Adviser.

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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#### **General**

The Fund's Board has overall responsibility for the management of the Fund. The Board decides upon matters of general policy and reviews the actions of the Investment Adviser, Gabelli Funds, LLC, One Corporate Center, Rye, New York 10580-1422, and the Sub-Administrator (as defined below). Pursuant to the Investment Advisory Agreement, the Investment Adviser, under the supervision of the Board, provides a continuous investment program for the Fund's portfolio, provides investment research and makes and executes recommendations for the purchase and sale of securities, provides all facilities and personnel, including officers required for its administrative management, and pays the compensation of Trustees of the Fund who are officers or employees of the Investment Adviser or its affiliates. As compensation for its services rendered and the related expenses borne by the Investment Adviser, the Fund pays the Investment Adviser a fee at an annual rate of 1.00% of the Fund's average weekly net assets including proceeds attributable to any outstanding preferred shares, other than assets attributable to the Fund's Reduced Fee Preferred (as defined below) when such Reduced Fee Preferred are subject to the fee reduction described below, and the outstanding principal amount of any debt securities the proceeds of which were used for investment purposes, subject to voluntary reduction in certain situations. Consequently, since the Fund has preferred shares outstanding, the investment management fees and other expenses as a percentage of net assets attributable to common shares may be higher than if the Fund did not utilize a leveraged capital structure.

The Investment Adviser has agreed to reduce the portion of its management fee attributable to an amount of assets of the Fund equal to the aggregate stated value of, as the case may be, its currently outstanding Series B Preferred Shares, Series C Preferred Shares and/or Series E Preferred Shares (together, the "Reduced Fee Preferred") for any calendar year in which the net asset value total return of the Fund allocable to the common shares, including distributions and the management fee subject to potential reduction, is less than, in the case of the Series B Preferred Shares, Series C Preferred Shares and/or Series E Preferred Shares, the net cost of capital to the Fund with respect to such series for such year expressed as a percentage (including, without duplication, distributions paid by the Fund on such series and the net cost to the Fund of any associated swap or cap transaction if the Fund hedges its distribution obligations). The Fund's Series G Preferred (fully redeemed on January 31, 2022), Series H Preferred, Series J Preferred and Series K Preferred are not subject to this reduction. This reduction will apply to the portion of the Fund's assets attributable to the "Reduced Fee Preferred" for so long as the Investment Adviser agrees to continue the reduction, and will not apply to any preferred shares issued pursuant to this offering. The Fund'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 or corresponding swap rate of each particular series of preferred shares for the period. The test to confirm the accrual of the management fee on the assets attributable to each particular series of preferred shares is annual. The Fund will accrue for the management fee on these assets during the fiscal year if it appears probable that the Fund will incur the management fee on those additional assets.

Because the investment advisory fees are based on a percentage of net assets, which includes assets attributable to the Fund's use of leverage (but excludes assets attributable to the Fund's Reduced Fee Preferred when such Reduced Fee Preferred are subject to the fee reduction described above), the Investment Adviser may have a conflict of interest in the input it provides to the Board regarding whether to use or increase the Fund's use

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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of leverage. The Board bases its decision, with input from the Investment Adviser, regarding whether and how much leverage to use for the Fund on its assessment of whether such use of leverage is in the best interests of the Fund, and the Board seeks to manage the Investment Adviser's potential conflict of interest by retaining the final decision on these matters and by periodically reviewing the Fund's performance and use of leverage.

#### **The Investment Adviser**

The Investment Adviser is a New York limited liability company which serves as an investment adviser to registered investment companies with combined aggregate net assets of approximately \$21.5 billion as of December 31, 2021. The Investment Adviser is a registered investment adviser under the Investment Advisers Act of 1940, as amended, and is a wholly owned subsidiary of GAMCO Investors, Inc. ("GBL"). Mr. Gabelli owns a majority of the stock of GGCP, Inc. ("GGCP") which holds a majority of the capital stock and voting power of GBL. The Investment Adviser has several affiliates that provide investment advisory services: GAMCO Asset Management Inc., a wholly owned subsidiary of GBL, acts as investment adviser for individuals, pension trusts, profit sharing trusts, and endowments, and as a sub-adviser to certain third party investment funds, which include registered investment companies, having assets under management of approximately of \$13.5 billion as of December 31, 2021; Teton Advisors, Inc., and its wholly owned investment adviser, Keeley Teton Advisors, LLC, with assets under management of approximately \$2.1 billion as of September 30, 2021, acts as investment adviser to The TETON Westwood Funds, the KEELEY Funds, and separately managed accounts; and Gabelli & Company Investment Advisers, Inc. (formerly, Gabelli Securities, Inc.), a wholly owned subsidiary of Associated Capital Group, Inc. ("Associated Capital"), acts as investment adviser for certain alternative investment products, consisting primarily of risk arbitrage and merchant banking limited partnerships and offshore companies, with assets under management of approximately \$1.8 billion as of December 31, 2021. Teton Advisors, Inc., was spun off by GBL in March 2009 and is an affiliate of GBL by virtue of Mr. Gabelli's ownership of GGCP, the principal shareholder of Teton Advisors, Inc., as of December 31, 2021. Associated Capital was spun off from GBL on November 30, 2015, and is an affiliate of GBL by virtue of Mr. Gabelli's ownership of GGCP, the principal shareholder of Associated Capital.

