



THE GABELLI
DIVIDEND &
INCOME TRUST

Shareholder Commentary
September 30, 2009



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Our cover icon represents the underpinnings of Gabelli. The Teton mountains in Wyoming represent what we believe in in America – that creativity, ingenuity, hard work, and a global uniqueness provide enduring values. They also stand out in an increasingly complex, interconnected, and interdependent economic world.

Investment Objective:

The Gabelli Dividend & Income Trust is a non-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, as well as capital gains potential.

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

This report is printed on recycled paper.

To Our Shareholders,

The rally that began in the early spring gained momentum over the summer. Stocks and bonds worldwide rose in price in the third quarter as investors decided to take on more risk across a broad range of assets while the global economy continued to recover from the lows of the first part of the year. In fact, surprisingly strong performance came from assets that do not usually move in concert, such as gold, bonds, and stocks. With the strong performance in the bond market and resulting low yields, dividend paying stocks are now a sensible alternative to low bond rates. Although the ranks of companies that pay good dividends have thinned in the recent economic downturn, dividend growth will resume as the economy recovers. Rising dividends, along with share price appreciation, can offer a good current return as well as a measure of insurance against potential inflation.



Comparative Results

Average Annual Returns through September 30, 2009 (a)

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	Since Inception (11/28/03)
Gabelli Dividend & Income Trust					
NAV Total Return (b)	22.41%	(5.90)%	(5.66)%	2.00%	2.58%
Investment Total Return (c)	24.81	1.16	(5.32)	0.47	(0.33)
S&P 500 Index	15.59	(6.91)	(5.43)	1.01	2.02
Dow Jones Industrial Average	15.79	(7.35)	(3.34)	1.88	2.43
Nasdaq Composite Index	15.66	1.46	(2.05)	2.27	1.37

- (a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The Standard & Poor's ("S&P") 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.
- (b) Total returns and average annual returns reflect changes in the net asset value ("NAV") per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.
- (c) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange ("NYSE") and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.

Performance

The Gabelli Dividend & Income Trust's (the "Fund") NAV total return was 22.4% during the third quarter of 2009, compared with gains of 15.6% and 15.8% for the S&P 500 Index and the Dow Jones Industrial Average, respectively. The total return for the Fund's publicly traded shares was 24.8% during the third quarter. Year to date as of September 30, 2009, the Fund's NAV total return was 25.2% and the total return for the Fund's publicly traded shares was 30.8%, compared with gains of 19.3% and 13.6% for the S&P 500 Index and the Dow Jones Industrial Average, respectively. On September 30, 2009, the Fund's NAV per share was \$14.81, while the price of the publicly traded shares closed at \$12.39 on the NYSE.

Of the ten industry sectors in the S&P 500, the strongest performance came from the financial, industrial, and materials stocks, with gains of 25%, 22%, and 21%, respectively. All sectors had positive performance, with the three laggards – healthcare, utilities, and telecommunications – posting only single digit gains of 9%, 6%, and 5% each.

Stocks of our larger holdings (greater than one-half of 1% of the Fund) that appreciated more than 25% came from financial holdings JPMorgan Chase, Bank of America, American Express, AllianceBernstein, Discover Financial Services, and Aflac; Cadbury, the British chocolate and candy maker coveted by Kraft for its emerging market chocolate sales; industrial stocks such as Rockwell Automation, Tyco International, and General Electric; NFG, which has a public utility and also produces and distributes natural gas; and Walgreens. Very few of our larger holdings declined in price, but those that did included Sprint Nextel, Safeway, Public Service Enterprise Group, Florida Power & Light, and Exxon Mobil.

From November 2003 through September 2009, the S&P 500 had a total cumulative price appreciation of exactly 0.1%! Our Fund has been managed during this difficult period of low returns throughout its six year existence, since its inception in November 2003. We believe that the next decade of market returns will be much better in absolute terms, and we shall continue to work for good relative performance as well. We believe that after we get through this difficult market we could experience a longer period of expansion and a return to performance that is comparable with the historical returns from the stock market. The long term return for the stock market, as calculated by Standard & Poor's from 1926, is 9.5%, and we expect that the next decade will bring annual returns that are much closer to this average than the almost completely flat – or zero return – of the S&P 500 over the ten years ended September 30, 2009. We greatly appreciate your trust and confidence in Gabelli Funds and The Gabelli Dividend & Income Trust, particularly during these extraordinary times. We shall continue to work diligently on your behalf.

Where We Are

In the third quarter the economy continued to recover from the financial crisis and economic paralysis earlier in the year, albeit with significant help. The improvement in the economy has been boosted by tremendous stimulus programs, including the Federal Housing Tax Credit for First Time Home Buyers, offering a credit of up to \$8,000 and the Cash for Clunkers new car purchase incentive of \$3,500 – \$4,500.

The federal tax credit to first time homebuyers sparked sales and it is estimated to account for approximately one third of home purchases in the third quarter, as buyers complete their purchases before the November deadline. While the tax credit might be extended, it is borrowing from future home sales activity. Likewise, the Cash for Clunkers program borrowed car sales from the winter months; taking inventory levels down so dramatically that automobile production will ramp up strongly in the fourth quarter.

Stocks and government bonds told different stories this summer. Stock prices, which rebounded in the second quarter from panic lows, continued to rise in anticipation of further recovery and stronger economic activity. Treasury Bond yields however, which could be expected to rise in this scenario as bond investors demanded a higher yield to protect themselves from potentially rising prices and inflation, fell instead. The ten year Treasury Note started the quarter yielding 3.54% and then rose in price, so that the yield closed the quarter at 3.31%. The rise in bond prices (the fall in yields) makes the “sweet spot” benefiting stocks, commodities, and riskier assets somewhat suspect, as it seems to reveal just how much stocks and other assets are riding on a wave of liquidity and stimulus, while bond buyers are perceiving a sluggish economy in which a small percentage return might be worthwhile.

Both bonds and stocks cannot continue to appreciate together for much longer. At some point, these diverging views on growth will have to align, with either higher yields/lower prices on bonds or lower multiples/lower prices on stocks. Right now, for stocks and government bonds to continue to benefit, the economy needs to remain weak enough to justify keeping the monetary and fiscal taps open, but strong enough for businesses to start growing the top line and ultimately generating jobs. So far, earnings have come from cost cutting, and corporate outlooks accompanying earnings announcements are factoring in another year before revenue growth.

During the financial crisis last fall, as markets plunged in the wake of the collapse of Lehman Brothers, investors hoarded cash in the form of U.S. Treasury Bills, believing them to be the safest investment. Now that the crisis has faded, concerns about the dollar’s decline are growing. There is broad worry that the huge liabilities the United States is incurring to prop up the economy will ultimately undermine long-term faith in the dollar. At the beginning of the fourth quarter, the dollar tumbled on a news report that clandestine talks were taking place among finance ministers from Europe, Asia, and the Gulf Arab States to replace the dollar as the preferred currency for oil trading. Whether true or not, the reaction to this report highlighted the general nervousness about the dollar’s recent steady decline.

Let’s Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. The share prices of the following holdings are stated in U.S. dollars or U.S. dollar equivalent terms as of September 30, 2009.

American Express Co. (AXP - \$33.90 - NYSE) is the largest closed loop credit card company in the world. The company operates its eponymous premiere branded payment network and lends to its largely affluent customer base. American Express ended the second quarter with over 88 million cards in force and \$63 billion in loans, while its customers charged nearly \$300 billion on their cards during the first half of 2009. The company’s strong consumer brand has allowed American Express to enter the deposit gathering market as an alternate source of funding, while the company’s affluent customers have begun to show a slight upturn in spending. Longer term, American Express should capitalize on its higher spending customer base and continue to expand into other payment related businesses such as corporate purchasing.

American Water Works Co. Inc. (AWK - \$19.94 - NYSE) is the largest investor owned water and wastewater utility company in the United States. Recently, AWK diligently focused its efforts on improving its regulated returns via an active regulatory program. The company’s regulated utilities serve approximately 1,600 communities in twenty states and provided roughly 89% of consolidated revenues in 2008. As the largest and most geographically diverse water utility, AWK’s size, scale, and technological and financial resources position it favorably as a private consolidator in the fragmented, municipally dominated water and wastewater industry.

AT&T Inc. (T - \$27.01 - NYSE) is the largest telecommunications company in the United States, with seventy-seven million wireless subscribers and fifteen million broadband subscribers. The company's operations generate strong cash flow from its wireless business, which has offset the decline in wireline homes. The cash flow supports the substantial dividend with a current yield over 6%. AT&T could benefit further from The American Recovery and Reinvestment Act enacted on February 17, 2009. This act designated \$6 billion to expand broadband Internet access so consumers and businesses in rural and other underserved areas can access the global economy. The proposal claims that for every dollar invested in broadband, the economy sees a tenfold return on that investment.

Deutsche Telekom AG (DT - \$13.66 - NYSE) is the German incumbent telecommunication operator, with extensive central, southern, and eastern European holdings. T-Mobile USA accounts for 25% of group revenues and has been the primary source of growth for Deutsche Telekom in recent years. Recently, there has been speculation about a deal between T-Mobile USA and Sprint Nextel, with the combination ranking alongside the two dominant players in the U.S. market. The potential model could be similar to the planned 50/50 joint venture between T-Mobile UK and Orange (France Telecom) that will create the largest wireless player in the U.K. Although there have been concerns that Deutsche Telekom may cut its dividend, the balance sheet and current cash flow generation look strong enough to maintain an unchanged payout. In the domestic German market, headcount and other operating cost cutting will enable a savings of close to €1 billion in 2009. Deutsche Telekom continues to trade at a significant discount to its 2009 EBITDA compared to its peers, owing to the combination of perceived weakness in the domestic market and worries about M&A and related financial risk.

FPL Group Inc. (FPL - \$55.23 - NYSE) is expected to be one of the biggest beneficiaries of pending climate change policy. FPL's non-regulated subsidiary, NextEra Energy Resources (formerly FPL Energy), is the nation's largest builder, owner, and operator of wind farms. NextEra benefits from a competitive advantage in wind development and a pipeline of future wind farms totaling roughly 30,000 megawatts. FPL's regulated utility, Florida Power & Light Company, is one of the largest, best operated, and historically fastest growing utilities in the U.S. While the recession has hit Florida's economy hard, a pending rate case will reset rates based on current sales levels, recognize the sizeable investments the company has made, and lead to strong regulated utility growth in 2010. In addition, FPL has one of the strongest balance sheets in the utility industry, and it is one of the few companies in the sector to raise its dividend every year for the past decade.

Johnson & Johnson (JNJ - \$60.89 - NYSE) develops, manufactures and markets pharmaceuticals, medical devices, and consumer healthcare products. Two of its three largest and most profitable drugs have gone off patent within the last two years. Nevertheless, despite a near-term outlook for flat top line and earnings growth, the company's diverse revenue stream, pipeline of new drugs, and strong management track record give us confidence that the company can grow its top line revenue 5-7% and earnings 8-10% over the next several years. JNJ can weather its patent expirations and the weak economy well, taking advantage of acquisition opportunities, leading to a projected return to growth in 2010.

National Fuel Gas Co. (NFG - \$45.81 - NYSE) is a diversified natural gas company. NFG owns a regulated gas utility serving the region around Buffalo, NY. It also owns major gas pipelines that move gas from the Midwest and Canada down to New York City and over to New England. However, NFG's largest business, providing more than 40% of earnings, is domestic production of natural gas and oil. NFG and its partner, EOG Resources, recently started to drill for natural gas in a very promising region of the Northeast called the Marcellus Shale. It has also continued to increase its dividend for almost forty years.

NSTAR (NST - \$31.82 - NYSE) is a consolidation play in the New England region. NST is primarily an electric transmission and distribution utility serving the Boston and Cape Cod regions of Massachusetts. NST also owns a small gas utility. The northeast region of the U.S. has been the most active area for consolidation activity among utilities, including the acquisition of KeySpan by National Grid in August 2007, and the takeover of Energy East by Iberdrola in September 2008. There are several potential suitors for NST, including Consolidated Edison, a company that could use its strong balance sheet to make another acquisition.