A discussion regarding the basis for the Fund's Board approval of the Investment Advisory Agreement with the Investment Adviser is available in this Annual Report.

#### **Payment of Expenses**

The Investment Adviser is obligated to pay expenses associated with providing the services contemplated by the Investment Advisory Agreement including compensation of and office space for its officers and employees connected with investment and economic research, trading and investment management and administration of the Fund (but excluding costs associated with the calculation of the net asset value and allocated costs of the chief compliance officer function and officers of the Fund who are employed by the Fund and are not employed by the Investment Adviser although such officers may receive incentive-based variable compensation from affiliates of the Investment Adviser), as well as the fees of all Trustees of the Fund who are officers or employees of the Investment Adviser or its affiliates.

In addition to the fees of the Investment Adviser, the Fund, and indirectly the holders of its common shares, is responsible for the payment of all its other expenses incurred in the operation of the Fund, which include, among other things, underwriting compensation and reimbursements in connection with sales of the Fund's

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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securities, expenses for legal and the Fund's independent registered public accounting firm's services, stock exchange listing fees and expenses, costs of printing proxies, share certificates and shareholder reports, charges of the Fund's Custodian, any sub-custodian and any transfer agent and distribution disbursing agent, expenses in connection with the Fund's automatic dividend reinvestment plan and the voluntary cash purchase plan, SEC fees and preparation of filings with the SEC, fees and expenses of Trustees who are not officers or employees of the Investment Adviser or its affiliates, accounting and printing costs, the Fund's pro rata portion of membership fees in trade organizations, compensation and other expenses of officers and employees of the Fund (including, but not limited to, the Chief Compliance Officer, Vice President and Ombudsman) as approved by the Fund's Trustees, fidelity bond coverage for the Fund's officers and employees, Trustees' and officers' errors and omissions insurance coverage, interest, brokerage costs, taxes, expenses of qualifying the Fund's shares for sale in various states, expenses of personnel performing shareholder servicing functions, rating agency fees, organizational expenses, litigation and other extraordinary or non-recurring expenses and other expenses properly payable by the Fund.

#### **Selection of Securities Brokers**

The Investment Advisory Agreement contains provisions relating to the selection of securities brokers to effect the portfolio transactions of the Fund. Under those provisions, the Investment Adviser may (i) direct Fund portfolio brokerage to G.research, LLC ("G.research"), an affiliate of the Investment Adviser, or to other broker-dealer affiliates of the Investment Adviser and (ii) pay commissions to brokers other than G.research that are higher than might be charged by another qualified broker to obtain brokerage and/or research services considered by the Investment Adviser to be useful or desirable for its investment management of the Fund and/or its other investment advisory accounts or those of any investment adviser affiliated with it. The SAI contains further information about the Investment Advisory Agreement, including a more complete description of the investment advisory and expense arrangements, exculpatory and brokerage provisions, as well as information on the brokerage practices of the Fund.

#### **Portfolio Managers**

Mario J. Gabelli, CFA, is currently and has been responsible for the day to day management of the Fund since its inception. Mr. Gabelli serves as Chairman and Chief Executive Officer of GBL and Associated Capital, Chief Investment Officer—Value Portfolios for GBL, the Investment Adviser and GAMCO, Chief Executive Officer and Chief Investment Officer of GGCP, and a director or officer of other companies affiliated with GBL. Mr. Gabelli serves as portfolio manager for and is a director of several funds in the Gabelli fund family ("Gabelli/GAMCO Fund Complex" or "Fund Complex"). Because of the diverse nature of Mr. Gabelli's responsibilities, he will devote less than all of his time to the day to day management of the Fund. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

Robert D. Leininger, CFA, became a portfolio manager of the Fund in 2010. He joined GBL in 1993 as a security analyst. Mr. Leininger moved to Rorer Asset Management LLC in Philadelphia in 1997, where he was a partner in the firm and member of the investment policy committee. In August 2009, he joined Copeland Capital Management as a partner and portfolio manager before rejoining GBL in 2010 where he currently serves as



## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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a portfolio manager for the Investment Adviser and on GAMCO's institutional and high net worth separate accounts team. He is a member of the Financial Analyst Society of Philadelphia. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA from the Wharton School at the University of Pennsylvania.

Kevin V. Dreyer, a Managing Director of GBL and Co-Chief Investment Officer of GBL's Value team, became a portfolio manager of the Fund in 2012. Mr. Dreyer joined Gabelli in 2005 as a research analyst. He currently serves as a portfolio manager for the Investment Adviser managing several funds within the Fund Complex. He is also a portfolio manager on GAMCO's institutional and high net worth separate accounts team. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

Jeffrey J. Jonas, CFA, became a portfolio manager of the Fund in 2012. Mr. Jonas joined GBL as a research analyst in 2003 and has focused on companies in the cardiovascular, healthcare services, and pharmacy benefits sectors, among others. Mr. Jonas currently serves as a portfolio manager for the Investment Adviser managing several funds in the Fund Complex. In addition, he serves as a portfolio manager for Gabelli Securities, Inc. and its Medical Opportunities Fund, a healthcare focused partnership. He is also a portfolio manager on GAMCO's institutional and high net worth separate accounts team. Mr. Jonas graduated as a Gabelli Presidential Scholar from the Carroll School of Management at Boston College in finance and management information systems.

Christopher J. Marangi, a Managing Director of GBL and Co-Chief Investment Officer of GBL's Value team, became a portfolio manager of the Fund in 2012. Mr. Marangi joined Gabelli in 2003 as a research analyst. He currently serves as a portfolio manager for the Investment Adviser managing several funds within the Fund Complex. He is also a portfolio manager on GAMCO's institutional and high net worth separate accounts team. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA with honors from Columbia Business School.

Regina M. Pitaro has served as a portfolio manager of the Fund since November 2017. Ms. Pitaro joined GAMCO Investors, Inc. in 1984 and is currently a Managing Director and Head of Institutional Marketing, where she continues to coordinate the organization's focus with consultants and plan sponsors. She also serves as a Managing Director and Director of GAMCO Asset Management, Inc. and a portfolio manager for Gabelli Funds, LLC. Ms. Pitaro holds an M.B.A. in Finance from Columbia Business School, a M.A. in Anthropology from Loyola University of Chicago, and a B.A. in Anthropology from Fordham University.

Sarah M. Donnelly has served as portfolio manager of the Fund since September 2017. Ms. Donnelly serves as a portfolio manager for Gabelli Funds, LLC. She is also a Senior Vice President of Associated Capital Group, Inc. and serves as the Health & Wellness research platform leader and as a research analyst covering food, household, and personal care products. Ms. Donnelly joined GAMCO Investors Inc. in 1999 as a junior research analyst working with the consumer staples and media analysts. She received a B.S. in Business Administration with a concentration in Finance and minor in History from Fordham University and currently serves on the advisory board of the Gabelli Center for Global Security Analysis at Fordham University.

Brian C. Sponheimer has served as a portfolio manager of the Fund since November 2017. Mr. Sponheimer joined Gabelli in 2008 as a research analyst covering automotive and trucking companies. Currently he is a Senior Vice President of Associated Capital Group, Inc., a portfolio manager of Gabelli Funds, LLC, and is responsible for oversight of G.research, Inc.'s Industrial Research platform. Brian graduated cum laude from

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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Harvard University with a BA in Government, and received an MBA in Finance and Economics from Columbia Business School.

Howard F. Ward, CFA, has served as a portfolio manager of the Fund since May 2018. Mr. Ward joined Gabelli Funds in 1995 and currently serves as GAMCO's Chief Investment Officer of Growth Equities as well as a Gabelli Funds, LLC portfolio manager for several funds within the Gabelli/GAMCO Fund Complex. Prior to joining Gabelli, Mr. Ward served as Managing Director and Lead Portfolio Manager for several Scudder mutual funds. He also was an Investment Officer in the Institutional Investment Department with Brown Brothers, Harriman & Co. Mr. Ward received his BA in Economics from Northwestern University.

Hendi Susanto has served as a portfolio manager of the Fund since 2020. He joined Gabelli Funds in 2007 as the lead technology research analyst. He spent his early career in supply chain management consulting and operations in the technology industry. He currently is a portfolio manager of Gabelli Funds, LLC and a Vice President of Associated Capital Group Inc. Mr. Susanto received a BS degree summa cum laude from the University of Minnesota, an MS from Massachusetts Institute of Technology, and an MBA from the Wharton School of Business.