Verizon Communications Inc. (VZ - \$30.27 - NYSE) is one of the world's leading telecommunications services companies, serving over 34 million switched access lines, 9.1 million broadband connections, and 2.5 million FiOS TV customers. VZ also owns a controlling 55% interest in Verizon Wireless, the largest wireless carrier in the United States with 87.7 million subscribers. In May 2009, Verizon agreed to sell its rural wireline operations in fourteen states to Frontier Communications in a Reverse Morris Trust transaction valued at approximately \$8.6 billion. VZ is selling mostly legacy GTE operations, with the exception of West Virginia. As of December 31, 2008, these rural wireline operations served approximately 4.8 million switched access lines and 1 million broadband customers. This transaction should result in a \$3.3 billion debt reduction and improve VZ's growth profile.

Walgreen Co. (WAG - \$37.47 - NYSE) is one of the leading drug store chains in the country with over 7,000 stores in all fifty states. After suffering through the recession over the past year, the company has restructured and is beginning to emerge stronger than before. Stores are being redesigned to focus on over the counter drugs, beauty products, and other consumer staples instead of discretionary merchandise. Walgreens has rationalized its inventory and cut supply chain costs. Management has slowed the rate of new store growth, which will improve both margins and cash flow over time. The company should return to double digit earnings growth over the next year and it is poised to return a significant amount of cash to shareholders through dividends and share repurchases.

Wisconsin Energy Corp. (WEC - \$45.17 - NYSE) is the holding company for Wisconsin Electric, the largest electric utility in the state. WEC shares offer a near term outlook of free cash flow, above average EPS and dividend growth, nearly complete new baseload coal plants, and significant opportunity for renewable rate base growth. Over the next few years, WEC's capital program is projected to decline and "already granted" rate recognition of the company's "Power the Future" investments should power earnings and cash flow growth.

Looking Ahead

During the next two quarters, the economy will benefit from general inventory replacement that was held back at the beginning of this year as businesses and individuals delayed purchases; from the ramp up in automobile production to replace cars sold out of inventory in the Cash for Clunkers program; and from the low interest rates which the government is helping to engineer with its massive purchases of Treasury Bills and mortgage-backed securities. We expect that this will add six to seven points of Gross Domestic Product Growth, which should show up in the third and fourth quarter of this year and the first quarter of next year. So, we are in a "sweet spot" of definite growth with low interest rates, and this has helped fuel stock market gains in the third quarter.

Against that, we have consumers and businesses de-leveraging, limited credit available from banks and credit card companies for those who do want to borrow, and structural damage to employment, as jobs lost to the scaled back real estate, construction, and retail sectors will take several years to recover. We shall have another wave of foreclosures in residential and commercial real estate in the next two quarters. We believe that it will be at least a year before the real economy, which is made up of businesses that buy and sell goods and services to consumers and businesses, is able to grow revenues and employment and generate a sustained advance. In the meantime, state and local funding woes are increasing as local governments try to adapt to lower income, property, and sales taxes.

Meanwhile, we do not expect investors to be willing to pay a much higher multiple of earnings as we currently encounter higher taxes and increased regulation and potentially higher inflation and interest rates in the next few years. We are uncomfortable placing a higher multiple on earnings that lack top line revenue growth and that are derived primarily from cost cutting, nor do we want to attribute higher values to the cash flow and earnings streams from equities because of unnaturally and unsustainably low interest rates.

We continue to look for companies selling at good long-term value, which can generate cash flow and earnings, and we particularly like those that have a history of paying out earnings in dividends. This generally characterizes our top positions in Verizon, Occidental Petroleum, JPMorgan Chase, Swedish Match, Intel, General Mills, Danone, NSTAR, Chevron, and Halliburton.

Sincerely,



Mario J. Gabelli, CFA
Portfolio Manager and
Chief Investment Officer



Barbara G. Marcin, CFA
Portfolio Manager

October 30, 2009

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Portfolio Managers' Shareholder Commentary represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Managers and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Portfolio Manager Compensation

Mr. Gabelli's incentive-based, variable compensation structure and dollar amount have been fully disclosed each year since April of 2000 in the annual proxy statement for GAMCO Investors, Inc. (NYSE:GBL). Mr. Gabelli receives no base salary, no annual bonus, and no stock options.

As founder and portfolio manager of The Gabelli Dividend & Income Trust, Mr. Gabelli received \$4,269,661 in calendar year 2008. For the Fund's first twelve months of operation starting in November 2003, Mr. Gabelli received less than \$605,000. Mario J. Gabelli and various entities he controls owned 2,185,210 common shares of the Fund for a total amount invested of \$27,074,748, as of September 30, 2009. Mr. Gabelli may not have pecuniary interest equal to a one hundred percent economic ownership in some of the entities he controls.

Common Share Repurchase Plan – Share Repurchases Exceed 1.5 Million Shares

On May 12, 2004, the Board of Trustees of the Fund (the "Board") voted to authorize the repurchase of the Fund's common shares in the open market from time to time, when such shares are trading at a discount of 7.5% or more from NAV. Pursuant to this share repurchase plan, the Fund repurchased 5,000 common shares in the third quarter of 2009. In total through September 30, 2009, the Fund has repurchased and retired 1,584,568 common shares in the open market under this share repurchase plan at an average investment of \$16.95 per share and an average discount to NAV of 14.2%.

Monthly Distribution Policy for Common Shareholders

The Board has reaffirmed the continuation of the Fund's monthly distribution policy for the fourth quarter of 2009. Pursuant to its distribution policy, the Fund paid \$0.06 per share cash distributions on July 24, 2009, August 24, 2009, and September 23, 2009 to common shareholders of record on July 17, 2009, August 17, 2009, and September 16, 2009, respectively, for a total distribution of \$0.18 per share during the third quarter of 2009.

Under the Fund's current distribution policy, the Fund pays a distribution of \$0.06 per share each month (\$0.72 per share on an annual basis) and, if necessary, an adjusting distribution in December which includes any additional income and net realized capital gains in excess of the monthly distributions for that year to satisfy the minimum distribution requirements of the Internal Revenue Code.

Each quarter, the Board reviews the amount of any potential distribution and the income, capital gain, or capital available. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's net asset value and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time.

Monthly distributions were implemented to improve shareholder value with the objective of narrowing the discount to NAV of the publicly traded shares on the NYSE. We firmly believe that our shareholders prefer a monthly distribution to a quarterly payment, and that this will help to close the gap between NAV and market price over time. Of course, we are most directly responsible for the NAV because it reflects the performance of the investments that are in the Fund. However, we also know that we have a responsibility to improve shareholder value, and that means using shareholder initiatives such as the distribution policy to improve the market price when trading at a discount to NAV.