Gordon D. Grender has served as a portfolio manager of the Fund since February 2021. He is an investment professional of an affiliate, GAMCO Asset Management (UK) Limited ("GAMCO"). Mr. Grender recently joined GAMCO, having previously served, since 1983, as the portfolio manager for a U.S. equity fund at GAM International Ltd., a Swiss based global asset management firm. In keeping with applicable regulatory guidance, GAMCO entered into a Memorandum of Understanding with the Investment Adviser pursuant to which GAMCO is considered a "Participating Affiliate" of the Investment Adviser as that term is used in relief granted by the staff of the Securities and Exchange Commission allowing U.S. registered investment advisers to use portfolio management and trading resources of advisory affiliates subject to the supervision of a registered adviser.

Tony Bancroft became a portfolio manager of the Fund in 2021. He joined Gabelli Funds in 2009 as an associate in the alternative investments division and is currently an analyst covering the aerospace and defense and environmental services sectors, with a focus on suppliers to the commercial, military and regional jet aircraft industry and waste services. He previously served in the United States Marine Corps as an F/A-18 Hornet fighter pilot. Tony graduated with distinction from the United States Naval Academy with a BS in systems engineering and holds an MBA in finance and economics from Columbia Business School.

Mario J. Gabelli, Robert D. Leininger, Kevin V. Dreyer, Jeffrey J. Jonas, Christopher J. Marangi, Regina M. Pitaro, Sarah Donnelly, Brian C. Sponheimer, Howard F. Ward, Hendi Susanto, Gordon Grender and Tony Bancroft function as a team and are jointly and primarily responsible for the day to day management of the Fund.

#### **Non-Resident Trustee**

Anthonie C. van Ekris, Trustee of the Fund, resides outside of the United States and all or a significant portion of his assets are located outside the United States. Mr. van Ekris does not have an authorized agent in the United States to receive service of process. As a result, it may not be possible for investors to effect service of process within the United States or to enforce against Mr. van Ekris in U.S. court judgments predicated upon the civil liability provisions of U.S. securities laws. It may also not be possible to enforce against Mr. van Ekris in foreign

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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courts judgments of U.S. courts or liabilities in original actions predicated upon civil liability provisions of the United States.

#### **Sub-Administrator**

The Investment Adviser has entered into a sub-administration agreement with BNY Mellon Investment Servicing (US) Inc. (the "Sub-Administrator") pursuant to which the Sub-Administrator provides certain administrative services necessary for the Fund's operations which do not include the investment and portfolio management services provided by the Investment Adviser. For these services and the related expenses borne by the Sub-Administrator, the Investment Adviser pays an annual fee based on the value of the aggregate average daily net assets of all funds under its administration managed by the Investment Adviser, GAMCO and Teton Advisors, Inc. as follows: 0.0275%—first \$10 billion, 0.0125%—exceeding \$10 billion but less than \$15 billion, 0.01%—over \$15 billion but less than \$20 billion and 0.008% over \$20 billion. The Sub-Administrator has its principal office at 760 Moore Road, King of Prussia, Pennsylvania 19406.

#### **NET ASSET VALUE**

The net asset value of the Fund's shares is computed based on the market value of the securities it holds and is determined daily as of the close of the regular trading day on the NYSE. For purposes of determining the Fund's net asset value per share, portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. OTC 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 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 Investment 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 60 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 60 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. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Options are valued using market quotations. When market quotations are not readily available, options are valued from broker quotes. In limited circumstances when neither market quotations nor broker quotes are readily available, options are valued using a Black Scholes model.

## **The Gabelli Dividend & Income Trust**

### **Additional Fund Information (Continued) (Unaudited)**

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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 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.

The Fund obtains valuations on the basis of prices provided by a pricing service approved by the Board. All other investment assets, including restricted and not readily marketable securities, are valued in good faith at fair value under procedures established by and under the general supervision and responsibility of the Board.

In addition, whenever developments in one or more securities markets after the close of the principal markets for one or more portfolio securities and before the time as of which the Fund determines its net asset value would, if such developments had been reflected in such principal markets, likely have more than a minimal effect on the Fund's net asset value per share, the Fund may fair value such portfolio securities based on available market information as of the time the Fund determines its net asset value.

*NYSE Closings.* The holidays (as observed) on which the NYSE is closed, and therefore days upon which shareholders will not be able to purchase or sell common shares currently are: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, and on the preceding Friday or subsequent Monday when a holiday falls on a Saturday or Sunday, respectively.

**THE GABELLI DIVIDEND & INCOME TRUST**  
**INCOME TAX INFORMATION (Unaudited)**  
December 31, 2021

**Cash Dividends and Distributions**

	Payable Date	Record Date	Ordinary Investment Income (a)	Long Term Capital Gains	Return of Capital (b)	Total Amount Paid Per Share (c)	Dividend Reinvestment Price
<b>Common Stock</b>							
	01/22/21	01/14/21	\$0.01730	\$0.09270	—	\$0.11000	\$22.31940
	02/19/21	02/11/21	0.01730	0.09270	—	0.11000	22.94340
	03/24/21	03/17/21	0.01730	0.09270	—	0.11000	23.49180
	04/23/21	04/16/21	0.01730	0.09270	—	0.11000	25.10760
	05/21/21	05/14/21	0.01730	0.09270	—	0.11000	26.28310
	06/23/21	06/16/21	0.01730	0.09270	—	0.11000	26.26730
	07/23/21	07/16/21	0.01730	0.09270	—	0.11000	26.45320
	08/24/21	08/17/21	0.01730	0.09270	—	0.11000	27.04210
	09/23/21	09/16/21	0.01730	0.09270	—	0.11000	26.46530
	10/22/21	10/15/21	0.01730	0.09270	—	0.11000	27.03790
	11/22/21	11/15/21	0.01730	0.09270	—	0.11000	26.96800
	12/17/21	12/10/21	0.01730	0.09270	—	0.11000	25.69900
	01/06/22	12/30/21	0.00944	0.05056	—	0.06000	27.04000
			<u>\$0.21704</u>	<u>\$1.16296</u>	<u>—</u>	<u>\$1.38000</u>	
<b>5.250% Series G Cumulative Preferred Shares</b>							
	03/26/21	03/19/21	\$0.0516076	\$0.2765174	—	\$0.3281250	
	06/28/21	06/21/21	0.0516076	0.2765174	—	0.3281250	
	09/27/21	09/20/21	0.0516076	0.2765174	—	0.3281250	
	12/27/21	12/17/21	0.0516076	0.2765174	—	0.3281250	
			<u>\$0.2064304</u>	<u>\$1.1060696</u>	<u>—</u>	<u>\$1.3125000</u>	
<b>5.375% Series H Cumulative Preferred Shares</b>							
	03/26/21	03/19/21	\$0.0528363	\$0.2831012	—	\$0.3359375	
	06/28/21	06/21/21	0.0528363	0.2831012	—	0.3359375	
	09/27/21	09/20/21	0.0528363	0.2831012	—	0.3359375	
	12/27/21	12/17/21	0.0528363	0.2831012	—	0.3359375	
			<u>\$0.2113452</u>	<u>\$1.1324048</u>	<u>—</u>	<u>\$1.3437500</u>	
<b>1.700% Series J Cumulative Preferred Shares</b>							
	06/28/21	06/21/21	\$12.2548000	\$65.6619000	—	\$77.9167000	
	09/27/21	09/20/21	16.7110180	89.5389820	—	106.2500000	
	12/27/21	12/17/21	16.7110180	89.5389820	—	106.2500000	
			<u>\$45.6768360</u>	<u>\$238.5390440</u>	<u>—</u>	<u>\$290.4167000</u>	
<b>4.250% Series K Cumulative Preferred Shares</b>							
	12/27/21	12/17/21	\$0.0366714	\$0.1915100	—	\$0.2281814	
			<u>\$0.0366714</u>	<u>\$0.1915100</u>	<u>—</u>	<u>\$0.2281814</u>	

**THE GABELLI DIVIDEND & INCOME TRUST**  
**INCOME TAX INFORMATION (Unaudited) (Continued)**  
**December 31, 2021**

**Series B and C Auction Market Cumulative and Series E Auction Rate Cumulative Preferred Shares**

Auction Market and Auction Rate Preferred Shares pay dividends weekly based on the maximum rate. The distributions derived from long term capital gains for the Series B, Series C, or Series E Auction Preferred Shares were \$8,864,113 for the year ended December 31, 2021.

A Form 1099-DIV has been mailed to all shareholders of record for the distributions mentioned above, setting forth specific amounts to be included in the 2021 tax returns. Ordinary income distributions include net investment income and realized net short term capital gains, if any. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV. The long term gain distributions on common shares for the year ended December 31, 2021 were \$105,349,370.

**Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Government Securities Income**

In 2021, the Fund paid to common, 5.250% Series G, 5.375% Series H, Series J and 4.250% Series K Cumulative Preferred shareholders ordinary income dividends of \$0.21704, \$0.20643, \$0.21135, \$45.67684, and \$0.03667 per share, respectively. The Fund paid weekly distributions to Series B, C, and E preferred shareholders at varying rates throughout the year, including ordinary income dividends totaling \$80.42836, \$81.37524, and \$138.28088 per share, respectively. For the year ended December 31, 2021, 100% of the ordinary dividend qualified for the dividends received deduction available to corporations and 100% of the ordinary income distribution was deemed qualified dividend income, 100% of the ordinary income distribution was qualified short term capital gain, and 0.22% of the ordinary income distribution was deemed qualified interest income. The percentage of ordinary income dividends paid by the Fund during 2021 derived from U.S. Treasury securities was 0.09%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The percentage of U.S. Treasury securities held as of December 31, 2021 was 6.91%.



**THE GABELLI DIVIDEND & INCOME TRUST**  
**INCOME TAX INFORMATION (Unaudited) (Continued)**  
December 31, 2021

**Historical Distribution Summary**

	<b>Investment Income (a)</b>	<b>Short Term Capital Gains (a)</b>	<b>Long Term Capital Gains</b>	<b>Return of Capital (b)</b>	<b>Total Distributions (c)</b>	<b>Adjustment to Cost Basis (d)</b>
<b>Common Shares</b>						
2021 .....	\$0.21704	—	\$1.16296	—	\$1.38000	—
2020 .....	0.23712	\$0.00228	1.06584	\$0.01476	1.32000	\$0.01476
2019 .....	0.29580	0.03072	0.95748	0.03600	1.32000	0.03600
2018 .....	0.36840	—	0.93120	0.02040	1.32000	0.02040
2017 .....	0.28190	—	0.96370	0.07440	1.32000	0.07440
2016 .....	0.30600	0.00840	1.00560	—	1.32000	—
2015 .....	0.30852	0.02780	0.62160	0.28208	1.24000	0.28208
2014 (e) .....	0.38937	0.06471	1.90232	0.02360	2.38000	0.02360
2013 .....	0.31020	0.00550	0.71430	—	1.03000	—
2012 .....	0.37632	0.30588	—	0.27780	0.96000	0.27780
<b>5.875% Series A Cumulative Preferred Shares</b>						
2020 .....	\$0.22905	\$0.00224	\$1.02938	—	\$1.26068	—
2019 .....	0.33838	0.03509	1.09529	—	1.46875	—
2018 .....	0.41585	—	1.05290	—	1.46875	—
2017 .....	0.33224	—	1.13651	—	1.46875	—
2016 .....	0.34045	0.00930	1.11900	—	1.46875	—
2015 .....	0.47310	0.04264	0.95301	—	1.46875	—
2014 .....	0.24271	0.04031	1.18573	—	1.46875	—
2013 .....	0.44235	0.00795	1.01845	—	1.46875	—
2012 .....	0.81025	0.65850	—	—	1.46875	—
<b>6.000% Series D Cumulative Preferred Shares</b>						
2019 .....	\$0.34556	\$0.03584	\$1.11860	—	\$1.50000	—
2018 .....	0.42472	—	1.07528	—	1.50000	—
2017 .....	0.33930	—	1.16070	—	1.50000	—
2016 .....	0.34768	0.00952	1.14280	—	1.50000	—
2015 .....	0.48316	0.04356	0.97328	—	1.50000	—
2014 .....	0.24788	0.04116	1.21096	—	1.50000	—
2013 .....	0.45176	0.00812	1.04012	—	1.50000	—
2012 .....	0.82760	0.67240	—	—	1.50000	—
<b>5.250% Series G Cumulative Preferred Shares</b>						
2021 .....	\$0.20643	—	\$1.10610	—	\$1.31253	—
2020 .....	0.23846	\$0.00234	1.07170	—	1.31250	—
2019 .....	0.30238	0.03135	0.97877	—	1.31250	—
2018 .....	0.37161	—	0.94089	—	1.31250	—
2017 .....	0.29689	—	1.01561	—	1.31250	—
2016 .....	0.14789	0.00404	0.48609	—	0.63802	—