If the Fund does not generate earnings from dividends and interest received and net realized capital gains equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund's investment income and net realized capital gains would be deemed a non-taxable return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is not taxable and is treated as a reduction in the shareholder's cost basis. However, despite the challenges of the extra record keeping, a distribution that is occasionally supplemented with a return of capital serves as a smoothing mechanism resulting in a more stable and consistent cash flow available to shareholders. For a closed-end fund with a distribution policy, a return of capital becomes progressively less likely with the passage of time because in later years it is more likely that long-term capital gains can be realized and therefore become available for distribution. A portion of the distribution may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. Long-term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the accounting records of the Fund as of September 16, 2009, each of the distributions paid in 2009 would include approximately 20% from net investment income and 80% from paid-in capital. The estimated components of each distribution are provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2009 will be made after year end and can vary from the monthly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2009 distributions in early 2010 via Form 1099-DIV.

5.875% Series A Cumulative Preferred Shares

The Fund's 5.875% Series A Cumulative Preferred Shares paid a \$0.3671875 per share cash distribution on September 28, 2009 to preferred shareholders of record on September 21, 2009. The Series A Preferred Shares, which trade on the NYSE under the symbol "GDV Pr A", are rated "Aaa" by Moody's Investors Service and have an annual dividend rate of \$1.46875 per share. The Series A Preferred Shares were issued on October 12, 2004 at \$25.00 per share and pay distributions quarterly. The Series A Preferred Shares will be callable at any time at the liquidation value of \$25.00 per share plus accrued dividends following the expiration of the five year call protection on October 12, 2009. The next distribution is scheduled for December 2009. The Fund is authorized to purchase its Series A Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of \$25.00 per share. The Fund did not repurchase any Series A Preferred Shares during the third quarter of 2009. In total through September 30, 2009, the Fund has repurchased and retired 151,981 Series A Preferred Shares in the open market under this share repurchase authorization.

Series B Auction Market Preferred Shares

The dividend rates for the Series B Auction Market Preferred Shares ranged from 1.489% to 1.529% during the third quarter of 2009. Dividend rates for the Series B Preferred Shares are cumulative at a rate that may be reset every seven days based on the results of an auction. Since February 2008, the number of Series B Preferred Shares subject to bid orders by potential holders has been less than the number of Series B Preferred Shares subject to sell orders. Therefore, the weekly auctions have failed, and the dividend rate since then has been the maximum rate. In that event, holders that have submitted sell orders may not be able to sell any or all of the Series B Preferred Shares for which they have submitted sell orders. The current maximum rate is 125 basis points greater than the seven day Telerate/British Bankers Association LIBOR on the day of such auction. The Series B Preferred Shares do not trade on an exchange. The Series B Preferred Shares are rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Ratings Services. The Fund issued 4,000 Series B Preferred Shares on October 12, 2004 at \$25,000 per share. As of September 30, 2009, 3,600 Series B Preferred Shares were outstanding.

Series C Auction Market Preferred Shares

The dividend rates for the Series C Auction Market Preferred Shares ranged from 1.491% to 1.534% during the third quarter of 2009. Dividend rates for the Series C Preferred Shares are cumulative at a rate that may be reset every seven days based on the results of an auction. Since February 2008, the number of Series C Preferred Shares subject to bid orders by potential holders has been less than the number of Series C Preferred Shares subject to sell orders. Therefore, the weekly auctions have failed, and the dividend rate since then has been the maximum rate. In that event, holders that have submitted sell orders may not be able to sell any or all of the Series C Preferred Shares for which they have submitted sell orders. The current maximum rate is 125 basis points greater than the seven day Telerate/British Bankers Association LIBOR on the day of such auction. The Series C Preferred Shares do not trade on an exchange. The Series C Preferred Shares are rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Ratings Services. The Fund issued 4,800 Series C Preferred Shares on October 12, 2004 at \$25,000 per share. As of September 30, 2009, 4,320 Series C Preferred Shares were outstanding.

6.00% Series D Cumulative Preferred Shares

The Fund's 6.00% Series D Cumulative Preferred Shares paid a \$0.375 per share cash distribution on September 28, 2009 to preferred shareholders of record on September 21, 2009. The Series D Preferred Shares, which trade on the NYSE under the symbol "GDV Pr D", are rated "Aaa" by Moody's Investors Service and have an annual dividend rate of \$1.50 per share. The Series D Preferred Shares were issued on November 3, 2005 at \$25.00 per share and pay distributions quarterly. The Series D Preferred Shares will be callable at any time at the liquidation value of \$25.00 per share plus accrued dividends following the expiration of the five year call protection on November 3, 2010. The next distribution is scheduled for December 2009. The Fund is authorized to purchase its Series D Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of \$25.00 per share. The Fund did not repurchase any Series D Preferred Shares during the third quarter of 2009. In total through September 30, 2009, the Fund has repurchased and retired 57,704 Series D Preferred Shares in the open market under this share repurchase authorization.

Series E Auction Rate Preferred Shares

The dividend rates for the Series E Auction Rate Preferred Shares ranged from 1.739% to 1.788% during the third quarter of 2009. Dividend rates for the Series E Preferred Shares are cumulative at a rate that may be reset every seven days based on the results of an auction. Since February 2008, the number of Series E Preferred Shares subject to bid orders by potential holders has been less than the number of Series E Preferred Shares subject to sell orders. Therefore, the weekly auctions have failed, and the dividend rate since then has been the maximum rate. In that event, holders that have submitted sell orders may not be able to sell any or all of the Series E Preferred Shares for which they have submitted sell orders. The current maximum rate is 150 basis points greater than the seven day Telerate/British Bankers Association LIBOR on the day of such auction. The Series E Preferred Shares do not trade on an exchange. The Series E Preferred Shares are rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Ratings Services. The Fund issued 5,400 Series E Preferred Shares on November 3, 2005 at \$25,000 per share. As of September 30, 2009, 4,860 Series E Preferred Shares were outstanding.

It should be noted that the Investment Adviser does not receive a management fee on the incremental assets attributable to the Preferred Shares unless the total return of the net asset value of the common shares during the year, including distributions and management fee subject to reduction, exceeds the stated dividend rate or corresponding swap rate of each particular series of Preferred Shares for the fiscal year. The Investment Adviser believes this fee arrangement is in the best interest of all shareholders.