**THE GABELLI DIVIDEND & INCOME TRUST**  
**INCOME TAX INFORMATION (Unaudited) (Continued)**  
December 31, 2021

**Historical Distribution Summary**

	<u>Investment Income (a)</u>	<u>Short Term Capital Gains (a)</u>	<u>Long Term Capital Gains</u>	<u>Return of Capital (b)</u>	<u>Total Distributions (c)</u>	<u>Adjustment to Cost Basis (d)</u>
<b>5.375% Series H Cumulative Preferred Shares</b>						
2021 .....	\$0.21135	—	\$1.13240	—	\$1.34375	—
2020 .....	0.24414	\$0.00239	1.09722	—	1.34375	—
2019 .....	0.17113	0.01774	0.55392	—	0.74280	—
<b>1.700% Series J Cumulative Preferred Shares</b>						
2021 .....	\$45.67684	—	\$244.73986	—	\$290.41670	—
<b>4.250% Series K Cumulative Preferred Shares</b>						
2021 .....	\$0.03667	—	\$0.19649	—	\$0.23316	—
<b>Auction Market Series B Cumulative Preferred Shares</b>						
2021 .....	\$80.42836	—	\$430.94164	—	\$511.37000	—
2020 .....	87.92391	\$0.86154	395.14455	—	483.93000	—
2019 .....	212.87165	22.07221	689.04614	—	923.99000	—
2018 .....	247.46148	—	626.54852	—	874.01000	—
2017 .....	146.74851	—	499.55149	—	646.30000	—
2016 .....	113.64000	3.11000	373.52000	—	490.27000	—
2015 .....	135.24823	12.19058	272.44119	—	419.88000	—
2014 .....	67.75947	11.25488	331.03565	—	410.05000	—
2013 .....	125.97838	2.26456	290.04706	—	418.29000	—
2012 .....	221.40190	179.93810	—	—	401.34000	—
<b>Auction Market Series C Cumulative Preferred Shares</b>						
2021 .....	\$81.37524	—	\$436.01513	—	\$517.39037	—
2020 .....	90.01332	\$0.88201	404.53467	—	495.43000	—
2019 .....	213.29786	22.11640	690.42574	—	925.84000	—
2018 .....	242.70483	—	614.50517	—	857.21000	—
2017 .....	147.18673	—	501.04327	—	648.23000	—
2016 .....	113.83000	3.11000	374.13000	—	491.07000	—
2015 .....	135.44794	12.20858	272.84348	—	420.50000	—
2014 .....	69.08641	11.47528	337.51831	—	418.08000	—
2013 .....	126.00248	2.26499	290.10253	—	418.37000	—
2012 .....	216.87831	176.26169	—	—	393.14000	—
<b>Auction Rate Series E Cumulative Preferred Shares</b>						
2021 .....	\$138.28088	—	\$740.92009	—	\$879.20097	—
2020 .....	133.38207	\$1.30697	599.44097	—	734.13000	—
2019 .....	251.55758	26.08347	814.26895	—	1,091.91000	—
2018 .....	341.12203	—	863.68797	—	1,204.81000	—
2017 .....	204.25358	—	695.30642	—	899.56000	—

**THE GABELLI DIVIDEND & INCOME TRUST**  
**INCOME TAX INFORMATION (Unaudited) (Continued)**  
December 31, 2021

**Historical Distribution Summary**

	<b>Investment Income (a)</b>	<b>Short Term Capital Gains (a)</b>	<b>Long Term Capital Gains</b>	<b>Return of Capital (b)</b>	<b>Total Distributions (c)</b>	<b>Adjustment to Cost Basis (d)</b>
2016 .....	172.25000	4.71000	566.16000	—	743.12000	—
2015 .....	216.66839	19.52938	436.45223	—	672.65000	—
2014 .....	109.54380	18.19527	535.17093	—	662.91000	—
2013 .....	206.03966	3.70373	474.37661	—	684.12000	—
2012 .....	299.97988	243.80012	—	—	543.78000	—

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(a) Taxable as ordinary income for Federal tax purposes.

(b) Non-taxable.

(c) Total amounts may differ due to rounding.

(d) Decrease in cost basis.

(e) Includes the spin-off of the Gabelli Global Small and Mid Cap Value Trust (GGZ). On June 23, 2014, the Fund distributed shares of GGZ valued at \$12.00 per share. Common shareholders of GDV received one share of GGZ for every ten shares owned of GDV.

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All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

## **The Gabelli Dividend & Income Trust**

### **Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited)**

At its meeting on November 11, 2021, the Board of Trustees (Board) of the Fund approved the continuation of the investment advisory agreement with the Adviser for the Fund on the basis of the recommendation by the trustees who are not interested persons of the Fund (the Independent Board Members). The following paragraphs summarize the material information and factors considered by the Independent Board Members as well as their conclusions relative to such factors.

**Nature, Extent, and Quality of Services.** The Independent Board Members considered information regarding the portfolio managers, the depth of the analyst pool available to the Adviser and the portfolio managers, the scope of supervisory, administrative, shareholder, and other services supervised or provided by the Adviser and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the portfolio managers.

The Independent Board Members also noted that they were impressed with the overall quality of the materials relating to the Board's consideration of the Advisory Agreement.