The Board shares the Investment Adviser's view that the issuance of the Preferred Shares is designed to benefit the common shareholders. To the extent that the Fund earns in excess of the dividend rate on the Preferred Shares, additional value will thereby be created for its common shareholders.

A portion of the distributions may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. Long-term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Based on the accounting records of the Fund as of September 16, 2009, each of the distributions paid in 2009 would be deemed 100% from net investment income. The estimated components of each distribution are provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2009 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2009 distributions in early 2010 via Form 1099-DIV.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at closedend@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Shareholders of our closed-end funds can now elect to receive e-mail announcements regarding available materials, including shareholder commentaries and fund reports. For more information or to register for e-delivery, please visit our website at www.gabelli.com.

Top Ten Holdings
September 30, 2009

Verizon Communications Inc.
Wyeth
Occidental Petroleum Corp.
JPMorgan Chase & Co.
Swedish Match AB

Intel Corp.
StatoilHydro ASA
General Mills Inc.
Danone
NSTAR

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

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

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

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

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

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

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

Voluntary Cash Purchase Plan

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

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

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

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

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

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

Trustees

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

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

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

Mario d'Urso
Former Italian Senator

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

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

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

Edward T. Tokar
Senior Managing Director,
Beacon Trust Company

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

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

Officers

Bruce N. Alpert
President

Carter W. Austin
Vice President

Peter D. Goldstein
Chief Compliance Officer

Agnes Mullady
Treasurer & Secretary

Investment Adviser

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

Custodian

State Street Bank and Trust Company

Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

Transfer Agent and Registrar

Computershare Trust Company, N.A.

Stock Exchange Listing

	5.875%	6.00%
	<u>Common</u>	<u>Preferred</u>
NYSE-Symbol:	GDV	GDV PrA
Shares Outstanding:	83,478,637	3,048,019
		2,542,296

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

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

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

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

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www.gabelli.com

Shareholder Commentary
September 30, 2009

The Gabelli Dividend & Income Trust

Third Quarter Report
September 30, 2009

To Our Shareholders,

During the third quarter of 2009, The Gabelli Dividend & Income Trust's (the "Fund") total return was 22.4% on a net asset value ("NAV") basis, compared to 15.6% and 15.8% for the Standard & Poor's ("S&P") 500 Index and the Dow Jones Industrial Average, respectively.

Enclosed is the investment portfolio as of September 30, 2009.

Comparative Results

Average Annual Returns through September 30, 2009 (a)

	Quarter	Year to Date	1 Year	3 Year	5 Year	Since Inception (11/28/03)
Gabelli Dividend & Income Trust						
NAV Total Return (b)	22.41%	25.23%	(5.90)%	(5.66)%	2.00%	2.58%
Investment Total Return (c)	24.81	30.79	1.16	(5.32)	0.47	(0.33)
S&P 500 Index	15.59	19.27	(6.91)	(5.43)	1.01	2.02
Dow Jones Industrial Average	15.79	13.56	(7.35)	(3.34)	1.88	2.43
Nasdaq Composite Index	15.66	34.58	1.46	(2.05)	2.27	1.37

(a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.

(b) Total returns and average annual returns reflect changes in the NAV per share and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$19.06.

(c) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange and reinvestment of distributions. Since inception return is based on an initial offering price of \$20.00.

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

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS
September 30, 2009 (Unaudited)

<u>Shares</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>
COMMON STOCKS — 93.5%		Computer Hardware — 0.0%	
Aerospace — 1.6%		30,000	SanDisk Corp.† \$ 651,000
10,000	Goodrich Corp. \$ 543,400	Computer Software and Services — 0.9%	
40,000	Kaman Corp. 879,200	120,000	Metavante Technologies Inc.† 4,137,600
162,000	Rockwell Automation Inc. 6,901,200	50,000	Microsoft Corp. 1,294,500
2,000,000	Rolls-Royce Group plc† 15,048,265	20,000	MSC Software Corp.† 168,200
76,000	The Boeing Co. 4,115,400	40,000	Perot Systems Corp., Cl. A† 1,188,000
	27,487,465	800,000	Sun Microsystems Inc.† 7,272,000
		95,000	Yahoo! Inc.† 1,691,950
			15,752,250
Agriculture — 0.2%		Consumer Products — 3.4%	
120,000	Archer-Daniels-Midland Co. 3,506,400	187,000	Alberto-Culver Co. 5,176,160
Automotive — 0.1%		20,000	Altria Group Inc. 356,200
4,000	Copart Inc.† 132,840	55,000	Avon Products Inc. 1,867,800
20,000	Navistar International Corp.† 748,400	440,000	Eastman Kodak Co. 2,103,200
	881,240	85,000	Fortune Brands Inc. 3,653,300
Automotive: Parts and Accessories — 0.9%		45,000	Hanesbrands Inc.† 963,000
30,000	BorgWarner Inc. 907,800	81,000	Harman International Industries Inc. ... 2,744,280
380,000	Genuine Parts Co. 14,462,800	170,000	Kimberly-Clark Corp. 10,026,600
	15,370,600	15,000	Mattel Inc. 276,900
Building and Construction — 0.0%		25,000	Philip Morris International Inc. 1,218,500
16,000	Layne Christensen Co.† 512,800	1,020,000	Swedish Match AB 20,483,837
Business Services — 0.9%		160,000	The Procter & Gamble Co. 9,267,200
195,000	Diebold Inc. 6,421,350		58,136,977
125,000	Intermec Inc.† 1,762,500	Diversified Industrial — 3.4%	
40,000	Lender Processing Services Inc. 1,526,800	118,000	Bouygues SA 6,000,498
20,000	MasterCard Inc., Cl. A 4,043,000	180,000	Cooper Industries plc, Cl. A 6,762,600
23,000	PHH Corp.† 456,320	500,000	General Electric Co. 8,210,000
248,000	Trans-Lux Corp.† (a) 313,720	4,000	GenTek Inc.† 152,160
	14,523,690	280,000	Honeywell International Inc. 10,402,000
Cable and Satellite — 2.4%		95,000	ITT Corp. 4,954,250
627,000	Cablevision Systems Corp., Cl. A 14,891,250	130,000	Owens-Illinois Inc.† 4,797,000
16,000	Cogeco Inc. 380,928	300,000	Textron Inc. 5,694,000
250,000	DISH Network Corp., Cl. A† 4,815,000	950,000	Tomkins plc 2,863,422
46,000	EchoStar Corp., Cl. A† 849,160	230,000	Tyco International Ltd. 7,930,400
81,734	Liberty Global Inc., Cl. A† 1,844,736	180,000	WHX Corp.† 345,600
34,318	Liberty Global Inc., Cl. C† 770,782		58,111,930
180,000	Rogers Communications Inc., Cl. B .. 5,076,000	Electronics — 1.4%	
400,000	The DIRECTV Group Inc.† 11,032,000	20,000	Chartered Semiconductor
30,000	Zon Multimedia Servicos de		Manufacturing Ltd., ADR† 367,000
	Telecomunicacoes e Multimedia	13,000	Emulex Corp.† 133,770
	SGPS SA 203,436	1,000,000	Intel Corp. 19,570,000
	39,863,292	190,000	Tyco Electronics Ltd. 4,233,200
Communications Equipment — 0.1%			24,303,970
30,000	Thomas & Betts Corp.† 902,400		

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2009 (Unaudited)

<u>Shares</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>
COMMON STOCKS (Continued)		310,000	Progress Energy Inc. \$ 12,108,600
Energy and Utilities: Electric — 5.2%		290,000	Public Service Enterprise Group Inc. 9,117,600
30,000	Allegheny Energy Inc. \$ 795,600	121,500	Shikoku Electric Power Co. Inc. 3,708,684
85,000	ALLETE Inc. 2,853,450	8	Suez SA, Strips (b) 0
250,000	American Electric Power Co. Inc. 7,747,500	15,000	TECO Energy Inc. 211,200
720	Brookfield Infrastructure Partners LP 11,851	121,500	The Chugoku Electric Power Co. Inc. 2,671,877
370,000	DPL Inc. 9,657,000	48,000	The Empire District Electric Co. 868,320
30,000	Edison International 1,007,400	121,500	The Kansai Electric Power Co. Inc. 2,937,169
270,000	Electric Power Development Co. Ltd. 8,557,344	108,000	The Tokyo Electric Power Co. Inc. 2,833,398
220,000	FPL Group Inc. 12,150,600	121,500	Tohoku Electric Power Co. Inc. 2,707,068
770,000	Great Plains Energy Inc. 13,821,500	205,000	Vectren Corp. 4,723,200
370,000	Integrus Energy Group Inc. 13,279,300	465,000	Westar Energy Inc. 9,072,150
110,000	Pepco Holdings Inc. 1,636,800	85,000	Wisconsin Energy Corp. 3,839,450
230,000	Pinnacle West Capital Corp. 7,548,600	170,000	Xcel Energy Inc. 3,270,800
100,000	The Southern Co. 3,167,000		169,631,142
225,000	Unisource Energy Corp. 6,918,750		
	89,152,695		
Energy and Utilities: Integrated — 10.0%			Energy and Utilities: Natural Gas — 3.9%
12,000	Alliant Energy Corp. 334,200	36,000	Atmos Energy Corp. 1,014,480
140,000	Ameren Corp. 3,539,200	22,000	Delta Natural Gas Co. Inc. 583,000
50,000	Avista Corp. 1,011,000	6,000	Energen Corp. 258,600
43,000	Black Hills Corp. 1,082,310	160,356	GDF Suez, Strips 235
40,000	CH Energy Group Inc. 1,772,400	20,000	Kinder Morgan Energy Partners LP 1,080,400
108,000	Chubu Electric Power Co. Inc. 2,622,849	350,000	National Fuel Gas Co. 16,033,500
150,000	CONSOL Energy Inc. 6,766,500	210,000	Nicor Inc. 7,683,900
200,000	Consolidated Edison Inc. 8,188,000	235,000	ONEOK Inc. 8,605,700
70,000	Dominion Resources Inc. 2,415,000	188,000	Sempra Energy 9,364,280
180,000	Duke Energy Corp. 2,833,200	35,000	South Jersey Industries Inc. 1,235,500
430,000	Edison SpA 746,283	140,000	Southern Union Co. 2,910,600
650,000	El Paso Corp. 6,708,000	190,000	Southwest Gas Corp. 4,860,200
115,000	Endesa SA 3,799,901	610,000	Spectra Energy Corp. 11,553,400
450,000	Enel SpA 2,856,291	43,000	The Laclede Group Inc. 1,382,880
26,000	Exelon Corp. 1,290,120		66,566,675
160,000	FirstEnergy Corp. 7,315,200		Energy and Utilities: Oil — 11.1%
120,000	Hawaiian Electric Industries Inc. 2,174,400	42,000	Anadarko Petroleum Corp. 2,634,660
250,000	Hera SpA 608,391	39,000	Apache Corp. 3,581,370
121,500	Hokkaido Electric Power Co. Inc. 2,528,402	45,000	BG Group plc, ADR 3,918,150
121,500	Hokuriku Electric Power Co. 3,092,826	160,000	BP plc, ADR 8,516,800
10,000	Iberdrola SA 98,118	80,000	Chesapeake Energy Corp. 2,272,000
102,000	Iberdrola SA, ADR 3,992,280	242,000	Chevron Corp. 17,044,060
85,000	Korea Electric Power Corp., ADR† 1,295,400	325,000	ConocoPhillips 14,677,000
121,500	Kyushu Electric Power Co. Inc. 2,754,442	78,000	Devon Energy Corp. 5,251,740
22,000	Maine & Maritimes Corp. 790,900	170,000	Eni SpA, ADR 7,874,500
74,000	MGE Energy Inc. 2,699,520	210,000	Exxon Mobil Corp. 14,408,100
35,102	National Grid plc, ADR 1,711,223	36,000	Hess Corp. 1,924,560
255,000	NiSource Inc. 3,541,950	470,000	Marathon Oil Corp. 14,993,000
555,000	NSTAR 17,660,100	136,000	Murphy Oil Corp. 7,829,520
426,500	OGE Energy Corp. 14,108,620	290,000	Occidental Petroleum Corp. 22,736,000
30,000	Ormat Technologies Inc. 1,224,600	20,000	PetroChina Co. Ltd., ADR 2,275,000
		98,000	Petroleo Brasileiro SA, ADR 4,498,200

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2009 (Unaudited)