**Investment Performance.** The Independent Board Members reviewed the performance of the Fund over the one, three, five, and ten year periods (as of September 30, 2021) against a peer group of thirteen other comparable funds prepared by the Adviser (the "Adviser Peer Group") and against a larger peer group of 19 other closed-end funds constituting the Fund's Lipper category (Objective Equity Funds) (the "Lipper Peer Group"). The Independent Board Members noted that the Fund's performance was in the first quartile for the one year period and the third quartile for the three, five, and ten year periods for the Adviser Peer Group, and in the second quartile for the one and ten year periods and the third quartile for the three and five year periods for the Lipper Peer Group. The Independent Board Members discussed the impact of COVID-19 on the Fund's performance and the Fund's focus on value stocks and the potential for value stocks to be a positive source of performance in the future.

**Profitability.** The Independent Board Members reviewed summary data regarding the profitability of the Fund to the Adviser.

**Economies of Scale.** The Independent Board Members discussed the major elements of the Adviser's cost structure and the relationship of those elements to potential economies of scale and reviewed data provided by the Adviser. The Independent Board Members noted that the Fund was a closed-end fund trading at a discount to net asset value and accordingly unlikely to achieve growth of the type that might lead to economies of scale that the shareholders would not participate in.

**Sharing of Economies of Scale.** The Independent Board Members noted that the investment management fee schedule for the Fund does not take into account any potential economies of scale.

**Service and Cost Comparisons.** The Independent Board Members compared the expense ratios of the investment management fee, other expenses, and total expenses of the Fund to similar expense ratios of the Adviser Peer Group and the Lipper Peer Group. The Independent Board Members noted that the Adviser's management fee includes substantially all administrative services of the Fund as well as investment advisory services. The Independent Board Members noted that the Fund was larger than average within each peer group and that its expense ratios were either roughly average or above average within each peer group. The Independent Board Members also noted that the management fee structure was the same as that in effect for

## **The Gabelli Dividend & Income Trust**

### **Board Consideration and Re-Approval of Investment Advisory Agreement (Unaudited) (Continued)**

most of the Gabelli funds. The Independent Board Members were presented with, but did not attach significance to, information comparing the management fee with the fee for other types of accounts managed by an affiliate of the Adviser.

**Conclusions.** The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services, good ancillary services and an acceptable performance record. The Independent Board Members also concluded that the Fund's expense ratios and the profitability to the Adviser of managing the Fund were reasonable, and that, in part due to the Fund's structure as a closed-end fund, economies of scale were not a significant factor in their thinking. The Independent Board Members did not view the potential profitability of ancillary services as material to their decision. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the Advisory Agreement to the full Board.

Based on a consideration of all these factors in their totality, the Board Members, including all of the Independent Board Members, determined that the Fund's advisory fee was appropriate in light of the quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board determined to approve the continuation of the Fund's Advisory Agreement. The Board Members based their decision on evaluations of all these factors as a whole and did not consider any one factor as all important or controlling.

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## **THE GABELLI DIVIDEND & INCOME TRUST AND YOUR PERSONAL PRIVACY**

### **Who are we?**

The Gabelli Dividend & Income Trust is a closed-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc., a publicly held company that has subsidiaries that provide investment advisory services for a variety of clients.

### **What kind of non-public information do we collect about you if you become a fund shareholder?**

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us.* This would include information about the shares that you buy or sell; it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services — like a transfer agent — we will also have information about the transactions that you conduct through them.

### **What information do we disclose and to whom do we disclose it?**

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, [www.sec.gov](http://www.sec.gov).

### **What do we do to protect your personal information?**

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

## THE GABELLI DIVIDEND & INCOME TRUST

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Executive Chairman,  
Associated Capital Group Inc.

Elizabeth C. Bogan  
Senior Lecturer in Economics  
at Princeton University

Anthony S. Colavita  
President,  
Anthony S. Colavita, P.C.

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

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

Michael J. Melarkey  
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McDonald Carano Wilson LLP

Agnes Mullady  
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Chairman,  
BALMAC International, Inc.

Susan V. Watson  
Former President,  
Investor Relations Association

Salvatore J. Zizza  
Chairman,  
Zizza & Associates Corp.

### OFFICERS

Bruce N. Alpert  
President

John C. Ball  
Treasurer

Peter Goldstein  
Secretary & Vice President

Richard J. Walz  
Chief Compliance Officer

Carter W. Austin  
Vice President & Ombudsman

Laurissa M. Martire  
Vice President & Ombudsman

Daniel Plourde  
Vice President

David I. Schachter  
Vice President

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### CUSTODIAN

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Company

### COUNSEL

Skadden, Arps, Slate, Meagher &  
Flom LLP

### TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.



GABELLI  
FUNDS

# THE GABELLI DIVIDEND & INCOME TRUST

## GDV

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