<u>Shares/ Units</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>
COMMON STOCKS (Continued)		175,000	Telefonos de Mexico SAB de CV, Cl. L, ADR
			\$ 3,052,000
215,000	CVS Caremark Corp. \$ 7,684,100	70,000	Telekom Austria AG
142,000	Ingles Markets Inc., Cl. A	38,000	Telephone & Data Systems Inc.
105,000	Macy's Inc.	100,000	Telephone & Data Systems Inc., Special
400,000	Safeway Inc.		2,968,000
300,000	Sally Beauty Holdings Inc.†	190,000	Telmex Internacional SAB de CV, ADR
60,000	SUPERVALU Inc.		2,650,500
150,000	The Great Atlantic & Pacific Tea Co. Inc.†	130,000	Telstra Corp. Ltd., ADR
		76,100	TELUS Corp., Non-Voting
35,000	Wal-Mart Stores Inc.	1,000,000	Verizon Communications Inc.
400,000	Walgreen Co.	160,000	Vodafone Group plc, ADR
75,000	Whole Foods Market Inc.†		3,600,000
			<u>105,039,646</u>
	<u>43,106,410</u>		
	Specialty Chemicals — 1.2%	250,000	Transportation — 0.5% GATX Corp.
5,000	Arkema, ADR	24,000	Golden Ocean Group Ltd.†
108,000	Ashland Inc.	27,000	Kansas City Southern†
160,000	E. I. du Pont de Nemours and Co.	22,000	Teekay Corp.
408,000	Ferro Corp.		<u>8,214,659</u>
100,000	Olin Corp.		
200,000	The Dow Chemical Co.		Wireless Communications — 0.3% United States Cellular Corp.†
		111,030	Vimpel-Communications, ADR†
		40,000	<u>748,000</u>
	<u>20,577,110</u>		<u>5,085,942</u>
	Telecommunications — 6.2%		TOTAL COMMON STOCKS
610,000	AT&T Inc.		<u>1,590,333,863</u>
260,000	BCE Inc.		
30,000	Belgacom SA		CONVERTIBLE PREFERRED STOCKS — 1.0%
45,000	Bell Aliant Regional Communications Income Fund (b)(c)		Agriculture — 0.0% Archer-Daniels-Midland Co., 6.250% Cv. Pfd.
		5,000	<u>199,500</u>
68,000	BT Group plc, ADR		
24,000	CenturyTel Inc.		Broadcasting — 0.0% Emmis Communications Corp., 6.250% Cv. Pfd., Ser. A
690,000	Deutsche Telekom AG, ADR		<u>163,040</u>
55,000	France Telecom SA, ADR	16,000	
8,000	GVT (Holding) SA†		Building and Construction — 0.0% Fleetwood Capital Trust, 6.000% Cv. Pfd.†
31,700	Hellenic Telecommunications Organization SA	200	<u>52</u>
219,800	Hellenic Telecommunications Organization SA, ADR		
205,000	Portugal Telecom SGPS SA		Energy and Utilities — 0.3% Chesapeake Energy Corp., 5.000% Cv. Pfd. (c)
130,000	Qwest Communications International Inc.	5,000	<u>428,125</u>
2,300,000	Sprint Nextel Corp.†	129,000	El Paso Energy Capital Trust I, 4.750% Cv. Pfd.
18,000	Telecom Corp. of New Zealand Ltd., ADR		<u>4,312,470</u>
100,000	Telecom Italia SpA, ADR		<u>4,740,595</u>
15,000	Telefonica SA, ADR		

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2009 (Unaudited)

<u>Shares</u>	<u>Market Value</u>	<u>Principal Amount</u>	<u>Market Value</u>
CONVERTIBLE PREFERRED STOCKS (Continued)			
Financial Services — 0.2%			Real Estate — 0.0%
1,500	Doral Financial Corp., 4.750% Cv. Pfd. \$ 60,000	\$ 1,100,000	Palm Harbor Homes Inc., Cv., 3.250%, 05/15/24 \$ 386,375
94,000	Newell Financial Trust I, 5.250% Cv. Pfd. 3,348,750	5,300,000	Retail — 0.3%
	3,408,750		The Great Atlantic & Pacific Tea Co. Inc., Cv., 5.125%, 06/15/11 5,074,750
			TOTAL CONVERTIBLE CORPORATE BONDS 12,452,875
	Health Care — 0.0%		
3,000	Omnicare Capital Trust II, 4.000% Cv. Pfd., Ser. B 104,100		U.S. GOVERNMENT OBLIGATIONS — 4.8%
			U.S. Treasury Bills, 0.066% to 0.340%††, 10/15/09 to 03/25/10 81,731,241
	Telecommunications — 0.5%		
55,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B 1,897,500	81,746,000	
105,000	Crown Castle International Corp., 6.250% Cv. Pfd. 5,510,400		
	7,407,900		
		TOTAL INVESTMENTS — 100.0%	
	Transportation — 0.0%		(Cost \$1,721,349,493) \$1,700,933,317
1,500	GATX Corp., \$2.50 Cv. Pfd. 390,750		Aggregate book cost \$1,721,349,493
			Gross unrealized appreciation \$ 189,716,003
	TOTAL CONVERTIBLE PREFERRED STOCKS 16,414,687		Gross unrealized depreciation (210,132,179)
			Net unrealized appreciation/depreciation . . \$ (20,416,176)
	WARRANTS — 0.0%		
	Food and Beverage — 0.0%		
650	Parmalat SpA, GDR, expire 12/31/15† (b)(c)(d) 651		
Principal Amount			
	CONVERTIBLE CORPORATE BONDS — 0.7%		
	Automotive: Parts and Accessories — 0.0%		
\$ 500,000	Standard Motor Products Inc., Sub. Deb. Cv., 15.000%, 12/31/11 (b) 577,500		
	Broadcasting — 0.4%		
10,000,000	Sinclair Broadcast Group Inc., Sub. Deb. Cv., 6.000%, 09/15/12 6,162,500		
	Financial Services — 0.0%		
200,000	Janus Capital Group Inc., Cv., 3.250%, 07/15/14 251,750		

- (a) Security considered an affiliated holding because the Fund owns at least 5% of its outstanding shares.
- (b) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At September 30, 2009, the market value of fair valued securities amounted to \$1,751,681 or 0.10% of total investments.
- (c) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2009, the market value of Rule 144A securities amounted to \$2,539,595 or 0.15% of total investments. Except as noted in (d), these securities are liquid.

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST
SCHEDULE OF INVESTMENTS (Continued)
September 30, 2009 (Unaudited)

					<u>% of</u>	<u>Market</u>
					<u>Value</u>	<u>Value</u>
(d) At September 30, 2009, the Fund held investments in restricted and illiquid securities amounting to \$937,940 or 0.06% of total investments, which were valued under methods approved by the Board of Trustees as follows:						
					<u>Geographic Diversification</u>	
					78.0%	\$1,326,891,579
					16.5	280,036,182
					3.6	62,168,418
					1.3	22,148,978
					0.6	9,688,160
					<u>100.0%</u>	<u>\$1,700,933,317</u>
<u>Acquisition</u>	<u>Issuer</u>	<u>Acquisition</u>	<u>Acquisition</u>	<u>09/30/09</u>		
<u>Shares</u>		<u>Date</u>	<u>Cost</u>	<u>Carrying Value</u>		
				<u>Per Unit</u>		
339,450	Parmalat SpA, GDR	12/02/03	\$981,615	\$2.7612		
650	Parmalat SpA, GDR,					
	Warrants expire 12/31/15	11/09/05	—	1.0015		
†	Non-income producing security.					
††	Represents annualized yield at date of purchase.					
ADR	American Depositary Receipt					
CVR	Contingent Value Right					
GDR	Global Depositary Receipt					

See accompanying notes to schedule of investments.

THE GABELLI DIVIDEND & INCOME TRUST

NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)

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

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

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board.

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

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

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

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 and other financial instruments by inputs used to value the Fund's investments as of September 30, 2009 is as follows:

	Valuation Inputs		Total Market Value at 9/30/09
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	
INVESTMENTS IN SECURITIES:			
ASSETS (Market Value):			
Common Stocks (a)	\$1,590,333,863	—	\$1,590,333,863
Convertible Preferred Stocks (a)	16,414,687	—	16,414,687
Warrants (a)	—	\$ 651	651
Convertible Corporate Bonds	—	12,452,875	12,452,875
U.S. Government Obligations	—	81,731,241	81,731,241
TOTAL INVESTMENTS IN SECURITIES	\$1,606,748,550	\$94,184,767	\$1,700,933,317
OTHER FINANCIAL INSTRUMENTS:			
LIABILITIES (Unrealized Depreciation): *			
Contract for Difference Swap Agreement	\$ —	\$ (52,799)	\$ (52,799)
Interest Rate Swap Agreement	—	(2,709,512)	(2,709,512)
TOTAL OTHER FINANCIAL INSTRUMENTS	\$ —	\$(2,762,311)	\$ (2,762,311)

(a) Security and industry classifications for these categories are detailed in the Schedule of Investments.

* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards, and swaps which are valued at the unrealized appreciation/depreciation of the investment.

There were no Level 3 investments held at December 31, 2008 or September 30, 2009.

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

Current notional amounts are an indicator of the volume of the Fund's derivative activities during the period.

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

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

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

In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money," and "out-of-the-money," respectively. The Fund may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline during the option period, (b) covered at-the-money call options when the Adviser expects that the price of the underlying security will remain stable, decline or advance moderately during the option period, and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Fund limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option. Out-of-the-money, at-the-money, and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions. At September 30, 2009, the Fund had no investments in options.

Swap Agreements. The Fund may enter into equity, contract for difference, and interest rate swap or cap transactions for the purpose of increasing the income of the Fund or hedging or protecting its exposure to interest rate movements and movements in the securities markets. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In a swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at the time a swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

The Fund has entered into an interest rate swap agreement with Citibank N.A. Under the agreement, the Fund receives a floating rate of interest and pays a respective fixed rate of interest on the nominal value of the swap. Details of the swap at September 30, 2009 are as follows:

<u>Notional Amount</u>	<u>Fixed Rate</u>	<u>Floating Rate*</u> <u>(rate reset monthly)</u>	<u>Termination Date</u>	<u>Net Unrealized Depreciation</u>
\$100,000,000	4.01%	0.25875%	6/02/10	\$(2,709,512)

* Based on LIBOR (London Interbank Offered Rate).

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

The Fund has entered into an equity contract for difference swap agreement with The Goldman Sachs Group, Inc. Details of the swap at September 30, 2009 are as follows:

<u>Notional Amount</u>	<u>Equity Security Received</u>	<u>Interest Rate/ Equity Security Paid</u>	<u>Termination Date</u>	<u>Net Unrealized Depreciation</u>
\$2,679,933 (204,800 Shares)	Market Value Appreciation on: Cadbury plc	One Month LIBOR plus 90 bps plus Market Value Depreciation on: Cadbury plc	6/25/10	\$(52,799)

For open derivative instruments as of September 30, 2009, see the preceding tables, which are also indicative of activity for the year ended December 31, 2008.

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

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. At September 30, 2009, there were no open futures contracts.

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

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund’s portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. At September 30, 2009, there were no open forward foreign exchange contracts.

3. Tax Information. At December 31, 2008, the Fund had net capital loss carryforwards for federal income tax purposes of \$22,445,283, which are available to reduce future required distributions of net capital gains to shareholders through 2016.

Under the current tax law, capital losses related to securities and foreign currency realized after October 31 and prior to the Fund’s fiscal year end may be treated as occurring on the first day of the following year. For the year ended December 31, 2008, the Fund deferred capital losses of \$2,960,639.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

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

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

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

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

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

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

Voluntary Cash Purchase Plan

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

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

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

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

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

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

Trustees

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

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

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

Mario d'Urso
Former Italian Senator

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

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

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

Edward T. Tokar
Senior Managing Director,
Beacon Trust Company

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

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

Officers

Bruce N. Alpert
President

Carter W. Austin
Vice President

Peter D. Goldstein
Chief Compliance Officer

Agnes Mullady
Treasurer & Secretary

Investment Adviser

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

Custodian

State Street Bank and Trust Company

Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

Transfer Agent and Registrar

Computershare Trust Company, N.A.

Stock Exchange Listing

	5.875%	6.00%
	<u>Common</u>	<u>Preferred</u>
NYSE-Symbol:	GDV	GDV PrA
Shares Outstanding:	83,478,637	3,048,019
		<u>Preferred</u>
		GDV PrD
		2,542,296

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

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

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

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 7.5% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

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Third Quarter Report
September 30, 2009